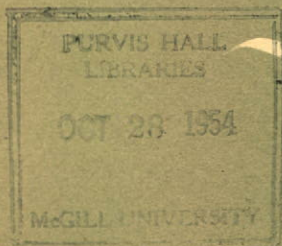




## **EDDY PAPER COMPANY LIMITED**

*and its wholly owned subsidiary, The E. B. Eddy Company*



# *Annual Report 1947*



*the cover*

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*The painting on the cover is a reproduction of the painting "Logs on the Gatineau River," a colourful and graphic representation of raw material being floated to the mills of The E. B. Eddy Company, executed by the prominent contemporary Canadian painter, Mr. Henri Masson.*

*A*nnual Report

*for the year ended December 31st, 1947*

*of Eddy Paper Company Limited*

*and its wholly owned subsidiary,*

*The E. B. Eddy Company*



# EDDY PAPER COMPANY LIMITED

## *directors*

H. J. COON	H. W. LOFFT
G. GORDON GALE	R. A. ROBERTSON
C. L. GUNDY	W. GARFIELD WESTON
W. S. KIDD	GEORGE C. WINLOW

## *officers*

<i>Chairman of Board</i>	W. GARFIELD WESTON
<i>President</i>	G. GORDON GALE
<i>Vice-President and General Manager</i>	W. S. KIDD
<i>Vice-President</i>	JOHN F. TAYLOR
<i>Secretary and Treasurer</i>	R. F. CALDWELL
<i>Assistant Secretary</i>	E. L. MILKS
<i>Chief Accountant</i>	H. E. REID

## *transfer agents*

MONTREAL TRUST COMPANY  
*Halifax, Montreal, Toronto, Winnipeg and Vancouver*

THE MARITIME TRUST COMPANY  
*Saint John*

## *registrars*

THE TORONTO GENERAL TRUSTS CORPORATION  
*Montreal, Toronto, Winnipeg and Vancouver*  
*and its agents at Halifax and Saint John*

## *general administrative offices*

HULL, QUEBEC



*to the shareholders:*

Your directors beg to submit herewith the Consolidated Balance Sheet of your Company and its wholly owned subsidiary, The E. B. Eddy Company, as at December 31, 1947, and Statement of Consolidated Profit and Loss and Earned Surplus for the year 1947, together with the Auditors' report thereon.

*earnings*

Net Profit, after all charges including Income and Excess Profits taxes, of your wholly owned operating subsidiary, The E. B. Eddy Company, amounted to \$575,783. After deduction for sundry expenses of your Company, \$11,026, and the payment of the regular quarterly dividends of 25 cents per share on the Class "A" shares of your Company, amounting to \$200,000 in 1947, Earned Surplus at December 31, 1947, was \$517,495. The amount of \$891,449 has been provided by The E. B. Eddy Company for depreciation and depletion, an increase of \$404,951 over the previous year.

*operations*

All production units were operated at the maximum attainable throughout 1947 and records were established in a number of departments. The demand exceeded production by a considerable margin and efforts are continuing with a view to further expansion of production and to increased efficiency.



### *capital expenditures*

During the year The E. B. Eddy Company expended \$1,344,658 on capital account for expansion of pulp production, improvement in the quality of products, cost reduction and necessary replacements.

Your directors are arranging for the sale of bonds to reimburse the Company in part for capital expenditures made and to provide funds for continuation of the construction program.

### *retirement income plan*

The E. B. Eddy Company adopted a Retirement Income Plan for its employees effective December 31, 1947. Under this Plan the Company will pay the full cost of Past Service benefits and will share with the employees the cost of Future Service benefits.

It is gratifying to note that the employees have exhibited appreciation of the Plan and confidence in the Company by the fact that 98% of the eligible employees have signed applications for participation in the Plan.

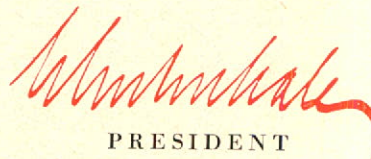
### *outlook*

The level of production and sales is high and continued shortages of consumer goods at home and abroad promise a continuation of these activities, while the complexities of international affairs surround the future with some uncertainty.

### *staff*

The Board of Directors acknowledge, with gratitude and appreciation, the loyal, faithful and efficient efforts of all employees throughout the year.

For the Board of Directors,

A handwritten signature in red ink, appearing to read "W. B. Eddy", is written over the printed name of the President.

PRESIDENT

FEBRUARY 6, 1948



*auditors' report  
to the shareholders*

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*We have examined the consolidated balance sheet of Eddy Paper Company Limited and its wholly owned subsidiary, The E. B. Eddy Company, as at December 31 1947 and the consolidated statement of profit and loss and earned surplus for the year ending on that date and have obtained all the information and explanations which we required. Our examination included such tests of the accounting records and other supporting evidence and such other procedures as we considered appropriate.*

*We report that, in our opinion, the attached consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of Eddy Paper Company Limited, and its wholly owned subsidiary as at December 31 1947, and that the related consolidated statement of profit and loss and earned surplus presents fairly the results of operations for the year ending on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.*

PRICE, WATERHOUSE & CO.  
GEO. A. WELCH & COMPANY, AUDITORS

Ottawa, February 3 1948



*consolidated balance sheet* — DECEMBER 31 1947

*assets*

CURRENT AND WORKING ASSETS:

Cash on hand and with bankers . . . . .	\$ 120,949	
Trade and other accounts receivable less reserve for bad debts of \$95,971 . . . . .	1,705,276	
Inventories, as determined and certified by the management —		
Raw materials and supplies at average cost . . . . .	\$1,813,141	
Finished stocks and goods in process at standard cost not in excess of actual cost . . . . .	699,288	
Logs in rivers, etc., and pulpwood in blockpiles at average cost . . . . .	3,050,056	
Expenditure on logging op- erations, season 1947- 1948, including logging facilities, less amounts written off . . . . .	2,171,602	
	<hr/>	7,734,087
Prepaid expenses. . . . .	144,609	
	<hr/>	\$9,704,921
MORTGAGES RECEIVABLE . . . . .		36,000
PROPERTIES, AT COST:		
Water power and rights . . . . .	\$ 895,691	
Land . . . . .	577,354	
Buildings, machinery and equip- ment (including those on lands not owned in fee simple) \$14,309,495		
Less: Reserve for Depreciation . . . . .	9,906,868	
	<hr/>	4,402,627
Additions and improvements in progress . . . . .	1,145,598	
	<hr/>	7,021,270
TIMBER LEASES AND LICENSES at book value as reinstated, plus acquisitions at cost, less depletion . . . . .		2,885,867
DEFERRED CHARGES . . . . .		62,924
GOODWILL, TRADE MARKS, ETC. . . . .		1
		<hr/>
		<u>\$19,710,983</u>

Approved on behalf of the Board:

G. GORDON GALE, Director

W. S. KIDD, Director



*liabilities*

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CURRENT LIABILITIES:

Bank overdraft . . . . .	\$ 440,121	
Demand loan . . . . .	2,805,000	
Accounts payable and accrued liabilities . . . . .	1,412,133	
Provision for Dominion, Provincial and Municipal taxes . . . . .	374,650	
		<u>\$ 5,031,904</u>
FIRST MORTGAGE SINKING FUND 3½% BONDS, SERIES "A" OF THE E. B. EDDY COMPANY DUE JUNE 15 1966 . . . . .		4,000,000
INVENTORY RESERVES . . . . .		584,514

CAPITAL STOCK:

Cumulative Convertible Non-Callable Class "A" shares		
<i>Authorized</i> —400,000 shares at \$20.00 per share . . . . .	\$8,000,000	
<i>Issued</i> —200,000 shares at \$20.00 per share . . . . .	\$4,000,000	
Common shares without nominal or par value		
<i>Authorized</i> —600,000 shares		
<i>Issued</i> —200,000 shares at \$20.00 per share . . . . .	4,000,000	
		<u>8,000,000</u>

SURPLUS ACCOUNTS:

Capital Surplus—		
Excess of net assets acquired over stated consideration paid therefor, including addition in 1947 of excess provisions prior to or in respect of acquisition of subsidiary Company, \$113,141. . . . .	\$1,577,070	
Earned Surplus at December 31, 1947, per statement attached . . . . .	517,495	
		<u>2,094,565</u>

\$19,710,983

*Submitted with our report to the Shareholders dated February 3 1948*

PRICE, WATERHOUSE & Co.  
GEO. A. WELCH & COMPANY      *Auditors*



*consolidated statement  
of profit and loss  
and earned surplus  
for the year ending  
December 31 1947*

Operating profit of The E. B. Eddy Company for year ending December 31 1947 before taking into account the items shown below		\$2,307,320
<i>Deduct:</i>		
Executive salaries . . . . .	\$ 76,583	
Legal fees . . . . .	505	
Bond interest . . . . .	140,000	
Instalment on account of past services under employees' retirement income plan . . . . .	150,000	
Provision for depletion . . . . .	43,863	
Provision for depreciation . . . . .	847,586	
	<hr/>	1,258,537
Provision for taxes on income . . . . .		1,048,783
		<hr/> 473,000
Net profit of The E. B. Eddy Company for the year . . . . .		575,783
<i>Deduct:</i> Transfer Agents' fees and other ex- penses of Eddy Paper Company Limited		11,026
Net Profit for the year . . . . .		<hr/> 564,757
Earned Surplus at December 31 1946 . . . . .	149,267	
<i>Add:</i> Overprovision in respect of charges to operations in 1946 . . . . .	3,471	
	<hr/>	152,738
Dividends of \$1.00 per share on Class "A" shares . . . . .		717,495
		<hr/> 200,000
EARNED SURPLUS AT DECEMBER 31 1947		<hr/> <hr/> \$517,495





★ *head office:* HULL, P.Q.

★ *sales offices*

- HALIFAX, N.S.
- SAINT JOHN, N.B.
- QUEBEC, P.Q.
- MONTREAL, P.Q.
- TORONTO, ONT.
- HAMILTON, ONT.
- LONDON, ONT.
- OTTAWA, ONT.
- KINGSTON, ONT.

● *agencies*

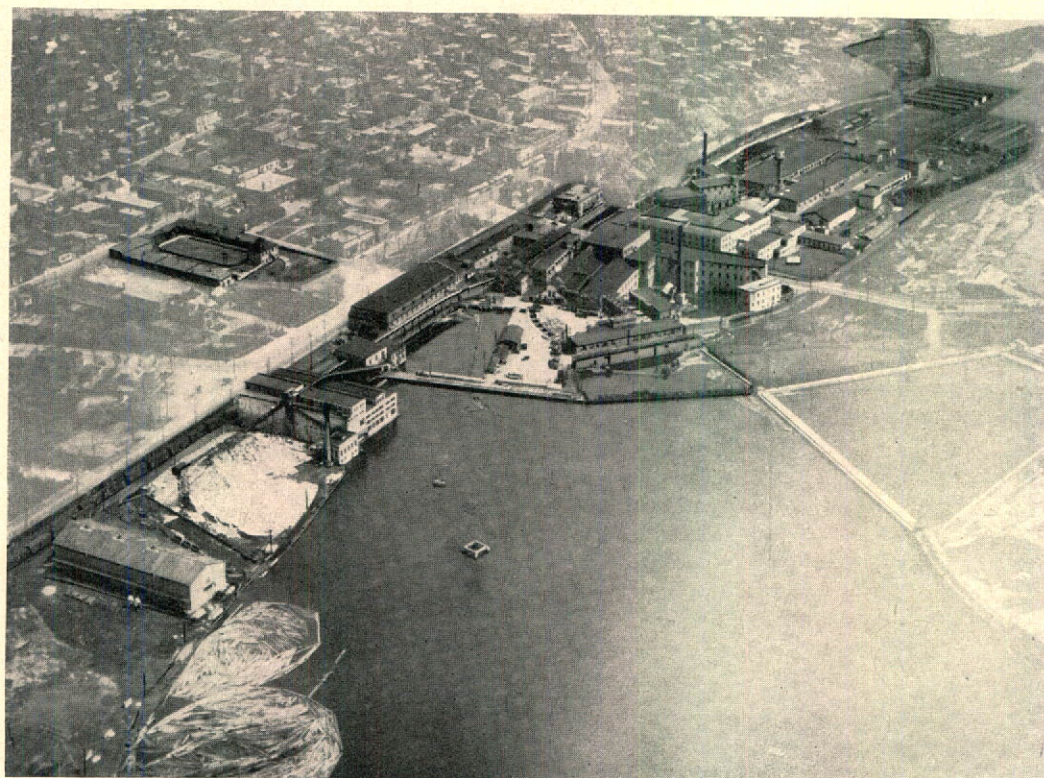
- FORT WILLIAM, ONT.
- WINNIPEG, MAN.
- REGINA, SASK.
- SASKATOON, SASK.
- CALGARY, ALTA.
- EDMONTON, ALTA.
- VANCOUVER, B.C.

*a coast-to-coast  
sales and distribution  
organization*

*In eastern Canada The E. B. Eddy Company maintain sales offices. In western Canada Tees & Persse Ltd. act as sales representatives. Export sales throughout the world are made through agents and brokers.*



*the mills of The E. B. Eddy Company*

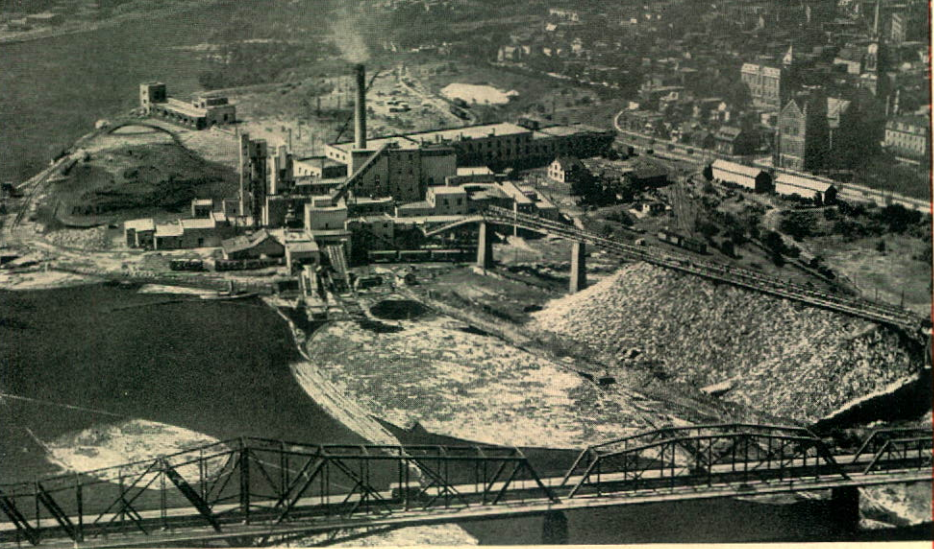


the upper mill  
at Hull, Quebec

the Ottawa mill  
at Ottawa, Ontario







the lower mill  
at Hull, Quebec

*statistics*

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<i>area of plant</i>	101 acres
<i>annual capacity</i>	150,000 tons
<i>annual power consumption</i>	200,000,000 kw. hrs.
<i>area of timber limits</i>	5,800 square miles
<i>annual pulpwood consumption</i>	180,000 cords







EDDY QUALITY PAPERS

It might be hard to imagine two objects seemingly more unrelated... Yet the straw you used to sip a soft drink this afternoon and the stamp you placed on that envelope this morning may both have started as rolls or sheets of paper from The E. B. Eddy Mills — paper made to exacting specifications for widely different uses.



POSTAGE STAMPS AND SODA STRAWS

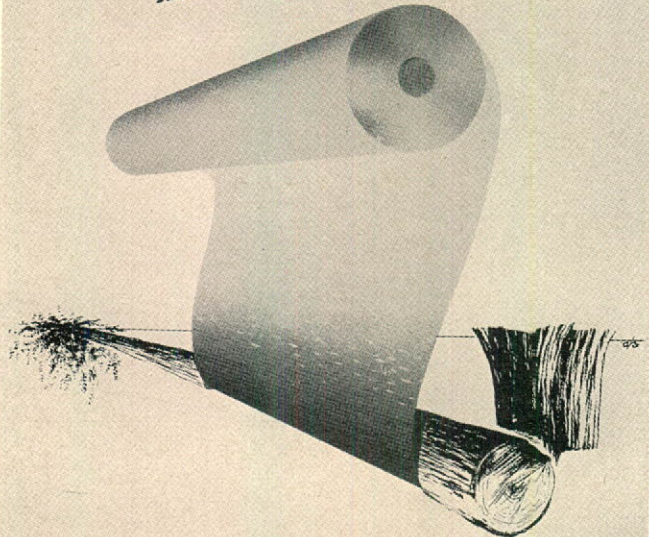


Ripwood carefully selected from The E. B. Eddy Company's own timber limits is converted into papers especially designed to serve almost every imaginable need in home and industry. Sheet manufacture of rigid standards has earned for Eddy Papers an enviable reputation for consistent quality.

EDDY QUALITY PAPERS



from selected logs to fine papers



EDDY QUALITY PAPERS

Used for business correspondence, inter-office communications and printed forms, Eddy Quality Papers do more than convey your words clearly and get things done promptly. Chemura Bond and other Eddy Papers reflect something of the friendliness of the human voice — and register a favourable impression of your business.



the visual voice of business

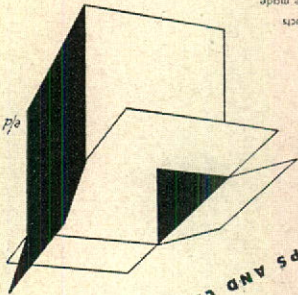


Hull, Canada  
The E. B. Eddy Company

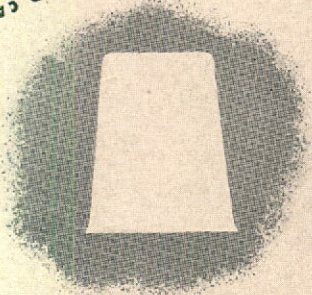


EDDY QUALITY PAPERS

You seldom see the brand names of the basic material, but many of the products you use every day were made of Eddy Papers or wrapped in them. The complete range of Eddy Quality Papers includes dozens of grades of special-purpose papers from fine tissues to heavy box boards.



FOR PAPER CUPS AND CARTONS



Hull, Canada  
The E. B. Eddy Company



spreading  
the buy-words

Printed on Eddy Papers, thousands of pages of magazines, newspapers, catalogues and direct mail messages daily bring to the buying public the attractively presented news of Canadian advertisers. Every Eddy Paper takes a good impression on the press... makes a good impression on the reader.

The E. B. Eddy Company • Hull, Canada

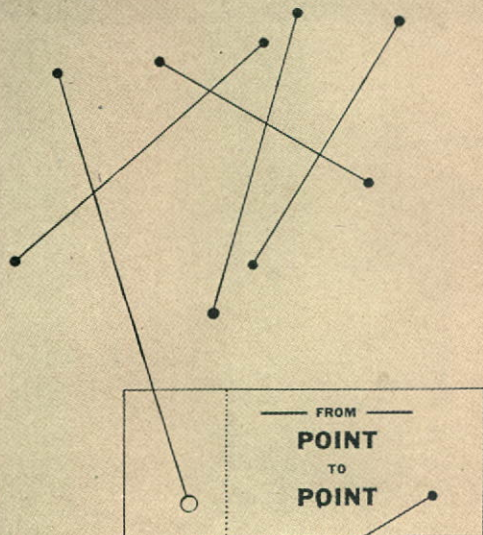


EDDY QUALITY PAPERS

## public information

During 1947, The E. B. Eddy Company, the subsidiary of Eddy Paper Company Limited, launched a campaign of an informative nature to acquaint the public with the diversity of its products and the importance of the industry in the economy of the Dominion.

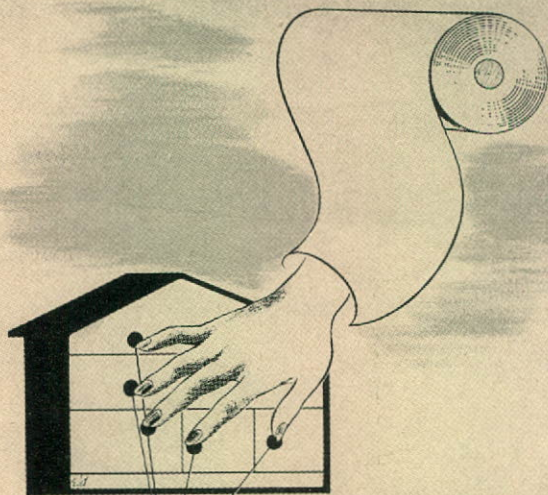
These advertisements were designed by Canadians of contemporary outlook to tell a complete graphic story of the range of products and to reflect the progressive outlook and methods of the company.



Wherever its lines reach out—on land, on water or in the air—the transportation industry itself runs on paper. Passengers and merchandise move swiftly and smoothly to a million destinations, guided by paper... paper for tickets, for timetables, for baggage checks, trip orders, labels, reports, bills of lading... paper for a thousand and one purposes, much of it produced in the mills of The E. B. Eddy Company • Hull, Canada



EDDY QUALITY PAPERS



paper lends a hand in canadian homes

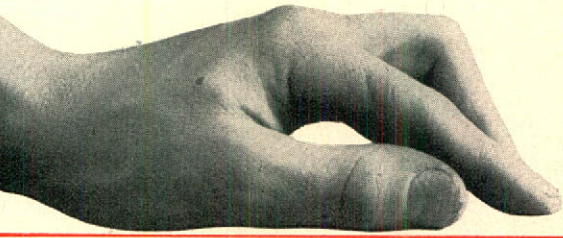
Did you ever stop to think of the important part paper plays in your home? From the insulated roof over your head to the many and varied paper products used in everyday household tasks, this important member of the family does its part to make life easier and better in Canadian homes. And, chances are, these paper products were made from Eddy Quality Papers in our own mills or by converters using the products of The E. B. Eddy Company • Hull, Canada



EDDY QUALITY PAPERS



*many hands, many skills . . .*



accountant



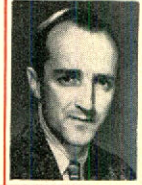
culter man



forestry  
engineer



paper tester



carpenter

librarian



clerk



shipper



electrician



leadburner



tissue packer

comptometer  
operator



sulphite cook



paper sorter



fireman



nurse



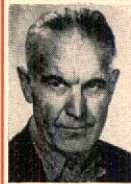
supercalender  
man



printer



blacksmith



engineer



dietitian

cashier



key punch  
operator



converting  
machine  
tender



painter



draftsman



size man



teletype  
operator



warehouse man

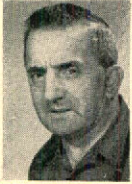


chemist



lumberjack

tier



pulp washer  
man



pulp tester



paper maker



machinist



receptionist



log loader



back tender



colour man



locomotive  
engineer

drum-barker  
man



gardener



millwright



salesman







*The task of making quality papers is one which calls for the skill and resources of many specialists. Here are some of the 2,000 people whose loyal and conscientious workmanship has made the name Eddy synonymous with quality in the paper industry. Eddy Paper Company Limited acknowledges its debt of gratitude to all employees, to the men and women in the mills, the offices, the laboratories, the woods and at the sales centres from coast to coast.*



*products*

CHENEAUX BOND

MULTISCRIP DUPLICATING

EXPRESS WRITING MANILLA

WELLINGTON OFFSET

ANCASTER BOOK

TECUMSEH BRISTOL

MOHAWK BRISTOL

GUARDIAN INDEX BRISTOL

"C" TAG AND "X" TAG

LIGHTHOUSE WOVE ENVELOPE

NIAGARA LITHO

DALHOUSIE LEDGER

NEWSPRINT

PAPER BOARDS

WHITE SWAN TOILET TISSUE

ONLIWON TOILET TISSUE

ONLIWON PAPER TOWELS

PAPER BAGS

... and many other lines of paper

for converting purposes



**THE E. B. EDDY COMPANY**

**HULL, CANADA**







