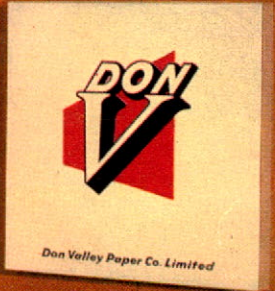
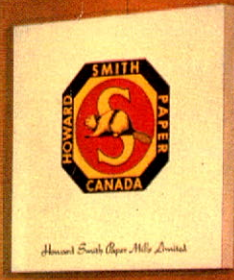


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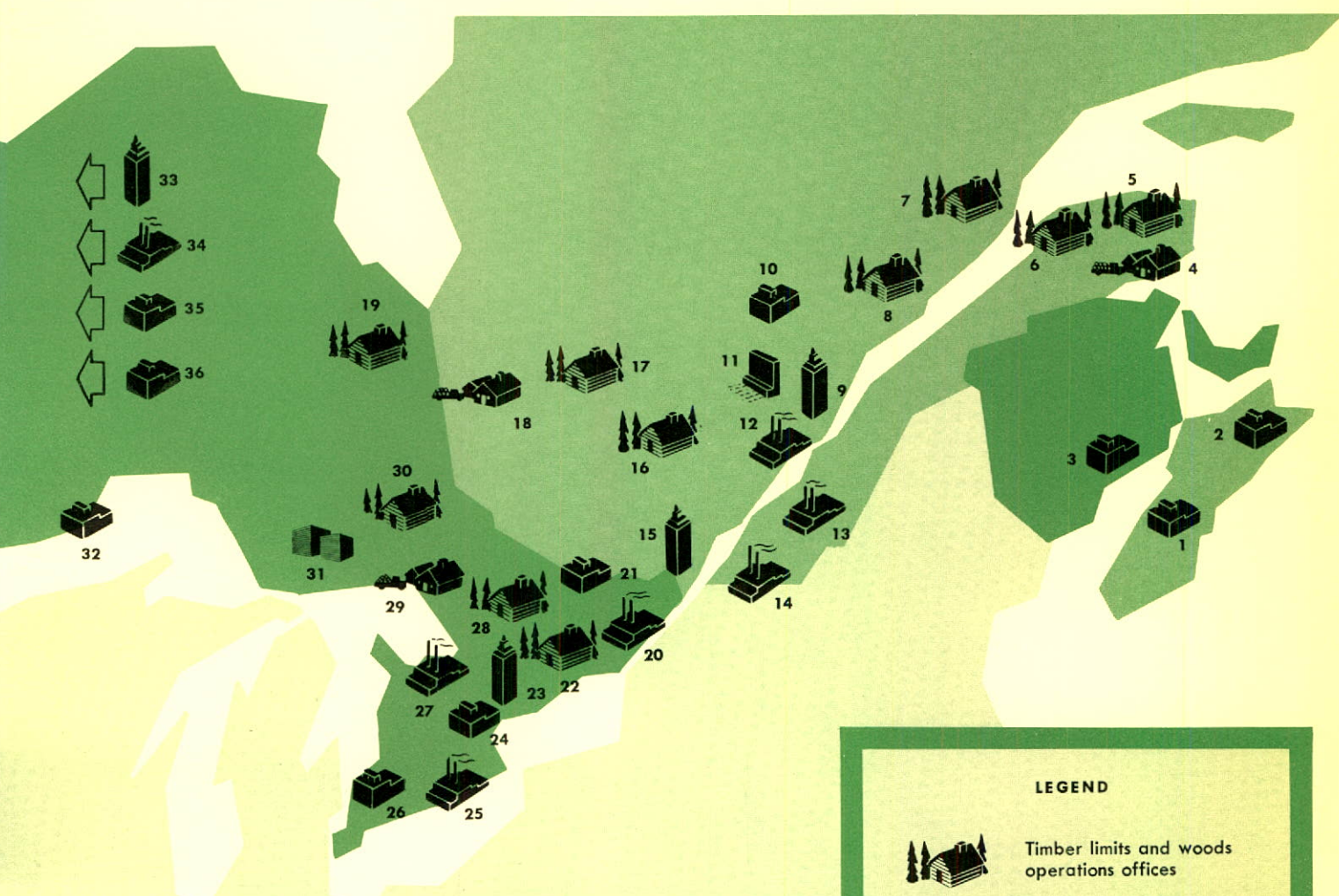
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



**ANNUAL
REPORT
1958**

Howard Smith PAPER MILLS LIMITED
AND SUBSIDIARY COMPANIES

APR 20
MILL UNIVERSITY



LEGEND

-  Timber limits and woods operations offices
-  Mills
-  Sawmills
-  Pulpwood buying offices
-  Wholesale trading branches
-  Powerhouse and dam
-  Offices

NOTE — In cases where more than one type of operations is carried on we have only shown the major one. Refer to the list on the facing page for full details.

Howard Smith
PROPERTIES

**LOCATION OF MILLS, OFFICES
AND WOODLANDS**

Howard Smith

PAPER MILLS LIMITED
AND SUBSIDIARY COMPANIES

MAIN OFFICES & PROPERTIES

ADMINISTRATION AND SALES OFFICES

MONTREAL, Quebec (15)

Alliance Paper Mills Limited
Sales Office

The Arborite Company Limited
Head Office

Canada Paper Company
Head Office

Don Valley Paper Co. Limited
Sales Office

Howard Smith Paper Mills Limited
Head Office

QUEBEC CITY, Quebec (9)

Donnacona Paper Company Limited
Head Office

TORONTO, Ontario (23)

Alliance Paper Mills Limited
Sales Office

The Arborite Company Limited
Sales Office and Warehouse

Canada Paper Company
Sales Office

Don Valley Paper Co. Limited
Head Office

Howard Smith Paper Mills Limited
Sales Office

MERRITTON, Ontario (25)

Alliance Paper Mills Limited
Head Office

WINNIPEG, Manitoba (33)

Alliance Paper Mills Limited
Sales Office

The Arborite Company Limited
Sales Office

Canada Paper Company
Sales Office

Don Valley Paper Co. Limited
Sales Office

Howard Smith Paper Mills Limited
Sales Office

PULP AND PAPER MILLS; SAWMILLS; AND CONVERTING PLANTS

HOWARD SMITH

Beauharnois, Quebec (14)

Cornwall, Ontario (20)

Morden Flax Division (34)

CANADA PAPER COMPANY

Windsor Mills, Quebec (13)

ALLIANCE PAPER MILLS

Georgetown, Ontario (27)

Merritton, Ontario (25)

DON VALLEY PAPER COMPANY

Toronto, Ontario (23)

DONNACONA PAPER COMPANY

Donnacona, Quebec (12)

ARBORITE COMPANY

LaSalle, Quebec (15)

HURON FOREST PRODUCTS COMPANY

Blind River, Ontario (31)

WHOLESALE TRADING BRANCHES

BUNTIN, GILLIES & CO. LIMITED

Hamilton (24) and Ottawa (21)

CANADA PAPER "WHOLESALE" LIMITED

Toronto (23) and Montreal (15)

FEDERAL PAPER COMPANY LIMITED

Montreal (15) and Ottawa (21)

THE FRED W. HALLS PAPER CO., LIMITED

Toronto (23) and London (26)

KILGOUR'S LIMITED

Toronto (23), Montreal (15),

Ottawa (21), Hamilton (24),

London (26), Fort William (32),

Winnipeg (33), Regina (35),

Saskatoon (36)

MacGREGOR PAPER AND BAG CO. INC.

Montreal (15), Toronto (23),

Quebec City (9), Jonquiere (10),

Saint John (3), Halifax (1), Sydney (2)

SCHOFIELD PAPER CO., LIMITED

Halifax (1) and Saint John (3)

PULPWOOD BUYING OFFICES, WOODLANDS OFFICES AND TIMBER LIMITS

PROVINCE OF QUEBEC

New Carlisle (4), Gaspé (5),

Madeleine River (6), Bersimis (7),

Sault-au-Mouton (8), Quebec City (9),

Jacques Cartier River (11)

Windsor Mills (13), Oskelaneo (16),

Cedar Rapids and Waswanipi (17),

Amos (18)

PROVINCE OF ONTARIO

Cochrane (19), Cornwall (20), Madoc (22),

Mattawa (28), North Bay (29), Sudbury (30).

Blind River (31)

POWER DEVELOPMENT

Jacques Cartier River (11)



The Howard Smith Board Room exhibits tasteful use of Arborite for the table and wall panelling



Office of D. S. Abbott, President

OFFICERS

H. ROY CRABTREE, *Chairman of the Board*
D. S. ABBOTT, *President*
H. E. MASON, *Executive Vice-President*
J. M. THOMPSON, *Vice-President*
W. H. AIRD, *Vice-President*
W. F. MCCOLM, *Vice-President*
WATSON GILLEAN, *Secretary*
KENNETH G. PENDOCK, *Treasurer*
A. G. LASCHINGER, *Controller*

DIRECTORS

*D. S. ABBOTT
W. A. ARBUCKLE
DEGASPE BEAUBIEN, C.B.E.
GEORGE W. BOURKE
*H. ROY CRABTREE
HON. GEO. B. FOSTER, Q.C.
*W. N. HALL
R. D. HARKNESS
W. H. HOWARD, C.B.E., Q.C.
H. E. MASON
*M. WALLACE McCUTCHEON, C.B.E., Q.C.
*JOHN A. McDOUGALD
HOWARD MURRAY, O.B.E.
*W. E. PHILLIPS
J. EDOUARD SIMARD
E. HOWARD SMITH
*E. P. TAYLOR
*COLIN W. WEBSTER

*Member Executive Committee

Auditors

MESSRS. ROSS, TOUCHE AND CO.

*The Shares of the Company are dealt in
on the following exchanges:*

MONTREAL STOCK EXCHANGE
TORONTO STOCK EXCHANGE
AMERICAN STOCK EXCHANGE

Howard Smith PAPER MILLS LIMITED & SUBSIDIARY COMPANIES

ANNUAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 1958

HIGHLIGHTS

O F T H E Y E A R

	1958	1957
Total pulp production — tons	374,569	425,073
Total paper production — tons	281,253	299,200
Net Sales	\$105,124,199	\$103,013,041
Net Earnings	\$6,068,527	\$6,065,842*
Common shares outstanding at year end	1,857,910	1,742,750
Net earnings per common share	\$3.09	\$3.30*
Dividends per share —		
Preferred stock	\$2.00	\$2.00
Common stock	\$1.20	\$1.20
Expenditures for plant additions and improvements	\$7,012,358	\$6,281,685
Working Capital	\$35,491,808	\$33,813,161
Common Shareholders' equity — per share	\$33.79	\$31.78
Number of employees	7,695	6,918

**Excludes capital profit in 1957 of \$624,028 on sale of Crabtree Mills
Net earnings in 1957 including this profit were \$3.66 per common share*

THIRTY-FIRST

ANNUAL REPORT

OF THE DIRECTORS OF HOWARD SMITH PAPER MILLS LIMITED

TO THE SHAREHOLDERS

WHEN ALLOWANCE is made for the reduced level of economic activity which prevailed in Canada during most of last year, the financial highlights of the Company's operations shown in the accompanying summary are most encouraging. Although the physical volume of production of pulp and paper products showed a small decline, nevertheless the dollar value was in excess of that of the previous year and, in fact, established an all time record in your Company's history. This is in part due to the inclusion of the shipments of Huron Forest Products for the last quarter of the year but mainly to an increase in the volume of higher priced tonnage which more than offset the decrease in the lower priced lines.

In terms of physical output the greatest reduction was in the shipments of newsprint and pulp. The situation of these products is very similar. The overall world consumption in 1958 continued at about the same level as 1957, but increases in productive capacity substantially reduced the operating ratios of all mills resulting in very weak markets for both newsprint and pulp. Sales of our pulp of all grades were down by about 16%, and newsprint shipments by Donnacona Paper Company dropped 17%.

Offsetting these losses in production the demand for fine and other specialty papers continued strong throughout most of the year. There was little change in the dollar volume of kraft and specialty



papers. The market for kraft papers is extremely competitive with a capacity substantially beyond the requirements of the Canadian market.

Demand for laminates which we market under the trade name of "Arborite" showed a further increase, reflecting the wider acceptance of these products for many applications in the building and furniture industries, and for many industrial purposes. Production of wallboard at Donnacona showed little change over that of the previous year.

HURON FOREST PRODUCTS CO. LTD.

Effective 1st October, 1958 your Company, through a share for share exchange, acquired complete control of Huron Forest Products Co. Ltd. This Company is the successor of the J. J. McFadden Lumber Co. Ltd. which operated limits and sawmills at Blind River, Ontario, for many years, and is well and favourably known throughout the domestic and export markets for the fine quality of its lumber. It operates the largest sawmill east of the Rockies, and has an annual capacity in excess of thirty million board feet in its modern sawmills, planing mills and storage yards.

The acquisition of this Company greatly strengthens your Company's overall wood resources. Its limits consist of 3,500 square miles of timberlands very favourably located thirty miles north of Blind River, serviced by an excellent road system and

ANNUAL REPORT

drivable rivers. In addition to having one of the finest stands of red and white pine in Eastern Canada, it is well supplied with ample quantities of spruce, balsam and hardwoods which, together with other stands we hold, are sufficient to assure our Ontario mills a continuity of wood supply for many years to come.

SALES AND EARNINGS

Combined sales reached a new high level of \$105,124,199 in 1958 which compares with \$103,013,041 in 1957. Profits from operations after allowing for all charges including depreciation, depletion and taxes were \$6,087,631, about the same as those of the previous year of \$6,099,958, if the capital profit made in that year of \$624,028 from the sale of Crabtree Mills is not included.

Earnings for 1958 on the common shares were at the rate of \$3.09 per share after providing for preferred dividends and minority shareholders' interests as compared to \$3.30 per share in the previous year excluding the capital profit realized on the sale of Crabtree Mills. If this capital profit is included, the earnings per share were \$3.66. The lower earnings per share realized in 1958 are accounted for by the greater number of shares outstanding at the end of 1958 due to the issue of 115,160 common shares exchanged for an equivalent number of shares of Huron Forest Products Co. Ltd. Its earnings were seriously depressed in 1958, because of the very unfavourable lumber market both in the export and domestic field, and its profits were negligible, after our acquisition, in the last quarter of the year.

On December 1, 1958 a 17% freight increase granted the Railways by the Board of Transport Commissioners became effective, as well as commensurate increases made by many truckers. The additional cost of freight in 1958 was of little consequence but it represents a serious additional cost to be borne in 1959. Due to the location of our mills a very large percentage of the pulpwood must be transported by rail. In addition, 76% of our products are sold in the Canadian market and will have to bear the full brunt of this additional freight cost. This is in contrast to many other Canadian pulp and paper companies, particularly newsprint producers, the bulk of whose pulpwood production is river

driven and whose products are sold in export markets. A modest price increase of 3% on some of our products became effective the first of this year, but the additional revenue thus obtained will fall far short of meeting the higher rail and truck freight costs and the increased cost of labour, which will be effective throughout 1959.

The rate of discount on United States Funds was more favourable in 1958 than in 1957—an average of 3.1% compared with 4.2%—which resulted in an increase in sales revenue of \$395,509.

DIVIDENDS

In accordance with the Company's dividend policy, regular dividends were declared for the year at an annual rate of \$2.00 per share on the preference stock and \$1.20 per share on the common shares. Total dividends declared in 1958 amounted to \$2,445,848, compared to \$2,411,300 in 1957. The increased dividend payments were due to the additional shares issued during the year.

FUNDED DEBT

Redemption of serial bonds has been effected and sinking fund requirements in respect of the outstanding bonds and debentures of Howard Smith and Donnacona Paper have been met for the year as required by the Trust Deeds. The total funded debt outstanding at the end of the year amounted to \$14,280,500.

WORKING CAPITAL

The Working Capital at December 31, 1958 was \$35,491,808, an improvement of \$1,660,647 over the same date a year before. This improvement is roughly equivalent to the net working capital of Huron Forest Products Co. Ltd., consolidated for the first time with Howard Smith at the end of 1958. Retained earnings and the provision for depreciation approximated the net expenditures made during the year on Plant and Equipment of \$7,012,358 and payments to Sinking Funds of \$1,536,000 in respect to the Company's funded indebtedness.

CAPITAL EXPENDITURES

Capital Expenditures in 1958 on properties, plant and equipment were \$7,012,358 which was at the

average level of those incurred over the past five years, and compares with \$6,281,685 expended in 1957. Early in 1958 a decision was reached to proceed with the installation of a new paper machine and related services at Cornwall Division to be carried out over a period of approximately two years. Services to be supplied include an additional boiler plant, pulp and stock preparation capacity, enlargement of the finishing room, and a new wood yard for the exclusive use of hardwoods.

This paper machine will incorporate all the latest and most modern technical equipment and is currently planned to be in operation by the first quarter of 1960. The total cost of the machine, with its related services, is estimated to be \$12,500,000. 1958 expenditures included approximately \$1,000,000 in respect to this project. One of the conditions relating to the sale of Crabtree Mills to Westminster Paper Company was that Westminster would continue to produce for us those grades of fine paper made at this Division for a period of three years from the date of sale. This agreement terminates in October, 1960. Consequently it will then be necessary to provide capacity for these grades and at the same time make provision for future growth.

With the exception of the initial cost of the new paper machine, the Capital Expenditures in 1958 were fairly evenly distributed among all divisions of the Company, with emphasis being placed on those projects which would reduce cost of operations, improve qualities and maintain the mills in sound and efficient operating condition.

LABOUR RELATIONS

With the exception of The Arborite Company, whose labour agreement extends to 1959, the collective agreements at all divisions required renegotiation in 1958. Due to unsatisfactory economic conditions, contract negotiations were invariably difficult and protracted but with one exception, the difficulties were resolved through negotiation and the contracts renewed at all manufacturing divisions. New agreements extend for two years from May 1st, 1958, and provide for a general wage increase of five cents per hour, with some supplementary adjustments and amendments to vacation plans. At year end, the Donnacona Paper Company had not concluded an agreement and was proceeding to arbitra-

tion. During the period of these negotiations, and indeed throughout the whole year, your Company continued to receive the utmost cooperation of employees at all levels.

The safety programs at the mills produced encouraging results. During 1958, Canada Paper Company completed one million man hours of work without a lost time accident and the frequency rates at Canada Paper Company, and the Beauharnois and Cornwall Divisions of Howard Smith were among the most favourable in the industry.

OUTLOOK

The uncertain business conditions which characterized the outlook for 1958 have given way to the confident expectation that in 1959 there will be a resumption of sustained economic activity. The new year confronts your Company with some new problems as well as some very old ones which need to be solved. Among the new problems is the integration of Huron Forest Products Co. Ltd. operations, the introduction of new grades of paper, and improvement of our position in the building industry through the further development of wallboards and laminates.

Foremost among the older problems is the difficulty of introducing improved methods and economies to compensate for the continual spiralling of costs of freight and labour. It is unfortunate that so much time, effort and resources of the organization have to be devoted to what is nothing more than holding the line on costs in order to meet those increases over which it is unable to exercise any effective control.

The directors take this opportunity to express to all personnel, their appreciation of the wholehearted cooperation and efficient service which they have rendered the Company throughout the year.

Submitted on behalf of the Board:

H. ROY CRABTREE
Chairman

D. S. ABBOTT
President

Montreal, March 14th, 1959.

HOWARD SMITH PAPER MILLS, LIM

CONSOLIDATED BALANCE SHEET

ASSETS

	<i>31st December 1958</i>	<i>31st December 1957</i>
	<hr/>	<hr/>
Current Assets:		
Cash	\$ 1,234,068	\$ 3,933,292
Guaranteed trust deposits and other short term investments (market value 1958, \$7,361,300; 1957, \$630,200)	7,384,033	638,600
Accounts receivable, less allowance for doubtful accounts	13,306,476	15,162,154
Inventories of finished products, work in process, raw materials and supplies at lower of cost or market	20,134,850	18,040,893
Advances on woods operations	3,707,995	5,551,716
	<hr/>	<hr/>
	45,767,422	43,326,655
	<hr/>	<hr/>
Investments in and advances to other companies at cost	1,593,580	1,592,080
	<hr/>	<hr/>
Fixed Assets:		
Land and water power, at cost	2,044,616	1,867,727
Buildings, machinery, equipment and timber limits, at cost	116,511,540	106,432,148
	<hr/>	<hr/>
	118,556,156	108,299,875
Deduct: Accumulated depreciation and depletion	70,728,022	64,314,270
	<hr/>	<hr/>
	47,828,134	43,985,605
	<hr/>	<hr/>
Prepaid insurance, taxes and guarantee deposits	792,396	507,363
	<hr/>	<hr/>
	\$ 95,981,532	\$ 89,411,703
	<hr/> <hr/>	<hr/> <hr/>

Signed on behalf of the Board of Directors:

D. S. ABBOTT, *Director.*

H. ROY CRABTREE, *Director.*

ITED AND SUBSIDIARY COMPANIES
AS AT 31st DECEMBER, 1958

LIABILITIES

	<i>31st December</i> <u>1958</u>	<i>31st December</i> <u>1957</u>
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 6,361,520	\$ 5,443,298
Provision for income and other taxes	3,275,344	3,186,087
Dividends payable	638,750	866,109
	<u>10,275,614</u>	<u>9,495,494</u>
Funded Debt: (see footnote)		
Howard Smith Paper Mills, Limited —		
First Mortgage Bonds, 1950 Series		
2¾% due 1st December 1959-1960	1,200,000	1,800,000
3% due 1st December 1961-1970	6,000,000	6,000,000
Debentures, Series "A"		
4½% due 1st June 1961	2,893,000	3,466,500
Donnacona Paper Company, Limited —		
First Mortgage 3½% Bonds maturing 1st July 1962		
Series "B" (U.S. funds)	3,685,000	3,850,000
Series "C"	502,500	700,000
	<u>14,280,500</u>	<u>15,816,500</u>
Minority Interest in Donnacona Paper Company, Limited	241,320	309,780
Capital:		
Capital Stock —		
\$2 Cumulative redeemable preferred shares, par value \$50 each		
Authorized — 200,000 shares		
Issued — 160,000 shares	8,000,000	8,000,000
Common shares without nominal or par value		
Authorized — 2,500,000 shares		
Issued — 1,857,910 shares	13,526,564	9,755,074
During 1958, 115,160 shares at a stated value of \$32.75 per share were issued in exchange for an equivalent number of shares of Huron Forest Products Co. Limited		
	<u>21,526,564</u>	<u>17,755,074</u>
Earned Surplus	49,657,534	46,034,855
	<u>71,184,098</u>	<u>63,789,929</u>
	<u>\$95,981,532</u>	<u>\$89,411,703</u>
Funded debt maturing within one year —		
Howard Smith Paper Mills, Limited		
2¾% Bonds	\$ 600,000	\$ 600,000
4½% Debentures	293,000	416,500
Donnacona Paper Company, Limited		
3½% Series "B" Bonds (U.S. funds)	165,000	165,000
3½% Series "C" Bonds	—	30,000
	<u>\$1,058,000</u>	<u>\$ 1,211,500</u>

**CONSOLIDATED STATEMENT OF
INCOME AND EXPENDITURE**

FOR THE YEAR ENDED 31st DECEMBER 1958

	<i>1958</i>	<i>1957</i>
Sales.....	\$105,905,725	\$104,190,076
Deduct: Discount on foreign exchange.....	781,526	1,177,035
Net sales.....	105,124,199	103,013,041
Cost of products sold and operating, sales and administrative expenses.....	88,465,769	86,061,296
	16,658,430	16,951,745
Investment and sundry income.....	623,562	430,237
	17,281,992	17,381,982
Deduct:		
Depreciation and depletion.....	4,869,924	4,818,157
Interest on funded debt.....	521,718	566,282
Executive officers' remuneration.....	238,533	215,653
Directors' fees.....	15,359	15,640
Legal fees.....	60,505	6,286
	5,706,039	5,622,018
Net profit before provision for income taxes.....	11,575,953	11,759,964
Provision for income taxes.....	5,488,322	5,660,006
Net profit for the year.....	6,087,631	6,099,958
Profit on sale of fixed assets.....	—	624,028
Net income for the year.....	6,087,631	6,723,986
Deduct amount applicable to minority shareholders of Donnacona Paper Company, Limited.....	19,104	34,116
Balance transferred to earned surplus.....	\$ 6,068,527	\$ 6,689,870

**CONSOLIDATED STATEMENT OF
EARNED SURPLUS
FOR THE YEAR ENDED 31st DECEMBER 1958**

	1958	1957
Earned surplus at beginning of year	\$46,034,855	\$38,248,985
Balance from statement of income and expenditure	6,068,527	6,689,870
Amounts transferred from capital surplus, inventory reserve and contingency reserve	—	3,507,300
	52,103,382	48,446,155
Deduct dividends on:		
Preferred shares	320,000	320,000
Common shares	2,125,848	2,091,300
	2,445,848	2,411,300
Earned surplus at end of year	\$49,657,534	\$46,034,855

AUDITORS' REPORT TO THE SHAREHOLDERS

HOWARD SMITH PAPER MILLS, LIMITED,

Montreal, Que.

We have examined the consolidated balance sheet of Howard Smith Paper Mills, Limited and subsidiary companies as at 31st December 1958 and the related consolidated statements of income and expenditure and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Except for two subsidiary companies, our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. In respect of the two subsidiary companies not examined by us, we have received financial statements as at 31st December 1958 together with the auditors' reports thereon.

In our opinion the accompanying consolidated balance sheet and related statements of income and expenditure and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company and its subsidiaries as at 31st December 1958 and the results of their operations for the year ended on that date, according to the best of our information and explanations given to us and as shown by the books of the companies examined by us, and by the audited statements furnished to us.

ROSS, TOUCHE & CO.,

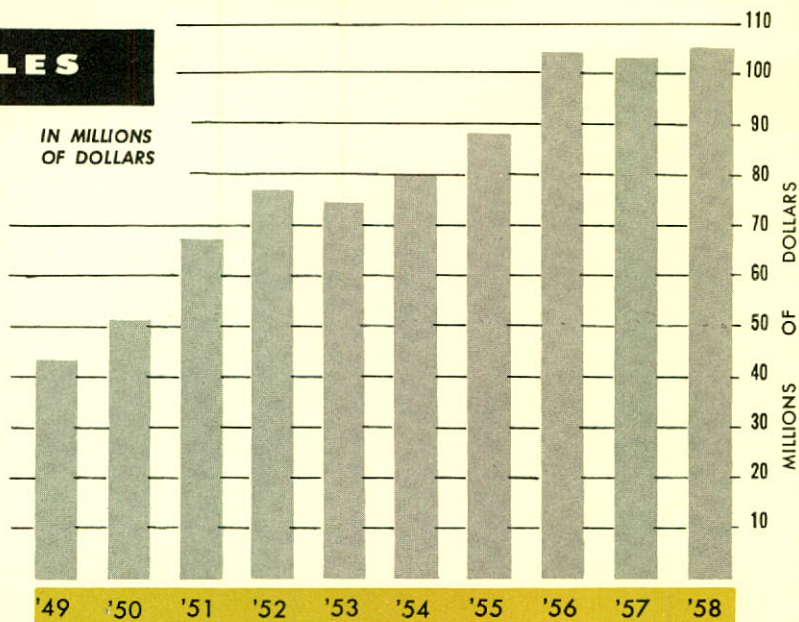
Chartered Accountants.

Montreal, Que.,

21st January 1959.

SALES

IN MILLIONS OF DOLLARS

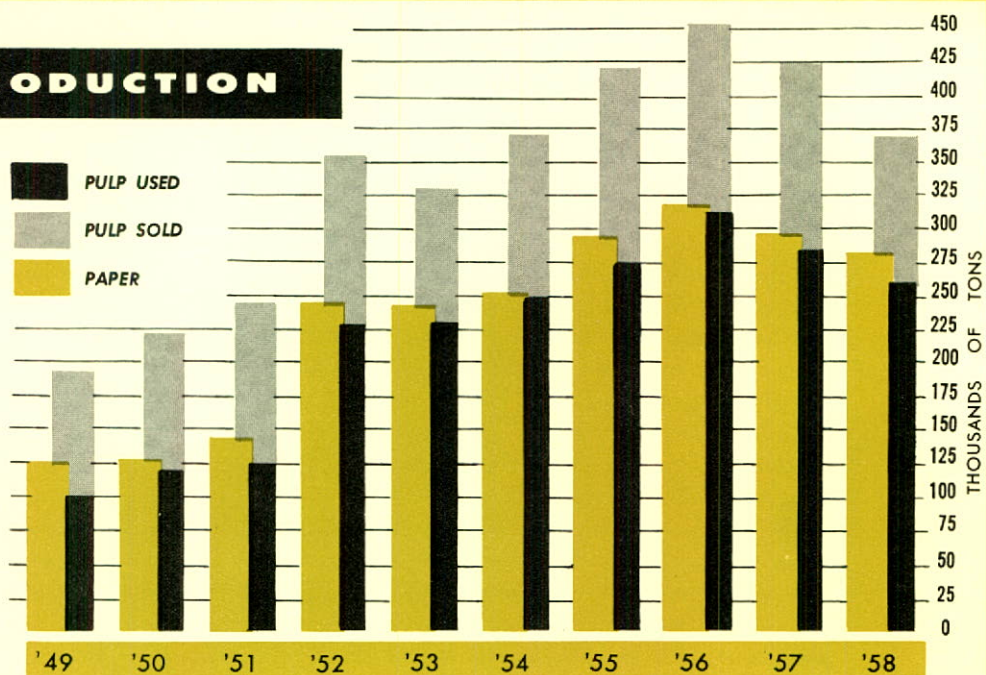


PRODUCTION AND SALES

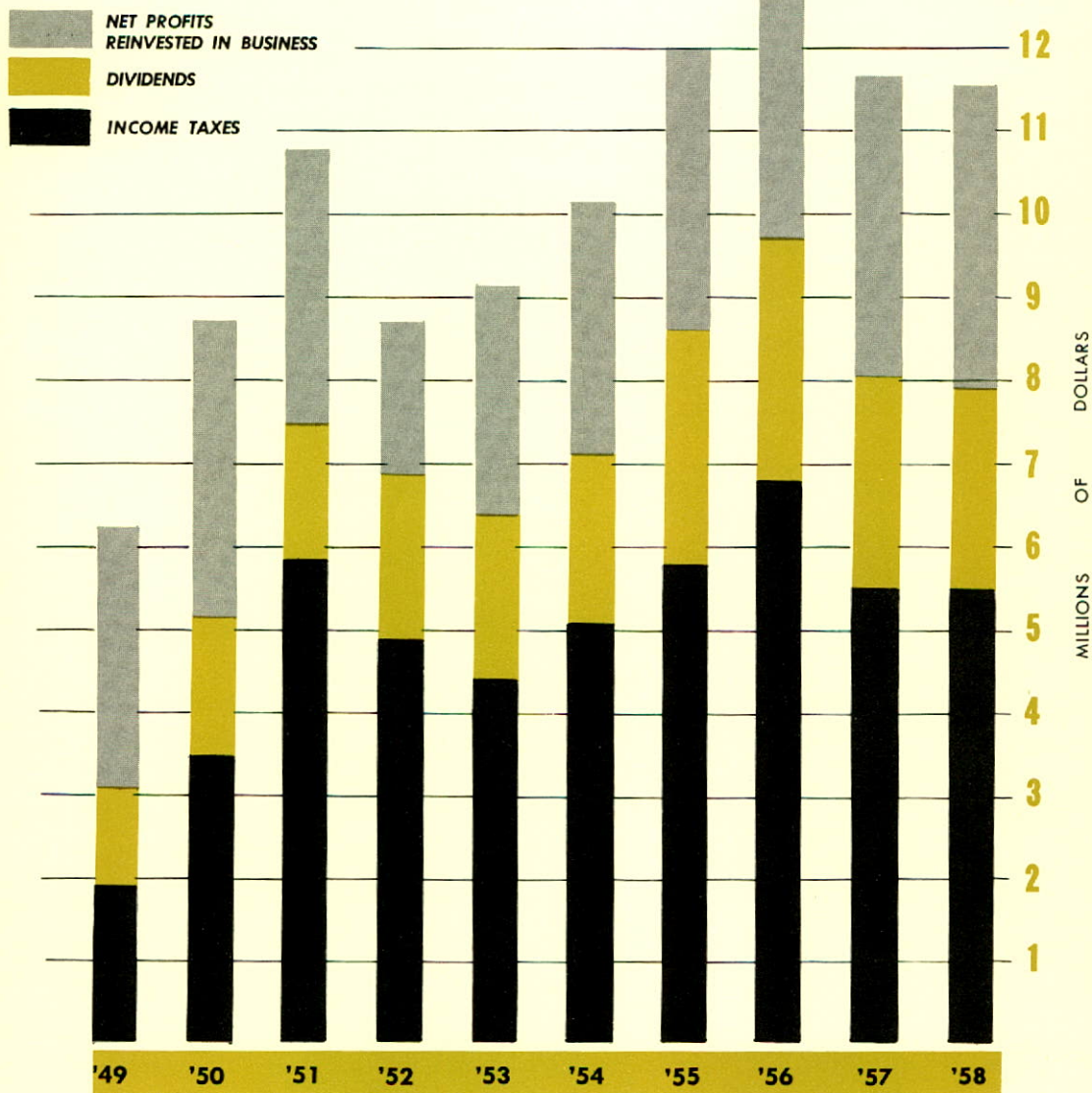
Total net sales of pulp, paper, chemicals, laminates and lumber were \$105,124,199 compared to \$103,013,041 in 1957. Production of paper was only down slightly, but market pulp sales declined by almost 16%

PRODUCTION

PULP USED
 PULP SOLD
 PAPER



DISTRIBUTION of EARNINGS



Net Earnings were equivalent to those of 1957, excluding capital profit of \$624,028 on sale of Crabtree Mills, with \$5,488,322 being paid in income taxes, dividends totalled \$2,445,848 and net profits of \$3,622,679 were re-invested in the business

MODERNIZATION and

DURING 1958 a number of projects were completed, some of which were planned several years ago. At the same time many more were started or entered the planning stage. As the technology of paper making improves, it is increasingly necessary to modernize older equipment and methods to retain reasonable manufacturing efficiencies. Oftentimes, these modifications lead to increased production, but this is seldom adequate to the prospective increase in demand. Consequently, there is constant need for the addition of new equipment and buildings. Both of these eventually lead to a higher demand for the primary services of electric power, steam and waste disposal.

Below are the most important projects which were completed or well advanced in the year under review.

HOWARD SMITH PAPER MILLS LIMITED

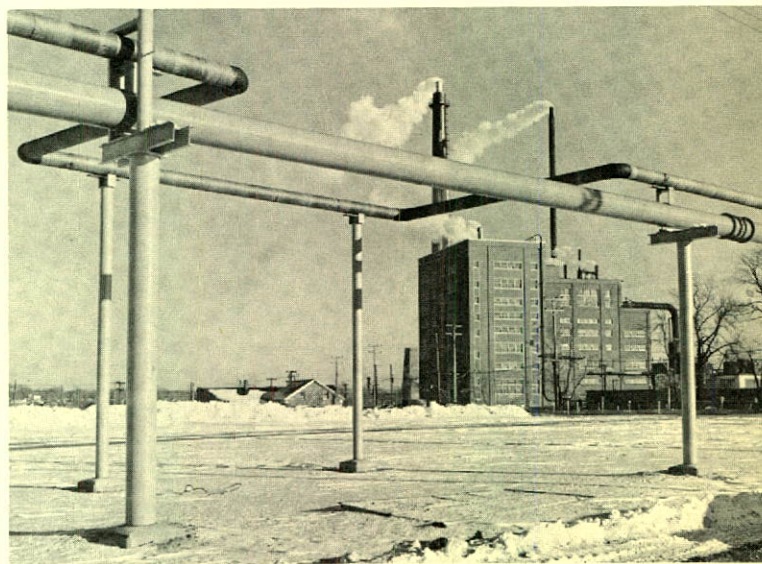
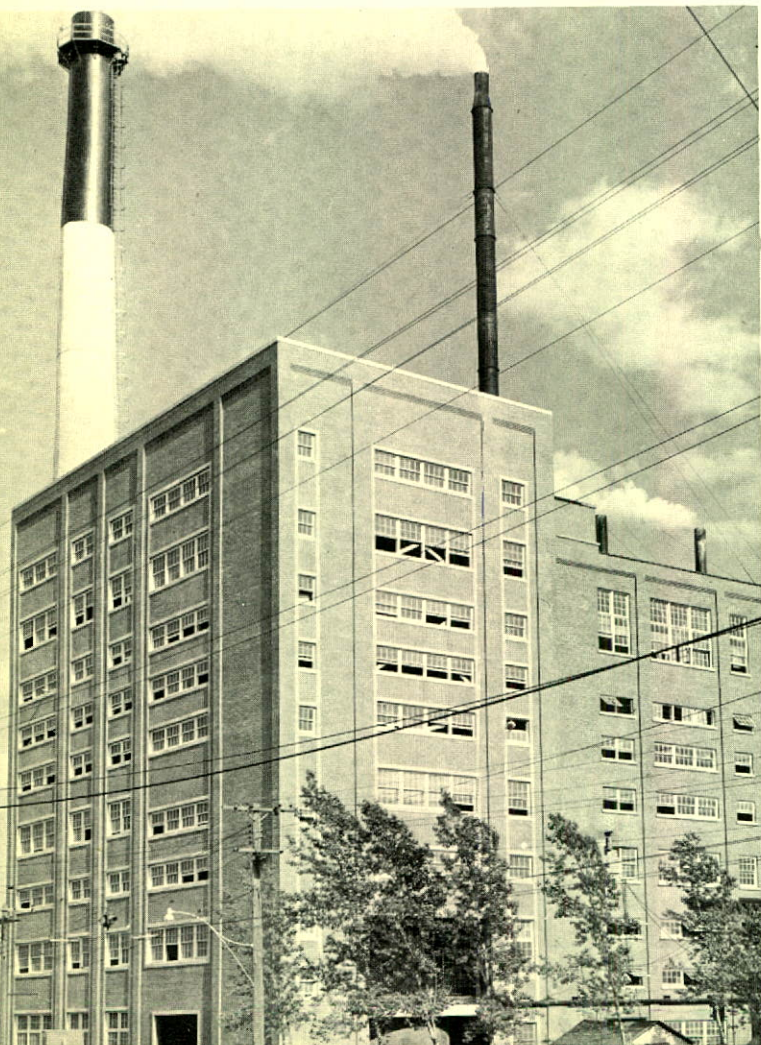
Beauharnois Division

Increased activities at this Division resulted in the need for more finished stock storage and shipping facilities. This has been provided by the erection of a 32,000 square foot extension to the present Finishing Room. It is two stories high and is of substantial construction fully serviced with modern lighting, heating and sprinklers. It also provides an extension to the existing rail shipping platform and is equipped with automatic dock levellers for truck loading.

Cornwall Division

During the past few years the increased output of soda pulp overtaxed the old chemical recovery

View of the Recovery Building from the new Hardwood Woodroom, Pneumatic chip conveyor overhead.



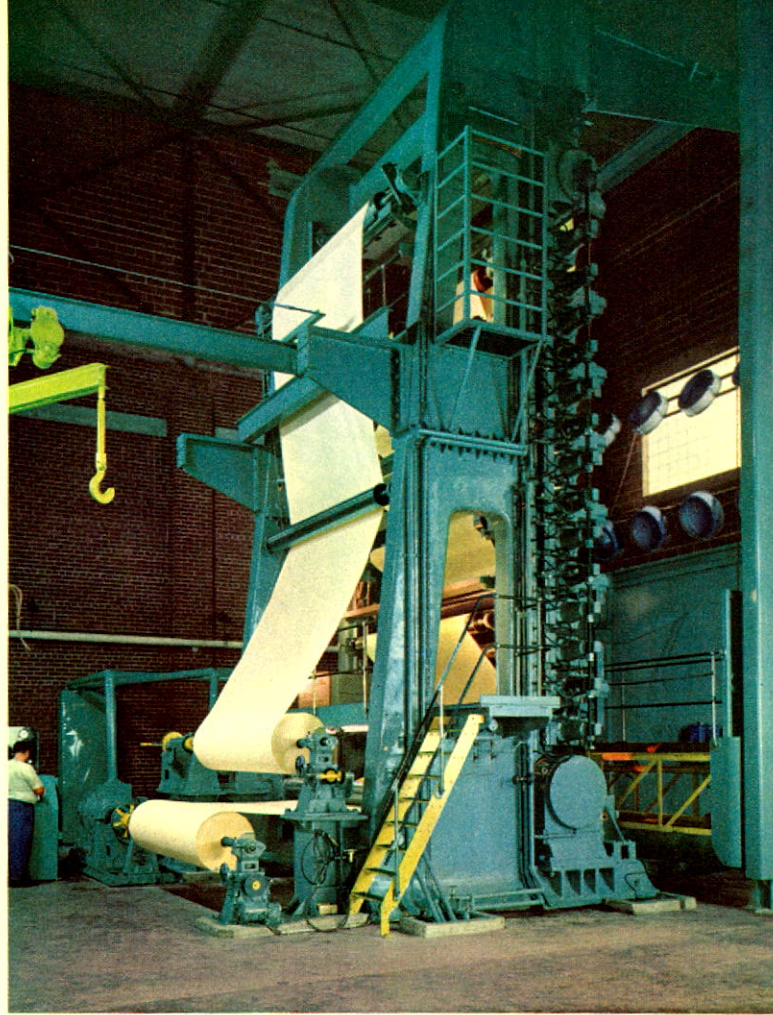
The 300 ton Chemical Recovery Furnace at the Cornwall Division of Howard Smith Paper Mills.

EXPANSION

unit and uneconomic losses of chemicals were occurring. Plans were therefore drawn up and in mid year the new 300 ton Recovery Furnace began operating. This huge installation is housed in a building 10 stories high and together with its 250 foot concrete chimney dominates the mill's skyline. It not only permits the complete recovery of chemicals from the soda pulping process, but generates 150,000 pounds of steam each hour which can be used elsewhere in the mill.

Technical advances in pulping processes have made it possible to utilize the many hardwood species which grow close to the mill and which have little value for lumber or other purposes. Usually this wood grows on the property of small woodlot owners who use it as a "fill-in" cash crop which pays them well for their labour, and yet it is lower in cost than wood which must be transported long distances.

As the use of hardwood increased at the Division, several problems arose. The wood was heavier



The new Glassine Supercalender at the Alliance Lybster Division. Finishes paper 114 inches wide at high speeds. It is the largest in the world.

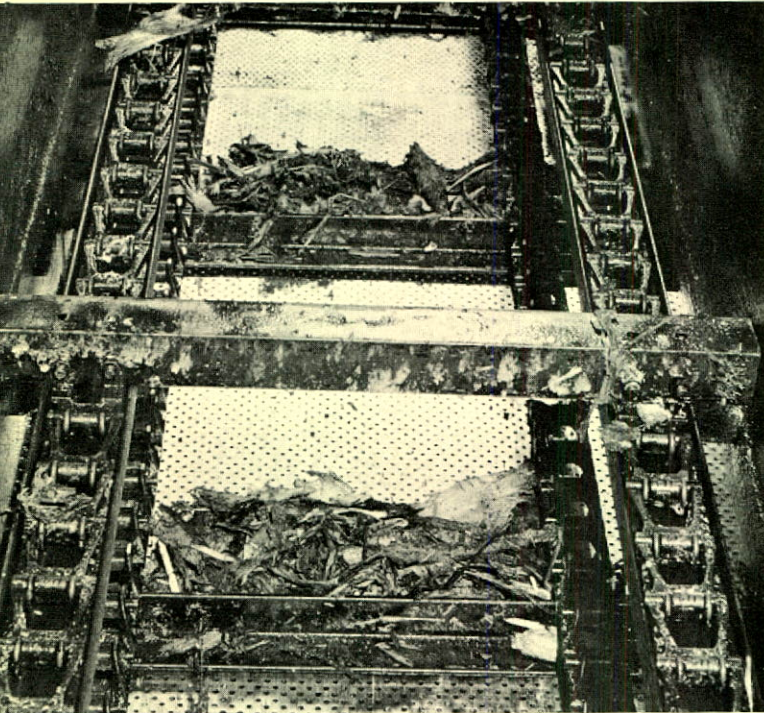
Hardwood Woodroom at Cornwall Division of Howard Smith. Can bark, chip and screen up to a capacity of 300 tons a day.



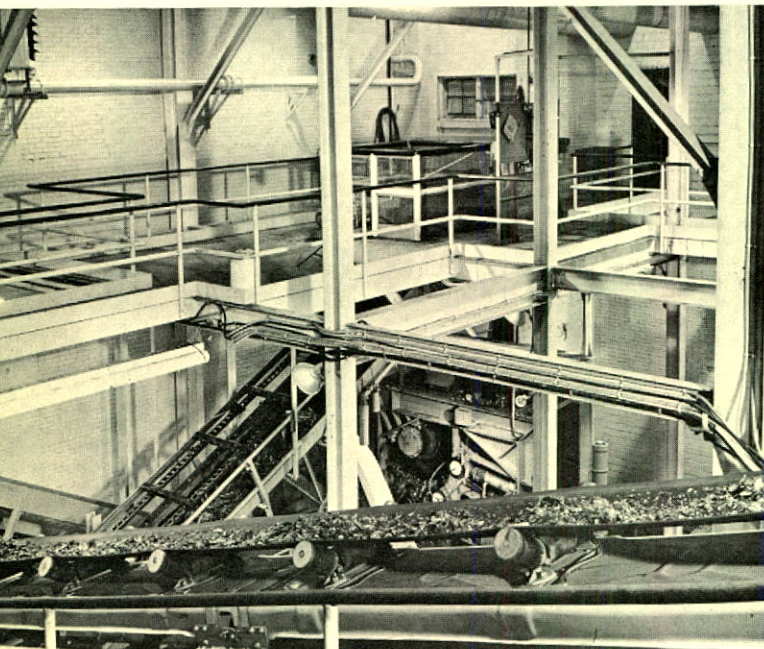
Chips from the Hardwood Woodroom at Cornwall are blown through this 18 inch pipe for a distance of 1,800 feet.



ANNUAL REPORT



At Canada Paper Company, Windsor Mills, bark is drained on these perforated plates set in the bottom of a trough.



Conveyors carry the pressed bark from the press to the steam boiler where its fierce fire makes useful steam.

than spruce and often damaged conventional handling equipment. Since the woodlot owner used his spare time for delivery, receipts at the mill vary considerably from time to time. Accordingly, it was decided to set up separate facilities for receiving and processing these hardwoods and late in 1958 the New Hardwood Woodroom began operating.

The new facilities are about 1,000 feet back of the old No. 2 Highway and are equipped to receive local truckloads with practically no delay. Horizontal conveying is kept to a minimum through the use of cranes equipped with grapples. The receiving layout is designed to handle sporadic deliveries of wood which is then freed of bark, chipped, screened and blown through a long pipe to special chip storage bins or directly to the Soda Pulp mill 1,750 feet away. The design is such that it could meet the present demand and provision has been made in the layout for further increases when desired. It will do much to reduce wood costs for many years to come.

An extension to the Paper Shipping Building was completed early in the year. This provides facilities for the loading of finished products and space for seven trailer vans inside the building.

Mechanization of the Finishing Room operations has been carried forward by the installation of both horizontal and vertical conveyors. The Division now has one of the most advanced systems on this continent.

CANADA PAPER COMPANY

Several years ago a biological survey of the St. Francis River, on which the mills of the company are located, revealed that the waste bark which had formerly been disposed of in the river was contributing considerably to its pollution. Studies were undertaken to develop other means of bark disposal because to date there is no economic use for it. Eventually, it was decided that the most promising method was to burn it and thereby generate useful steam. Since the bark coming from the barkers is saturated with water, it usually takes more heat to dry it than its value as a fuel and there were many instances known where the cost of operating bark burning equipment was far higher than the return in the form of useable steam. But the situation called

for immediate action and in June 1958 the Bark Burning Installation began operations.

Essentially the equipment consists of a trough with a perforated bottom. The water drains through leaving the bark particles on top. These are picked up by a conveyor and carried to a large chain press which squeezes out up to 50% of the water by mechanical pressure. From the press the bark is elevated on conveyors and carried horizontally to a position above a steam generating boiler. It then drops by gravity into a specially built firebox and almost immediately bursts into flame.

The Bark Burning plant produces up to 50,000 pounds of steam an hour which is sufficient to repay the operating costs and amortize the capital outlay. Its installation and successful operation have been followed with considerable interest by others with the same problem. At the same time the local conservation organizations have been enthusiastic about our contribution to reduced river pollution.

Another major project was the installation of a Size Press on No. 6 Paper Machine in the St. Francis Division. This will enable the manufacture of a much wider variety of paper grades which will contribute to the overall efficiency of the mills output.

ALLIANCE PAPER MILLS LIMITED

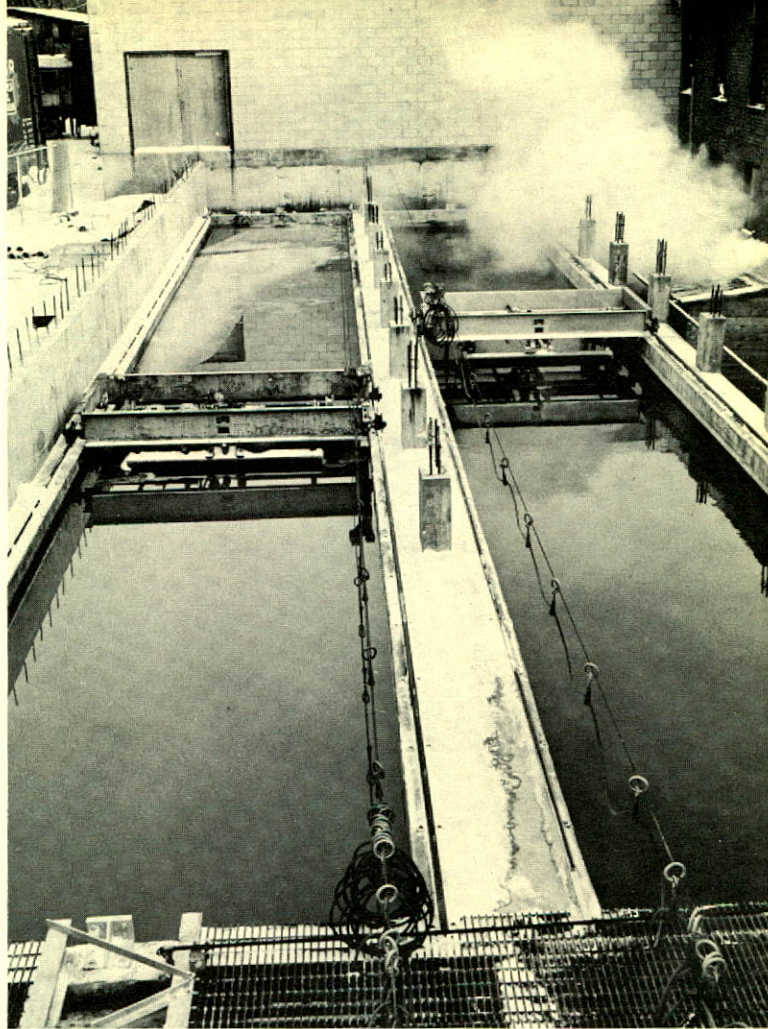
Lybster Division, Merrifton, Ontario

This Division is now operating the largest Glasine Super Calendar Stack in the world. It stands over two stories high and is producing an excellent quality. Because of its size and speed it operates at very satisfactory cost levels. It is housed in a new building which provides additional finishing space and provision has been made for future expansion when required.

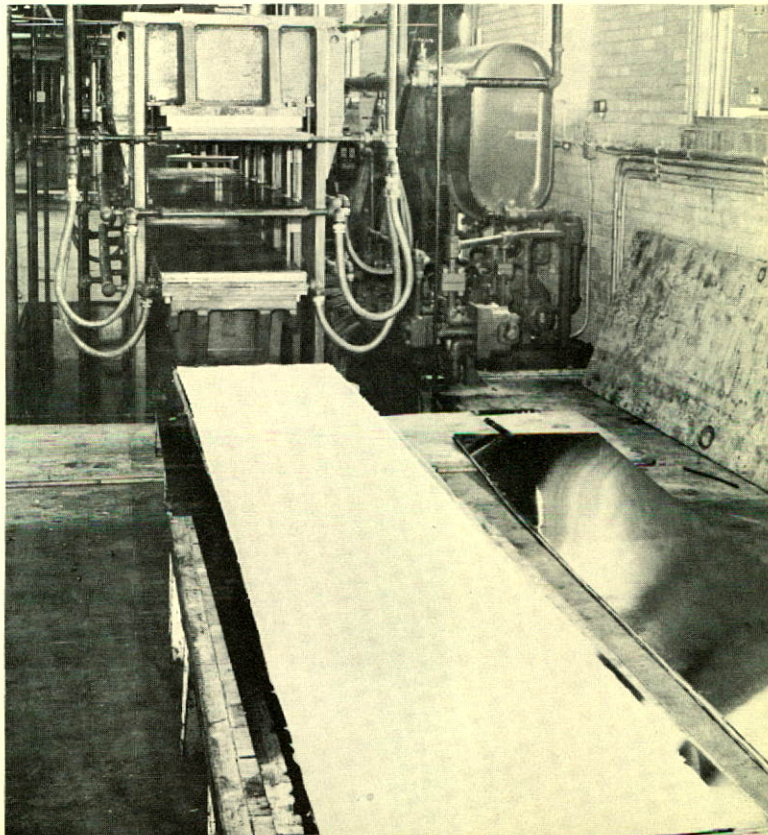
Georgetown Division

The cover of this report is printed on Alliance Glosskote which has an exceptionally shiny surface. Since it was introduced to the Canadian market the demand has continuously increased. As a result a new and bigger machine has been installed at Georgetown.

The Arborite Company Limited recently installed this extra long laminating press to make panels 24 inches wide and up to 15 feet long in one pressing.



Settling tanks, filters and chemical treatment turn the turbid waters of the Don River into a serviceable supply at the Don Valley Paper Company Limited.



ANNUAL REPORT

DON VALLEY PAPER COMPANY LIMITED

Much of the process water for this mill is drawn from the Don River. At one time it was a clear running stream, but today its waters are far from ideal and in times of heavy run-off are considerably roiled. Water treatment is therefore a must and co-incident with contemplated production increases new flocculation and filtration facilities were installed. These provide process water of a satisfactory character which will eliminate some of the variations a variable water supply can cause. At the same time special devices were installed to recover fibre losses which are not only good economy, but still further reduce pollution of the Don River.

A program for the rehabilitation and improvement of the Wet End of the Paper Machine was carried out with a consequent increase in production and more particularly improved quality.

DONNACONA PAPER COMPANY LIMITED

Paper Mill

The installation of a Bauer Refiner, plus considerable auxiliary equipment, has made it possible to utilize Groundwood screen rejects in the Paper Mill instead of sending this good fibre to the Board Mill. The basic cost of wood has been so elevated since the War that every effort is being made to utilize every source of good fibre, and since the Board Mill has other sources available this has proved an economic move.

A new Pulverized Fuel Boiler with a capacity of 120,000 pounds of steam an hour was installed to replace the old stoker fed boiler. The new installation includes the latest features of automatic control and safety devices. Its designed capacity will provide additional steam when required.

Board Mill

Although essentially the Board Mill uses the same basic fibres as the Paper Mill, it can often tap sources not available to the Paper Mill. During the year a Bauer Refiner was installed which made it possible to use quantities of wood shavings which cannot be conveniently processed into paper. These shavings replace a like quantity of pulp and the Refiner is a good spare in case of breakdown in other parts of the fibre preparation system in the mill.

THE ARBORITE COMPANY LIMITED

Certain applications of Arborite have been limited by the standard 8-foot panel length. Accordingly, early in the Fall a special long press was installed that enables a panel 24 inches wide by 15 feet in length to be made in one pressing. If desired a multiple pressing operation can make panels much longer. These find considerable use in the paper industry, where the long wearing, slippery surface of industrial Arborite is excellent for suction-box covers, aprons and certain electrical insulation problems.

The Rod and Tube section, mentioned in last year's report, came into full production and is now supplying these items in all commercial sizes and grades. It is a highly specialized operation and is destined to grow in importance in future years.

CONCLUSION

The completions of 1958 were impressive, but they but herald many things yet to come. Plans are well advanced for an additional Paper Machine at the Cornwall Division which, together with the necessary Finishing and Shipping facilities, will total some 12½ million dollars. At Georgetown a large new coating machine is planned and a host of other projects large and small will make 1959 of considerable importance to our modernization and expansion program.



A CENTURY OF PROGRESS

CANADA PAPER COMPANY

WITH PRIDE IN the past and confidence in the future, the Canada Paper Company commemorates in 1959 the one-hundredth anniversary of its founding.

From humble beginnings as a small paper wholesaler, the company has progressed through the ebb and flow of changing times and economic fortunes to emerge a century later as a leading producer of pulp, paper and converted paper products in Canada. Today at its three mills at Windsor Mills, Que., this wholly owned subsidiary of Howard Smith Paper Mills Ltd. produces a wide range of products, from wrapping krafts and tags, to groundwood pulp and specialty bags.

HOW IT STARTED

The year in which William Angus and Thomas Logan formed the partnership that was to become the Canada Paper Company was an eventful one in history. Lord Palmerston was elected Prime Minister of England and leader of a Parliament of giants that included Gladstone, Disraeli and Lord Derby. Abraham Lincoln was engaging in public debates with Senator Douglas that would lead to his election as President of the United States the following year. Sir John A. Macdonald was vigorously pursuing efforts that would result in Confederation eight years later. And the Prince of Wales came to Montreal to officially open the Victoria Railway Bridge in the name of the Queen.

The establishment of the firm of Angus and Logan was more than just a partnership between a Scottish and an Irish immigrant; it was a marriage of business acumen with papermaking knowledge that would contribute greatly to the later emergence of Canada as the world's largest paper producer.

Angus was a young man of twenty-five who had come to Montreal by way of Boston and New York, and gained experience in the office of William Miller & Co. (later Alex. Buntin & Co.), a Montreal paper

company with a mill at Valleyfield, Que. His partner had worked as a papermaker in a mill near Chambly, Que. Early in 1859 Angus and Logan opened their office at 206 St. Paul Street, Montreal, to act as agents for a small mill at Sherbrooke managed by William Brooks. One year later Mr. Brooks failed in the paper business and the mill was taken over by Angus and Logan.

Once the partners had moved from the dealership into the broader area of mill management things began to happen, but not all of them good or foreseeable. In 1861 the mill was destroyed by fire — a fate that was to overtake three of its successors at Windsor Mills.

Yet in spite of the set-back, the year 1861 was a turning point in the fortunes of the company. Soon after Angus and Logan had rebuilt the mill and hired John MacFarlane, a former co-worker of Angus' at Buntin & Co., as a travelling salesman, the U.S. Civil War broke out. With the output of paper curtailed at a time when consumption increased, the U.S. turned to Canadian producers. Firms like Angus and Logan made handsome profits.

As a result of the impetus created by the U.S. wartime purchases, there followed a succession of developments which led to the rapid growth of the company. In 1864 a soda pulp mill, the first in Canada, was erected at Windsor Mills. This was followed three years later by a second paper mill at Sherbrooke, with two fourdriniers carrying 62 inch and 72 inch wires respectively, both running at speeds of 40 to 120 feet a minute.

In 1873 the firm, which six years before had changed its name to Angus, Logan and Company, became a joint stock enterprise under the name Canada Paper Company. At this time the mills were producing news, book, coloured, envelope, manilla and brown wrapping papers. Indeed, by 1875 Canada Paper Company was the largest paper producer in



Office of H. E. Mason, Executive Vice-President

the country. Soon its markets expanded to include most of Canada, and a branch office and warehouse was opened in Toronto in 1879.

In 1882 the co-founder, William Angus, resigned to run his own chemical pulp mill at East Angus which eventually became the Brompton Pulp and Paper Company. Eleven years later his successor and original partner, Thomas Logan, died. John MacFarlane assumed the presidency and guided the company through further expansion until 1902 when he resigned to become president of the St. Raymond Paper Co. He was succeeded by Sir Montagu Allen. In 1908, Joseph Kilgour, of Kilgour Brothers, Toronto, acquired a controlling interest in Canada Paper Company.

Until this time the company had been making its own soda pulp and groundwood pulp, with some purchases of strong sulphite pulp to give added strength. Mr. Kilgour required strong papers for his bag business and, although the brown colour did not appeal to most paper makers and dealers, Canada Paper Company converted to kraft in 1909.

World War I brought heavy demand, high prices and resultant prosperity to the company, but in 1920 the bottom fell out of the boom and it suffered reverses for some years thereafter. When Mr. Kilgour died in 1926 the old firm of Kilgour Brothers was absorbed by Canada Paper Company, although it still operated as Kilgour's Limited.

HOWARD SMITH PAPER ACQUIRES CONTROL

After this latest reorganization, the control of Canada Paper went to St. Maurice Valley Corporation, who planned to convert the mills to the manufacture of fine papers despite the fact they had no previous experience in this field. Thus, in 1928, after considerable negotiation, Howard Smith Paper Mills acquired controlling interest in the company and assumed active direction of its affairs.

The new venture placed a heavy drain on the Howard Smith management and finances because major changes had to be made to the Canada Paper plant and equipment. In addition, the company

THE DOMINION GUIDE

SHERBROOKE, P. Q.

The Canada Paper Company, (late Angus, Logan & Co.) own two mills at this point, each having a cylinder paper Machine, which are kept constantly running on MANILLA, BROWN, MATCH and ROUGHING PAPERS, turning out 374 tons a day—750 tons a year, and employing 50 persons.

This place is quite a manufacturing centre, especially arising from the many good water privileges to be had. Here are situated the great FAYON WOODLEN MILLS, LOGAN WOOLLEN MILLS also, MACHISE SHOPS, FURNITURE FACTORIES, &c., &c., and at this point the Manawaggi Valley R. R. connects with the Grand Trunk.

SHERBROOKE, being surrounded by a fine agricultural and grazing country, and being the County Town, a large business is done there; the place is delightfully situated, and all about and around it is exceedingly picturesque.

Tourists find this a most desirable place to spend a few days, and under the care of *mine host*, the genial HARRISON of the MAISON HÔTEL, they find they have had a very pleasant and enjoyable time.

SHERBROOKE PAPER MILLS, P. Q.

WINDSOR PAPER MILLS, P. Q.

These Mills are 83 miles from Montreal, on the Grand Trunk Railway between Montreal and Portland. It is beautifully situated at the mouth of the Windsor River, at its junction with the St. Francis.

The large PAPER MILL and WOOD PULP MILL were built here by Messrs. ANGUS, LOGAN & CO. (now the CANADA PAPER CO.) in 1866, and from ever few hours, the place has grown to be quite a large flourishing village. The mill has two Fourdrinier Paper Machines in it, and turns out 4 tons of paper daily. The class of paper made, being NEWS, BOOK, COLLEGE and EXHIBITION PAPERS. There are about 150 hands employed about the works. The Paper Company own some 4,000 acres of timber lands adjacent to the Mills for the purpose of getting the wood that is on it; they also buy wood from the farmers in winter, they consume some 8000 cords a year.

About a mile above, on the Windsor River, the Windsor Powder Company's Mill is situated, and farther up is a large Saw Mill belonging to M. S. C. CLARK. The Paper Mill has for power a fall of 42 feet, and on the right of the mill is a beautiful waterfall of some 50 feet. A bridge is to be constructed this year connecting the north with the south bank of the St. Francis; this will of course be a great convenience both for business men and for pleasure seekers.

OFFICERS OF THE CANADA PAPER COMPANY:

WILLIAM ANGUS, President and Managing Director | JOHN MACFARLANE, Assistant Managing Director
THOMAS LOGAN, Mill Manager | JOHN G. YOUNG, Secretary-Treasurer

A page from the Dominion Guide of 1873 published shortly after Angus, Logan and Company was incorporated as Canada Paper Company. The two paper mills in Sherbrooke were furnished chemical wood pulp by the mill at Windsor Mills.

could not compete favourably in newsprint with the newer, lower-cost newsprint mills, and this despite the fact that newsprint still formed a large proportion of the mills' production.

The immediate outlook suggested that the mills should be abandoned. Yet, because the new owners had confidence in the future and concern for the livelihood of the townspeople of Windsor Mills, who were dependent on the operation of the mills, they decided to make the necessary changes and carry on.

The changes involved large expenditures and commitments in both the pulp and paper divisions. One of the most important — and profitable — installations made during this period was a Tomlinson-Babcock-Wilcox Waste Liquor Furnace at the kraft mill in 1930. This system was a marked advance over the conventional practice for recovery of chemicals from waste sulphate liquors, and later was adopted throughout the world. Since this development was protected by patent rights, Canada Paper Company was, and still is, able to profit from licensing arrangements.

When World War II broke out in 1939 the demand for Canada Paper's products exceeded production capacity, so another paper machine was installed which increased output from 95 tons to 135 tons a day. Kraft pulp capacity was expanded proportionately. To meet the heavy demand during the war years further improvements were made to both the pulp and paper mills, increasing production of pulp and paper to 150 tons a day by war's end.

Later, still another expansion program was undertaken to meet post-war demand, resulting in further improvements, additions and changes at Windsor Mills.

PRESENT-DAY OPERATIONS

Today the Canada Paper Company's operations at Windsor Mills, under Vice-President and General Manager A. J. Philip, and Mill Manager W. E. Rice, consist of the Watapeka Mill, comprising a two machine paper mill and a sulphate pulp mill with eight digesters; the St. Francis Mill, with a three machine paper mill, a groundwood mill and a large finishing room; and the Converted Products Division, with a paper-bag-making department, a coating department and a large number of hand operations.

One recent development that has attracted the

interest of the pulp and paper industry in Canada was the installation at Windsor Mills, in the summer of 1958, of bark-burning equipment. It reduces pollution on the St. Francis River and at the same time proves economical to the company because it generates as much as 600,000 lbs. of steam every 24 hours. This machine, the first of its kind in Eastern Canada, burns some 150,000 lbs. of dry bark per twenty-four hours. Under the old method the bark had to be deposited into the St. Francis, thus increasing the pollution load on the river.

Because Windsor Mills is a one-industry town, the company is aware of its special community responsibilities and has striven conscientiously to be a good corporate citizen. Among other things, a nine-hole golf course, hockey and curling rinks and a sports arena have been provided to give employees and their families good recreational facilities.

A YEAR TO REMEMBER

Windsor Mills is the focal point of celebrations being held to commemorate the 100th Anniversary of Canada Paper Company during the first six months of 1959. Starting in a quiet way with the inclusion of special anniversary stickers on company stationery and outgoing shipments, the celebration will gain momentum with town and plant decorations, Open House Days, sports and other festivities in the early summer.

Yet, while the Canada Paper Company is proudly commemorating its Century of Progress, it is not unmindful of what lies ahead. Like its parent, it confidently looks upon the achievements of the Past as but a prelude to the accomplishments of the Future.

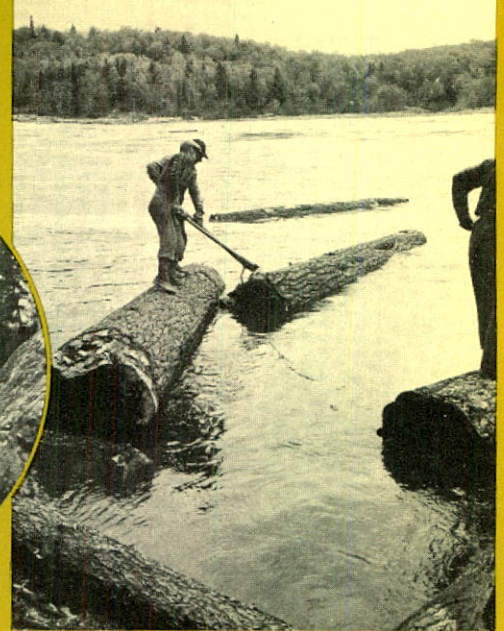
Office of J. M. Thompson, Vice-President, Finance



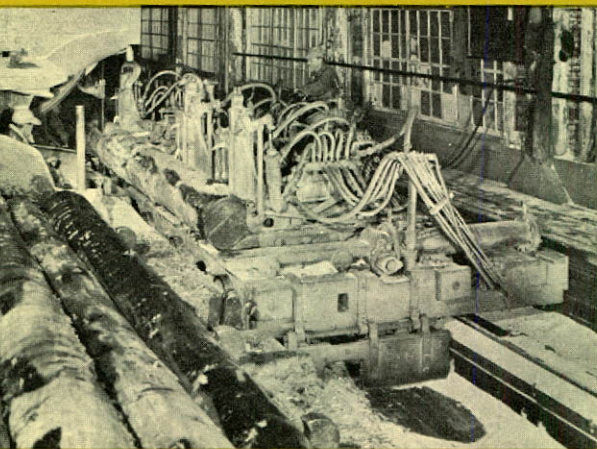


▲ *Freeing hung-up logs*

*Shooting the rapids
in double ender*



▲ *Crew urging big ones on*



▲ *Headrig of band saw*

Huron Forest

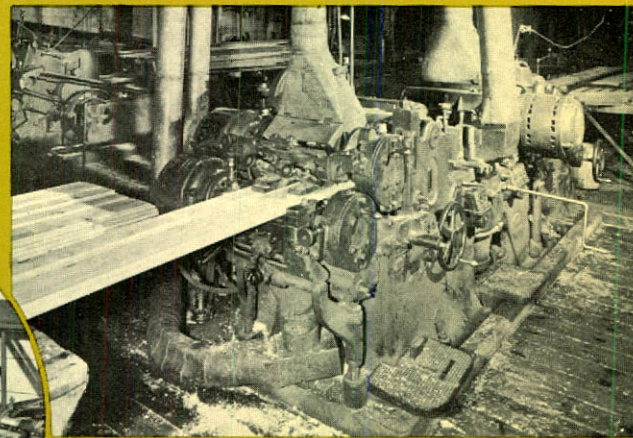
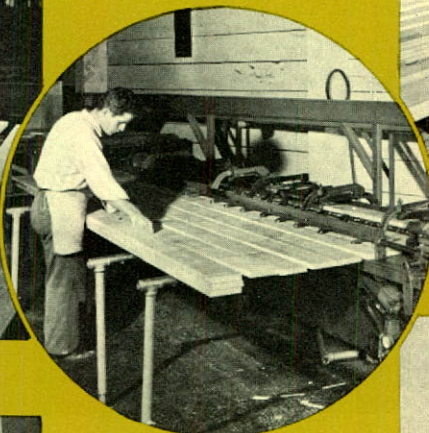
OPERATIONS

▼ *Moulding machine making pine paneling*



▲ *Fresh cut lumber being graded*

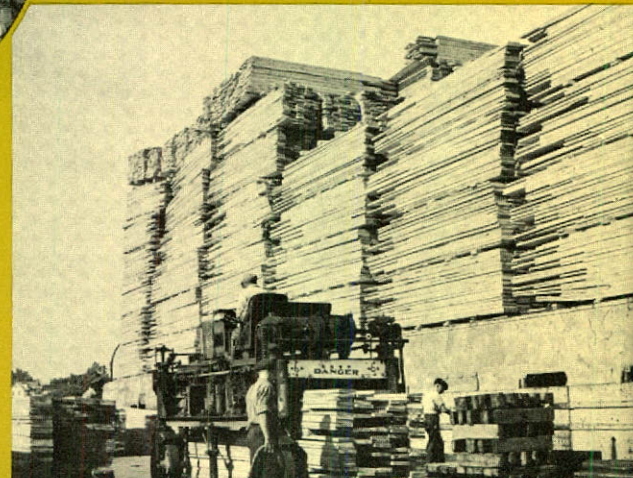
*Laying up
"Bonded Pine"*



▼ *Deck load of finished lumber*



◀ *Lumber anti-stained
before sorting*





A NEW MEMBER OF THE HOWARD SMITH GROUP

Huron Forest PRODUCTS

ON OCTOBER 1ST, 1958, Howard Smith Paper Mills Limited acquired full ownership of Huron Forest Products Co. Limited in an exchange of shares. The new subsidiary is located on the shores of Lake Huron at Blind River, Ontario, almost 100 miles west of Sudbury. Thirty miles to the north is a vast area of woodlands in which the company has cutting

rights. This is drained by the historic Mississauga River and its tributaries, down which the winter's cut of pine and spruce logs is floated in the Spring.

THE McFADDEN MILL

Six miles east of the mouth of the Mississauga is the huge McFadden Lumber Company mill, the

ANNUAL REPORT

main operating unit of Huron Forest Products. It is the largest sawmill east of the Rocky Mountains with a capacity of 30 million board feet of lumber a year, or enough 2-inch planks to make a sidewalk, eight feet wide, from Montreal to Toronto. In addition to sawing, the mill has a large kiln drying capacity and a planing mill where many varieties of mouldings and specialty panel boards are made. Offcuts are ingeniously fashioned into "Bonded Pine" panels up to four feet wide by sixteen feet long. Unusable offcuts and waste are made into chips and sold to pulp mills, while sawdust is used to generate steam and electric power.

THE WOODLANDS

Imagine an area 15 times the size of Metropolitan Toronto, or 25 times as large as the Island of Montreal, and you can picture the extent of the woodlands leased by Huron Forest Products — 3500 square miles in all. Scattered over these lands are some of the finest stands of White and Red Pine to be found in Ontario; some of the trees being 200 years old, 100 feet tall, and with diameters up to 3 feet. Spruce, Jack Pine and many hardwood species abound. Thus, in addition to sawlogs, the area is potentially capable of producing a considerable annual yield of pulpwood. Modern forest management methods will no doubt increase the potential in the future.

CUTTING OPERATIONS

Although cutting begins in the early Fall and lasts until February or March, the preparatory work is done in the summer. Cutting areas are mapped out, rough roads for winter hauling are cleared, and banking grounds prepared along river banks to hold

huge piles of logs for the Spring Drive. This is also the time for setting up new camps, arranging for food supplies and overhauling the vast amount of equipment needed for the wood harvest.

When the snows come, and the rough roads are firmly iced, the fresh cut logs are drawn out of the bush by horse or tractor, and trucked to the nearest river bank.

DRIVING THE RIVERS

In the Spring, the drive crews release the huge piles at the river banks so that they tumble into the rushing waters. One by one the piles are dumped; then comes the job of herding these giants past rapids and quiet eddies. At drive's end, the logs are held in large ponds at the mouth of the Mississauga where the oils leach out, and they are kept damp for better sawing. As required, they are brought over to the mill in large booms towed by a sturdy tug.

THE SAWMILL

The sawmill is tuned up during the winter. When the first logs reach the mill they travel up a conveyor under pressure sprays to remove loose bark and clinging dirt. Then they go through a machine which strips off the bark and deposits the logs in position for the saws. Here the huge bandsaw blades cut through them with incredible speed, quickly reducing them to rough lumber. After being edge-trimmed and cut to length, the rough boards and planks are graded, then passed onto a long conveyor which bathes them in a preserving liquid and carries them to the sorting crews. Some lumber goes directly to the kilns, but much more is stacked in the drying yards where some 25 million feet may sometimes be seen at the end of the sawing season in October.

COVER

Lithographed in four-colour process with one extra colour, on Glosskote Bristol, 22½ x 28½ — .012. Inside cover lithographed black and green. Types used for outside and inside covers are News Gothic Condensed No. 204, 20th Century Medium, Bold and Extra Bold Extended.

INSIDE PAGES

Colour illustrations lithographed in four-colour process. Type, black and white halftones and charts printed offset in two colours, on Luxagloss, 25 x 38 — 160 M. Types used are Bodoni No. 375, 10 pt. leaded two points, No. 375, 8 pt. italic for captions with 20th Century Bold and Bold Italic for sub-headings, and 20th Century Extra Bold Extended for display headings. The sub-headings are set in 20th Century Bold.

Howard Smith Paper Mills Limited

AND SUBSIDIARY COMPANIES

TEN YEAR EARNINGS SUMMARY

	Donnacona Paper Company, Limited not consolidated in these years									
	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949
Net Sales.....	\$105,124,199	\$103,013,041	\$104,437,815	\$89,163,056	\$80,369,139	\$75,145,827	\$77,241,203	\$65,898,680	\$51,656,671	\$43,201,010
Less:										
Cost of products sold and operating, sales and administrative expenses.....	88,780,166	86,298,875	84,477,571	71,373,765	65,139,631	61,409,771	63,414,566	51,218,979	40,075,131	35,284,870
Earnings before the undernoted.....	16,344,033	16,714,166	19,960,244	17,789,291	15,229,508	13,736,056	13,826,637	14,679,701	11,581,540	7,916,140
Investment and sundry income.....	623,562	430,237	435,118	312,135	341,526	471,059	226,191	502,309	585,249	326,375
	16,967,595	17,144,403	20,395,362	18,101,426	15,571,034	14,207,115	14,052,828	15,182,010	12,166,789	8,242,515
Deduct:										
Depreciation and depletion.....	4,869,924	4,818,157	5,273,022	5,370,459	4,697,367	4,271,129	4,302,728	3,753,676	3,674,738	2,551,686
Interest on funded debt.....	521,718	566,282	625,081	682,127	705,883	758,484	787,089	463,609	236,044	246,384
Transferred to Inventory Reserve.....	—	—	500,000	—	—	—	—	—	—	—
	5,391,642	5,384,439	6,398,103	6,052,586	5,403,250	5,029,613	5,089,817	4,217,285	3,910,782	2,798,070
Net Profit before provision for income taxes.....	11,575,953	11,759,964	13,997,259	12,048,840	10,167,784	9,177,502	8,963,011	10,964,725	8,256,007	5,444,445
Provision for income taxes.....	5,488,322	5,660,006	6,850,000	5,850,000	5,110,000	4,431,000	4,950,000	6,050,000	3,710,000	2,283,000
Net Profit for the year.....	6,087,631	6,099,958	7,147,259	6,198,840	5,057,784	4,746,502	4,013,011	4,914,725	4,546,007	3,161,445
Profit on sale of fixed assets.....	—	624,028	—	—	—	—	—	—	—	—
Net Earnings for the year.....	6,087,631	6,723,986	7,147,259	6,198,840	5,057,784	4,746,502	4,013,011	4,914,725	4,546,007	3,161,445
Deduct amount applicable to minority shareholders of Donnacona Paper Company, Ltd.....	19,104	34,116	58,129	52,181	37,528	43,484	186,129	—	—	—
Balance transferred to earned surplus.....	6,068,527	6,689,870	7,089,130	6,146,659	5,020,256	4,703,018	3,826,882	4,914,725	4,546,007	3,161,445
Net Earnings — per common share*	\$3.09	\$3.66***	\$3.88	\$3.34	\$2.70	\$2.51	\$2.05	\$2.87	\$3.17	\$2.13
Dividends declared per common share*	\$1.20	\$1.20	\$1.50	\$1.45**	\$1.00	\$1.00	\$1.00	.81¼	.75	.50

*1951 and prior years adjusted for 4 for 1 stock split on September 21st, 1951
 1958 earnings per share based on total shares outstanding of 1,857,910, an increase of 115,160 over the previous year
 **An extra dividend of 20c per share for the year 1954 was declared and paid in 1955
 ***Includes capital profit on sale of Crabtree Mills of 36c per share

THESE TRADE MARKS

are well known to those who buy
our various products

HOWARD SMITH PRODUCTS

Rag and Sulphite Bond and Ledger;
Papeterie; Writing; Duplicating;
Envelope; Exercise; Book; Litho;
Offset; Text; Cover; Blotting; Drawing;
Tissue, and Cigarette Paper; Base stock
for Blue Print and Black Line Papers;
Index and Printing Bristols; Boxboard;
Blanks and other Specialties;
Bleached Sulphite and Soda Pulps;
Vanillin and Lignin.



DONNACONA PRODUCTS

Newsprint; Insulating Board;
Sheathing Board; Acoustical Board;
Plaster Base Board; Unbleached
Sulphite Pulp and Specialties.



ALLIANCE AND DON VALLEY PRODUCTS

Glassine; Greaseproof; Onionskin;
Carbonizing; Coated Book;
Coated Litho; Coated Bristol; Tag;
Cover; Blotting; Bristol; Flour Sack;
Bleached Sulphite Pulp; and Specialties.



CANADA PAPER PRODUCTS

Wrapping and Converting Krafts;
Manilla Envelope; Rotogravure and
Catalogue Papers; Tag; Paper Towels;
Krinkled and Infused Kraft; Grocery;
Multiwall and Specialty Bags;
Groundwood Pulp; Bleached and
Unbleached Sulphate Pulp.



ARBORITE PRODUCTS

Decorative Paperbase Laminates for
Decorative Wallboard and Table or
Countertop Application; Twin Trim
Arborite-faced Aluminum Extrusions;
complete range of Paper and Cloth
Laminates including Convolute Tubes
and Rods for electrical and
other industrial uses.



HURON FOREST PRODUCTS

White and Red Pine lumber,
air and kiln dried. "Bonded Pine" panels,
mouldings and dressed lumber.

Huron Forest

