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**1963**

**BROWN COMPANY**  
**ANNUAL REPORT**



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# BROWN COMPANY

## HIGHLIGHTS OF THE REPORT

	<i>Year Ended November 30</i>	
	<b>1963</b>	1962
Net Sales . . . . .	<b>\$67,888,289</b>	\$57,454,679
Net Income Before Taxes . . . . .	<b>\$ 2,371,612</b>	\$ 730,602
Net Income . . . . .	<b>\$ 2,371,612</b>	\$ 730,602
Dividends Paid . . . . .	<b>\$ 1,052,235</b>	\$ 1,018,184
Net Working Capital at End of Year . . . . .	<b>\$19,318,695</b>	\$17,290,811
Ratio of Current Assets to Current Liabilities . . . . .	<b>3.8 to 1</b>	3.9 to 1
Depreciation and Depletion Charges . . . . .	<b>\$ 3,550,193</b>	\$ 3,850,809
Cash Flow from Operations . . . . .	<b>\$ 5,921,805</b>	\$ 4,581,411
Total Assets, Year End . . . . .	<b>\$63,186,252</b>	\$61,479,651
Total Fixed Assets, Net, Year End . . . . .	<b>\$35,260,474</b>	\$36,014,495
Expenditures for Plant and Equipment, Gross . . . . .	<b>\$ 3,208,621</b>	\$ 5,011,504
Long-Term Indebtedness . . . . .	<b>\$ 3,611,600</b>	\$ 3,821,900
Stockholders' Equity at End of Year . . . . .	<b>\$51,211,200</b>	\$50,127,773
<b>Per Share of Common Stock:</b>		
Earnings . . . . .	<b>\$ .96</b>	\$ .29
Dividends Paid . . . . .	<b>.42½</b>	.40
Stockholders' Equity . . . . .	<b>20.74</b>	20.20
Cash Flow . . . . .	<b>2.40</b>	1.81
Total Shares Common Stock Outstanding, Year End . . . . .	<b>2,469,400</b>	2,481,000
Number of Stockholders . . . . .	<b>7,001</b>	7,895
Acres of Timberlands Owned at End of Year . . . . .	<b>617,955</b>	624,507
Average Number of Employees . . . . .	<b>3,838</b>	3,381
Payrolls and Employees Benefits . . . . .	<b>\$23,391,678</b>	\$20,484,236

**Note:** Amounts for 1963 include the operations of the American Writing Paper Division which was acquired on December 31, 1962.

### STOCKHOLDERS' MEETING

The Annual Meeting of Stockholders will be held on Tuesday, April 21, 1964 at 2:00 p.m. at the Eastland Motor Hotel, in Portland, Maine.

## **BOARD CHAIRMAN'S LETTER**



### **TO THE STOCKHOLDERS:**

A little more than a year has passed since I was elected a member and Chairman of your Board of Directors. In the interval I have confirmed my earlier belief that your Company has distinctive assets which, properly managed in your interest, can make them quite profitable. Amongst your Company's principal assets are a long-established reputation for producing quality products, adequate and low-cost raw materials, valuable and low-cost hydroelectric power and a strong financial capability. Additionally, the Company's largest investment, its pulp and paper mills, enjoys a favorable geographic location in the Northeast markets.

In appraising these assets it becomes clearer and clearer that a substantial revision of the Berlin-Cascade pulp and paper mill complex should be undertaken in the interest of a more efficient operation.

An important step recently taken which simplifies operation at Berlin was the decision to strengthen the Bermico Division by closing down the uneconomic Berlin fibre pipe plant and making a moderate expansion at our new plant at Mount Holly, New Jersey.

Plans for the development of an aggressive and appropriate Sales Program have been initiated. The American Writing Paper Division has improved significantly your Company's market position. Whatever changes are necessary in organizational structure to insure maximum effectiveness will be made.

Our Cost Reduction Program, already showing great benefits, will be continued vigorously.

No doubt you have heard some of the many rumors regarding mergers and acquisitions involving Brown. Most of these are unfounded. There have been, nevertheless, some meritorious ideas. It is your management's policy to be alert and ready to investigate whatever might be of benefit to you, its shareholders. Until now no proposal of merger or acquisition has been discussed which, in the judgment of your Board of Directors, would be of sufficient benefit to warrant consideration by the owners of Brown.

Considerable progress for the more profitable use of the Company's assets will be evident to you as you read your President's Report and the pages that follow. An example of our work along these lines was the sale in 1963 of unneeded and unprofitable Resi-Chem assets. Our firm objective is to make further improvements in your interest.

It is gratifying to note that the shares of your Company have been moving into strong and knowledgeable ownership.

General conditions in the Pulp and Paper Industry are more favorable than for several years past. Assuming their continuance, we look forward to a more profitable year in 1964.

Thank you for your support — I shall keep you informed of our plans and results.

Sincerely,

*William L. Keedy*  
Chairman of the Board

February 19, 1964



Chairman of the Board William L. Keady (right), and President Leonard A. Pierce discuss sheet formation of creped kraft towel paper made on the 196" paper machine in background. This machine, located at the Cascade paper mill in Gorham, N.H., produces a mile of towel paper fifteen feet wide every four minutes.

## **PRESIDENT'S LETTER**

### **TO OUR STOCKHOLDERS:**

Earnings in 1963 were \$.96/share with no federal tax provision. The normal federal tax provision, which was not required because of a loss carryforward, would have reduced earnings to \$.60/share in comparison with the \$.29 earned in 1962.

Your management is by no means satisfied with these results. This level of earnings is far short of that which we have set as our goal and which we believe to be the true earning capacity of Brown Company; in the overall picture, our net return on investment is much too low.

The profit improvement in 1963 can be attributed to a number of things. First, we eliminated the heavy drain on earnings resulting from operation of our Sulphite Pulp Mill, the original Brown

Company pulp mill built in 1892, by its permanent shutdown last March 30th. Stockholders were told last year of the management decision that this mill had to go in the best interest of stockholders and the long-range future of the Company. Any amputation of this magnitude (during recent years this mill had made \$7,000,000 of sulphite pulp annually) was bound to have its effect on the Company's operations, its employees, and the community in general. From the Company point of view, however, we eliminated heavy operating losses and also federal income taxes for several years due to the tax credit.

A second factor has been the contribution to income made by the American Writing Paper Division purchased by the Company a year ago. This investment has lived up to the expectations which we had at the time of acquisition, and we expect its profitability to increase as time passes. The fine papers made by "Eagle-A" mesh nicely into the sales effort for Nibroc papers, and enable our Sales Department to offer a more complete line of paper products to customers and merchants.

To amplify Mr. Keady's brief paragraph on cost reduction, I can point out that the cost of our pulpwood is lower than at any time in more than five years. In 1963, we improved the efficiency of the chemical recovery system for the kraft pulp mill by ten per cent. We have converted one of the major steam plants from coal to oil with consequent economies. The program for increasing the versatility of our paper machines continues. We have changed to bulk handling and storage of clay, starch, and lacquer. Along another line, a major revision on our big towel paper machine has materially reduced waste and increased conversion efficiency.

In looking ahead to 1964, we have the startup of the large new Bermico fibre pipe plant in Mount Holly behind us and earnings from that source will help our cause during 1964 and thereafter. Also, the new, modern tissue paper machine, which started in mid-1962, has now been well run in and, despite poor prices for this product, will help future earnings. Still on an optimistic note, I am pleased to report that we have been able to effect a few modest price increases during the past few months in some of our lines.

We face major labor negotiations this spring as a result of the forthcoming expiration of the current two-year contract covering Berlin plant employees. We expect that these will be concluded to the mutual advantage of both the Company and its employees, with some contract changes which will permit us to operate with greater flexibility during periods of curtailed employment while at the same time preserving a large degree of job security to employees with greatest seniority.

I believe that the recent action of the Board of Directors in increasing the quarterly dividend to 15 cents per share (\$.60 annually) is a reflection of the confidence of the Board and management in a continued improvement in earnings of your Company.

Sincerely yours,

*Leonard A. Purio*  
President

February 19, 1964

## SUMMARY REPORT

### EARNINGS

Earnings in 1963 were \$2,371,612 (\$.96/share), an increase of \$1,641,010 (\$.67/share) from 1962. The loss carryforward from the abandonment of the sulphite pulp mill was sufficient to avoid any requirement for a federal income tax provision in 1963. If such a provision had been required, earnings would have been reduced by \$900,000 (\$.36/share). At the start of 1964, there remains \$1,500,000 of the abandonment loss; a tax provision will be required for earnings in excess of that amount in 1964.

### SALES

Sales in 1963 amounted to \$67,888,289, the highest for the Company since 1951. Included, however, for the first time in 1963 were the sales of the American Writing Paper Division which was purchased on December 31, 1962. Terminal sales of sulphite pulp inventories totaled \$2,200,000; these inventories were liquidated by year end.

### FINANCIAL

The financial position of the Company at the end of 1963 was stronger than a year earlier. Cash and short term securities at year end amounted to \$6,509,357, an increase of \$1,284,825 from 1962. Working capital of \$19,318,695 was 12% higher than a year ago and the highest since 1955. Current ratio remained about the same (3.84 to 1). The Company's long term debt at the end of the year was \$3,611,600. Stockholders' equity (net worth) rose \$1,083,427 from a year ago to \$51,211,200 at year end (\$20.74/share).

In December 1962, the Company purchased 11,600 shares of its own common stock on the open market and retired them; no purchases have been made since that time. At November 30, 1963, there were 2,469,400 shares of common stock outstanding.

Capital expenditures for the year amounted to \$3,208,621, including \$1,000,000 for the plants of the American Writing Paper Corporation. Other than this acquisition, major capital items included completion of the new bituminous fibre pipe plant in New Jersey, expansion and modernization of sections of the plywood mill, and modernization of the paper mills in New Hampshire. At year end, the capital project backlog was \$426,000, the lowest in many years.

Balance sheet changes in inventories, accounts receivable, and accounts payable from a year ago are primarily the result of the addition of the American Writing Paper Division and the elimination of the sulphite operations.

### DIVIDENDS

Dividends paid were 10¢/share for the first three quarters and 12½¢/share for the final quarter of the fiscal year. On December 1, 1963 the dividend rate was raised to 15¢/share and the same dividend has been declared payable March 1, 1964.

## SOURCE AND APPLICATION OF FUNDS

Year Ended November 30, 1963

### Source of Funds:

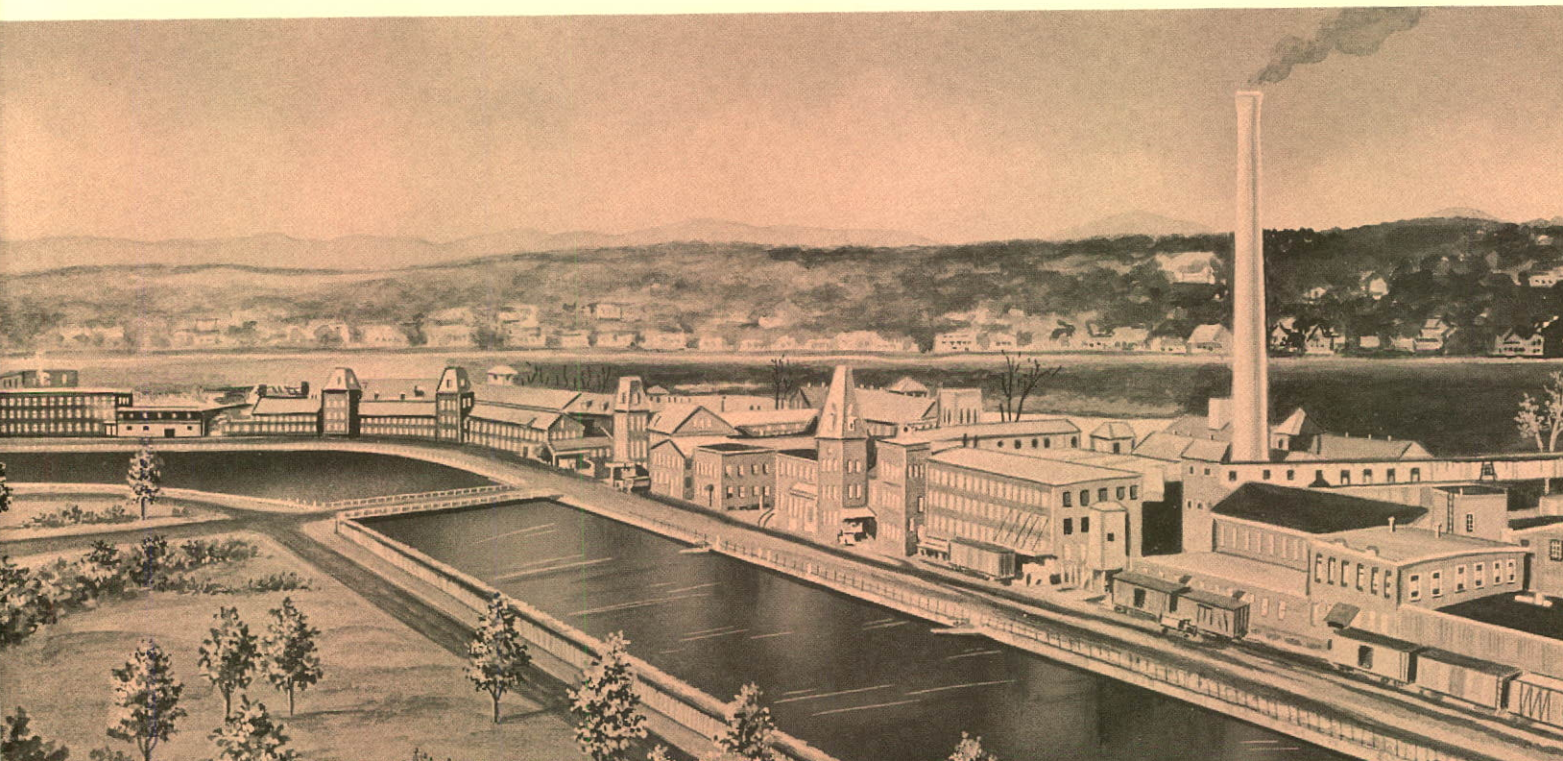
Operations:	
Net income for the year . . . . .	\$2,371,612
Provision for depreciation and depletion . . . . .	3,550,193
Other non-cash adjustments . . . . .	37,244
Total from operations . . . . .	\$5,959,049
Refund of federal income taxes, less amounts paid . . . . .	1,014,464
Proceeds from sales of fixed assets . . . . .	580,715
Increase in accounts payable and accrued expenses . . . . .	810,700
Other (net) . . . . .	71,266
	8,436,194

### Application:

Additions to fixed assets . . . . .	3,208,621
Dividends paid . . . . .	1,052,235
Purchase of 11,600 shares of common stock . . . . .	115,220
Purchase of 4½% debentures . . . . .	26,045
Increase in inventories . . . . .	1,902,807
Increase in accounts receivable . . . . .	846,441
	7,151,369

Excess, representing increase in cash and marketable securities	\$1,284,825
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The American Writing Paper Division mills in Holyoke, Massachusetts manufacture fine papers for business, printing and technical purposes. Mills at left in the drawing below manufacture fine writing and printing papers from both cotton fibers and wood pulp. The Division's general offices are located in flat-roofed building in the center of the picture. Next mill (to right with pointed tower) manufactures high-quality papers from wood pulp for converting, advertising and business use. Last mill (at right) is a specialty board unit. Not shown is still another mill in Holyoke, in which cotton fiber papers for technical, industrial and business uses are made.





# BROWN COMPANY

## ASSETS

	November 30	
	1963	1962
<b>Current assets:</b>		
Cash . . . . .	\$ 2,075,446	\$ 1,632,205
Short-term marketable securities, at cost (approximate market) . . . . .	4,433,911	3,592,327
Accounts receivable, less allowance for doubtful balances . . . . .	7,141,487	6,295,046
Refundable federal income taxes . . . . .	—	1,235,000
Inventories (Note 2):		
Pulpwood, logs and logging operations in progress . . . . .	1,259,874	1,783,913
Other materials and supplies . . . . .	5,442,525	3,553,006
Paper and other manufactured products . . . . .	4,864,702	4,327,375
Total inventories . . . . .	11,567,101	9,664,294
Prepaid expenses . . . . .	904,202	841,917
<u>Total current assets</u> . . . . .	<u>26,122,147</u>	<u>23,260,789</u>
<b>Fixed assets (Note 3):</b>		
Land and buildings . . . . .	19,050,025	18,539,036
Machinery and equipment . . . . .	53,353,923	50,806,111
Construction in progress . . . . .	340,250	1,950,375
	72,744,198	71,295,522
Less—Depreciation . . . . .	39,918,798	37,812,503
	32,825,400	33,483,019
Timberlands . . . . .	8,621,112	8,647,576
Less—Depletion . . . . .	6,186,038	6,116,100
	2,435,074	2,531,476
<u>Total fixed assets</u> . . . . .	<u>35,260,474</u>	<u>36,014,495</u>
<b>Other assets:</b>		
Estimated salvage value of facilities to be disposed of . . . . .	844,289	1,100,000
Other assets and deferred charges . . . . .	959,342	1,104,367
	1,803,631	2,204,367
	<u>\$63,186,252</u>	<u>\$61,479,651</u>



# BALANCE SHEET

## LIABILITIES AND CAPITAL

	November 30	
	<u>1963</u>	<u>1962</u>
<b>Current liabilities:</b>		
Accounts payable . . . . .	\$ 5,423,355	\$ 4,577,555
Accrued expenses . . . . .	826,387	861,487
Dividend payable . . . . .	370,410	249,680
Funded debt payable within one year . . .	183,300	—
Federal income taxes (Note 6) . . . . .	—	281,256
<u>Total current liabilities . . . . .</u>	<u>6,803,452</u>	<u>5,969,978</u>
<b>Funded debt:</b>		
4½% Debentures maturing June 15, 1975 (\$213,000 payable annually from 1965 to 1974) . . . . .	<u>3,611,600</u>	<u>3,821,900</u>
<b>Deferred income taxes . . . . .</b>	<u>1,560,000</u>	<u>1,560,000</u>
<b>Capital and retained earnings:</b>		
Common stock, par value \$1 per share:		
Authorized—3,500,000 shares		
Issued—2,507,050 shares at November 30, 1963, 2,518,650 at November 30, 1962 (Note 4) . . . . .	2,507,050	2,518,650
Other capital, in excess of par value of common stock . . . . .	9,203,548	9,307,168
Retained earnings (Note 5) . . . . .	40,141,957	38,943,310
	<u>51,852,555</u>	<u>50,769,128</u>
Less—Cost of 37,650 shares of issued com- mon stock held in treasury . . . . .	641,355	641,355
<u>Total capital and retained earnings . . .</u>	<u>51,211,200</u>	<u>50,127,773</u>
	<u>\$63,186,252</u>	<u>\$61,479,651</u>



## BROWN COMPANY

### STATEMENT OF INCOME

	<u>Year ended November 30</u>	
	<u>1963</u>	<u>1962</u>
Sales, less discounts, returns and allowances . . . . .	\$67,888,289	\$57,454,679
Materials, services and other manufacturing costs, selling, general, administrative and research expenses — including depreciation and depletion of \$3,550,193 in 1963, \$3,850,809 in 1962 . . . . .	65,579,615	56,458,205
Net operating income . . . . .	<u>2,308,674</u>	<u>996,474</u>
Other income (charges):		
Portion of loss on disposal of sulphite pulp and sawmill facilities (Note 6) . . . . .	—	(245,000)
Net gains on disposal of other plant and timberland properties . . . . .	137,456	28,439
Interest on funded debt . . . . .	(171,944)	(176,597)
Other interest — net . . . . .	45,106	106,923
Miscellaneous — net . . . . .	52,320	20,363
	<u>62,938</u>	<u>(265,872)</u>
<u>Net income</u> (Notes 2 and 6) . . . . .	<u>\$ 2,371,612</u>	<u>\$ 730,602</u>

### STATEMENT OF OTHER CAPITAL AND RETAINED EARNINGS

Year Ended November 30, 1963

	<u>Other capital</u>	<u>Retained earnings</u>
Balance, November 30, 1962 . . . . .	\$ 9,307,168	\$38,943,310
Net income . . . . .		2,371,612
Cash dividends declared — 47½ cents per share		(1,172,965)
Excess of cost over par value of 11,600 shares of common stock purchased and retired . . . . .	(103,620)	
Balance, November 30, 1963 . . . . .	<u>\$ 9,203,548</u>	<u>\$40,141,957</u>

## Notes to Financial Statements

### Note 1—Acquisition of American Writing Paper Corporation Assets and Business

As of December 31, 1962 Brown Company acquired for approximately \$3,200,000 in cash the inventories, fixed assets and business of American Writing Paper Corporation. The operating results of this business are included in the accompanying statement of income since the date of acquisition.

### Note 2—Inventories

Inventories of pulpwood, amounting to \$662,864 as at November 30, 1963, are stated at cost determined by the last-in, first-out method of valuation. Otherwise the inventories are stated on the basis of cost or market, whichever lower, cost representing actual, current average or current standard cost. As a result of the liquidation during 1963 of a significant portion of the LIFO inventories of softwood pulpwood, carried at costs appreciably less than current average cost, net income for the year has been increased by approximately \$185,000. The reduced inventories are considered to be well balanced to the company's needs and no replacement of the liquidated quantities is anticipated. This liquidation was not occasioned by or related to the discontinuance of sulphite pulp manufacture.

### Note 3—Fixed Assets

Land, buildings, machinery and equipment are carried substantially at cost, less depreciation provided. Timberlands are carried at appraisal value determined in 1904, plus subsequent purchase acquisitions at cost, less depletion based on timber cut.

### Note 4—Stock Options

At November 30, 1962 options to purchase 75,954 shares of the company's common stock were held by certain officers and employees under the company's restricted stock option plan. During the year ended November 30, 1963 options for 7,876 shares expired due to termination of employment and an additional option was granted for 24,694 shares at a price of \$9.46 per share. No options were exercised during the year. At November 30, 1963 options were outstanding for 92,772 shares at prices ranging from \$9.46 to \$17.72 per share, an aggregate of \$1,066,162. The options, granted from 1955 to 1963, are exercisable during a nine year period beginning one year from the date granted. At November 30, 1963 there was a balance of 18,356 shares available for possible future option under the plan, at a price not less than 85% of the fair market value of the stock at the time the option is granted.

### Note 5—Dividend and Other Restrictions

In the indenture covering the company's 4½% debentures there are restrictions on the payment of cash dividends on the company's common stock and on the application of any property or assets to the purchase or retirement of its common stock. As of November 30, 1963 such payments and applications were restricted to approximately \$3,900,000.

### Note 6—Federal Income Taxes

As a result of the carry-over from 1962 of the loss from disposal of sulphite pulp and sawmill facilities, no provision is required for federal income taxes for the year ended November 30, 1963. Had the loss carry-over not been available the charges to income for 1963 federal income taxes currently payable and for deferred income taxes (in recognition of the excess of depreciation for tax purposes over that recorded on the books) would have totaled approximately \$900,000, and net income would have been reduced by the same amount. As of November 30, 1963 the balance of the loss carry-over is such that the company has approximately \$1,500,000 of reportable future earnings free of charges for federal income taxes either currently payable or deferred.

Most of the 1962 loss from disposal of sulphite pulp and sawmill facilities was charged to retained earnings in that year. The portion charged to 1962 income (\$245,000) is equivalent to the amount of federal income taxes which, except for the loss, would have been incurred for that year.

### Note 7—Retirement Plans for Employees

The currently estimated amount required to complete the funding of past service cost under Brown Company's retirement plans for employees is approximately \$4,400,000 (including \$200,000 relating to plans assumed during the year from American Writing Paper Corporation).

## Report of Independent Accountants

*To the Board of Directors and Stockholders of Brown Company*

In our opinion, the accompanying balance sheet and statements of income and of other capital and retained earnings present fairly the financial position of Brown Company at November 30, 1963 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our examination also encompassed the statement of source and application of funds for the year ended November 30, 1963 (appearing on page 5), which is presented as supplementary financial information, and, in our opinion, such statement presents fairly the information shown therein.

PRICE WATERHOUSE & CO.

Boston, Massachusetts  
January 10, 1964



## BROWN COMPANY

### TEN-YEAR FINANCIAL REVIEW

#### OPERATING DATA

	1963	1962	1961
Net Sales . . . . .	\$67,888	\$57,455	\$56,272
Operating Income . . . . .	2,309	996	2,215
Income Before Taxes . . . . .	2,372	731	2,291
Income Taxes . . . . .	—	—	820
Net Income . . . . .	2,372	731	1,471
Depreciation and Depletion . . . . .	3,550	3,851	3,892
Cash Flow (income plus depreciation and depletion) . . . . .	5,922	4,581	5,363
Capital Expenditures, gross . . . . .	3,209	5,012	2,660

#### BALANCE SHEET DATA

Working Capital . . . . .	\$19,319	\$17,291	\$18,811
Current Ratio . . . . .	3.8	3.9	4.3
Plant and Equipment, net . . . . .	32,825	33,483	41,080
Timberlands, net . . . . .	2,435	2,531	2,634
Total Fixed Assets, net . . . . .	35,260	36,014	43,714
Total Assets . . . . .	63,186	61,480	69,350
Long-Term Debt (due after one year) . . . . .	3,612	3,822	4,028
Stockholders' Equity			
Preferred Stocks . . . . .	—	—	—
Common Stock . . . . .	51,211	50,128	58,020

#### COMMON STOCK

Common Shares Outstanding—end of year . . . . .	2,469,400	2,481,000	2,562,681
Number of Stockholders . . . . .	7,001	7,895	7,929
Per Share			
Earnings . . . . .	\$ .96	\$ .29	\$ .57
Dividends Paid . . . . .	42½	.40	—
Book Value (equity) . . . . .	20.74	20.20	22.64
Cash Flow . . . . .	2.40	1.81	2.08

Note: Amounts for 1954 include the operations of Brown Corporation, Brown Company's wholly-owned subsidiary, which sold its assets on December 1, 1954.

Amounts for 1963 include the operations of the American Writing Paper Division which was acquired on December 31, 1962.

(a) In addition, a stock dividend of 2% was paid on March 1, 1959.

Years ending November 30  
(\$000 omitted)

1960	1959	1958	1957	1956	1955	1954
\$59,173	\$58,888	\$55,408	\$61,158	\$59,683	\$53,821	\$66,970
2,604	1,328	1,776	3,504	4,611	3,343	6,573
2,287	944	1,390	3,180	4,572	3,380	5,941
940	230	94	1,100	1,960	1,350	2,530
1,347	714	1,296	2,080	2,612	2,030	3,411
3,699	3,460	3,185	2,856	2,433	2,116	3,081
5,046	4,174	4,481	4,936	5,045	4,146	6,492
2,565	3,600	2,302	8,059	10,827	5,966	5,108
\$16,890	\$14,696	\$14,918	\$13,350	\$19,126	\$27,070	\$17,484
4.1	2.9	3.2	2.4	3.1	3.7	2.6
42,322	43,542	43,243	44,065	38,813	30,398	34,994
2,743	2,812	2,914	2,909	3,053	3,129	5,315
45,065	46,354	46,157	46,974	41,866	33,527	40,309
68,877	70,070	69,259	71,390	71,867	71,390	70,073
4,229	4,377	4,677	4,863	5,059	5,181	12,000
—	—	—	—	—	—	17,051
57,632	56,546	56,644	56,012	56,587	55,374	29,263
2,621,981	2,638,981	2,588,651	2,588,651	2,592,451	2,606,765	2,000,727
8,593	8,173	7,622	7,648	7,114	5,852	N.A.
\$ .51	\$ .27	\$ .50	\$ .80	\$ 1.01	\$ .81	\$ 1.24
—	.30(a)	.55	1.00	1.00	.25	—
21.98	21.43	21.88	21.64	21.83	21.24	14.63
1.91	1.59	1.73	1.91	1.95	1.73	2.79



## DIRECTORS

- IRVING B. HAASS *New York, N.Y.*  
Partner—David J. Greene and Company  
Members New York Stock Exchange
- HUGH D. JORDAN *Berlin, N. H.*  
Vice President and Treasurer
- WILLIAM L. KEADY *Berlin, N. H.*  
Chairman of the Board
- CHARLES P. MCTAGUE, Q.C. *Toronto, Ontario*  
Counsel: White, Bristol, Beck & Phipps
- LEONARD A. PIERCE *Berlin, N. H.*  
President
- HENRY F. SCHEETZ, JR. *Pittsburgh, Pa.*  
Partner—Penn Pacific Company
- FRED C. SCRIBNER, JR. *Portland, Maine*  
Lawyer—Pierce, Atwood, Scribner,  
Allen & McKusick
- JOHN L. SULLIVAN *Manchester, N. H.*  
Lawyer—Sullivan & Wynot (Manchester, N.H.)  
Sullivan, Shea & Kenney  
(Washington, D.C.)
- GENE TUNNEY *New York, N. Y.*  
Chairman of the Board, The McCandless Corp.

## OFFICERS

- WILLIAM L. KEADY  
Chairman of the Board
- LEONARD A. PIERCE  
President
- JOSEPH H. TORRAS  
Executive Vice President
- GEORGE CRAIG  
Vice President—Engineering
- CLARENCE S. HERR  
Vice President—Woodlands
- HUGH D. JORDAN  
Vice President and Treasurer
- JOHN W. JORDAN  
Vice President and Secretary
- CHARLES L. KIRKPATRICK  
Vice President—American Writing Paper Division
- JOHN J. McDONALD  
Vice President—Floc and Chemical Division
- MALCOLM T. MURRAY  
Vice President—Bermico Division
- ALLIE E. SALLS  
Vice President—Plywood Division
- HARRIS O. WARE  
Vice President and Technical Manager
- ALEXANDER B. WALKER  
Controller and Assistant Treasurer
- EDWARD J. REICHERT  
Assistant Secretary
- CHARLES W. ALLEN  
Clerk

### General Office

Berlin, New Hampshire

### Sales Offices

757 Third Avenue, New York 17, N. Y.  
150 Causeway Street, Boston 14, Massachusetts  
Prudential Plaza, Chicago 1, Illinois

### Principal Plants

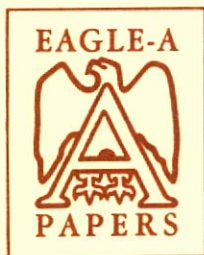
Berlin and North Stratford, N. H.; Holyoke,  
Massachusetts; Birmingham, Alabama; Mount Holly,  
New Jersey; Corvallis, Oregon

### Auditors

Price Waterhouse & Co., Boston, Massachusetts

## PRODUCTS OF BROWN COMPANY

### PAPERS



Five major categories of papers are manufactured on seventeen paper machines located in Brown Company mills at Berlin, New Hampshire and Holyoke, Massachusetts.

**Converting papers** Bleached and natural kraft papers for flexible packaging, decorative and electrical plastic laminates, abrasive backing, pressure sensitive and gummed tapes, oil and grease proof packaging grades, envelopes, battery separators, paper board for match splints, box board, special webs for latex impregnation, and impregnated papers.

**Technical-industrial** Reproduction, blueprint, direct process, drawing, tracing, negative, intermediate, meter and chart, and special purpose sensitizing papers.

**Business papers** Fine cotton fiber and sulphite papers for all business office and professional use, including bond, onion skin, manifold, mimeo, ledger and index, and a complete line of boxed typewriter papers.

**Printing papers** Offset book papers, papaterie and vellum, cover and text, end leaf, salesbook bond, map, duplicating, and tablet.

**Towels and tissues** A complete line of bleached and natural kraft paper towels, with dispensers; facial grade tissues for converting; sanitary toilet tissue; wipers for industrial, printing and dairy farm use.

### HARDWOOD PLYWOOD

Veneer and hardwood plywood from yellow birch, maple and oak is manufactured at North Stratford, N. H. for interior paneling, in homes, offices and mobile homes and for flush doors and cabinets. In addition to native hardwoods, fancy walnut, cherry and elm plywoods are also produced. A large part of this plywood is prefinished in a variety of natural and color finishes.

### BERMICO PIPE

Bituminous fiber pipe and conduit, with fittings, is manufactured at Corvallis, Oregon; Birmingham, Alabama; Mount Holly, New Jersey and Berlin, N. H. These products are used for house to street sewer laterals, septic tank disposal fields, underdrains for foundations, for land drainage, and for underground electrical and communication wiring installations beneath city streets, airport runways and other locations.

### SOLKA FLOC

Floc is a highly purified wood cellulose powder used in cigarette filters, for coating welding rods, as an additive in rubber, floor tile and plastics. It is also a filter agent used in medical research, and in the chemical, oil and food industries.

*The paper used for the pages of this Annual Report is NIBROC BROOKSHIRE offset, basis 80, regular finish, produced at Berlin, N. H.*

*The covers are EAGLE-A QUALITY COVER, RADIANT WHITE, Satin Finish, basis 80, produced at Holyoke, Mass.*



**BROWN COMPANY**