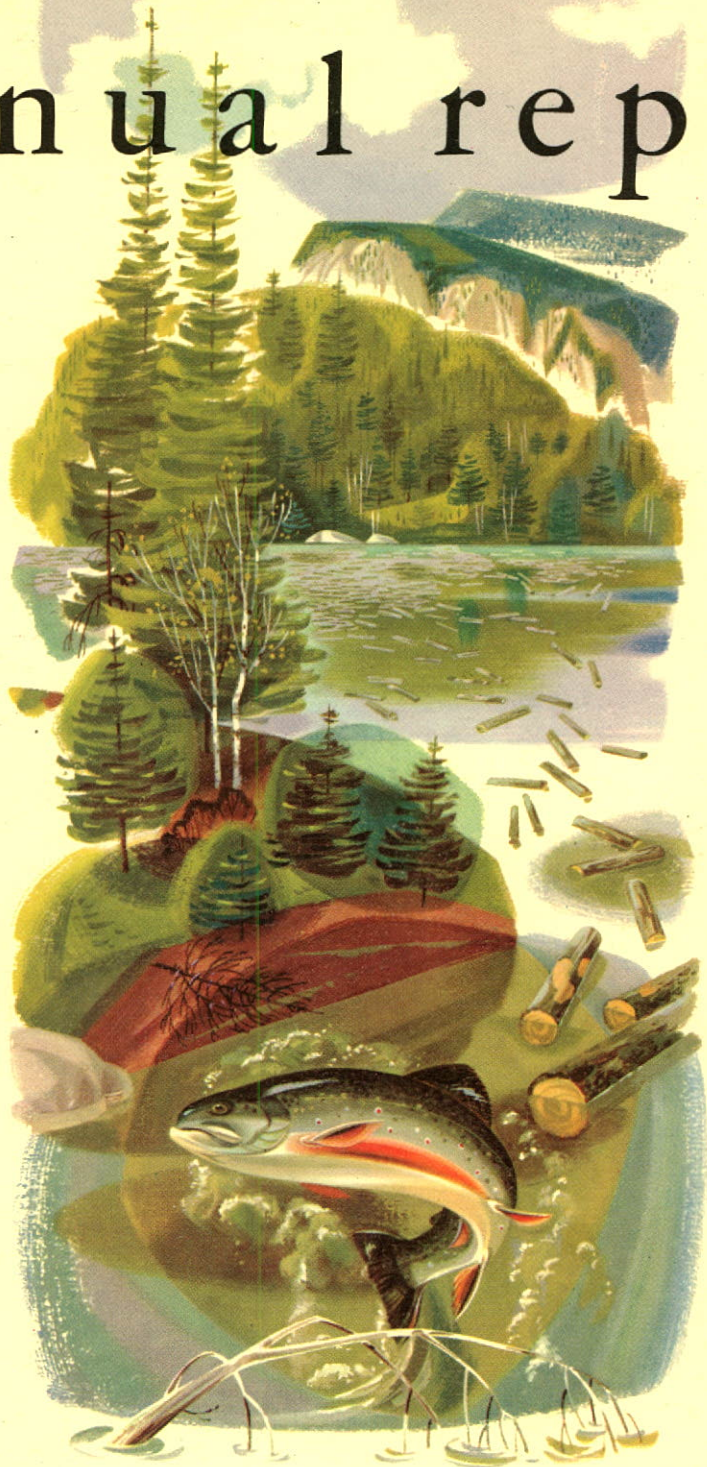


1955

annual report



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Anglo-Canadian Pulp and Paper Mills, Limited

OUR COVER

Fish and game abound in the St. Lawrence River North Shore country where most of Anglo-Canadian's timber limits are located. Streams bearing picturesque names such as *Sault-au-Cochon*, *Brise-Culotte*, *Truchon*, and innumerable lakes, teem with speckled trout, a species prized as much for its delicate beauty as for its sporting qualities.

Illustrated by Jacques Bédard.

Ce rapport a été publié en français et en anglais. Si vous préférez un exemplaire français, veuillez en faire la demande au secrétaire, Anglo-Canadian Pulp and Paper Mills, Limited, Québec, P.Q.

30th
annual report

Anglo-Canadian Pulp and Paper Mills, Limited

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Anglo-Canadian Pulp and Paper Mills, Limited

HEAD OFFICE: QUEBEC, P.Q., CANADA

Directors

JAMES COOKE
J. F. E. COOPE
A. S. FULLER
E. L. GOODALL
W. H. HOWARD, C.B.E., Q.C.
C. H. KING
E. M. LITTLE
R. C. McMICHAEL, Q.C.
THE VISCOUNT ROTHERMERE
H. D. RUTHMAN
W. E. SOLES
PHILIP G. WALKER, F.C.A.

Officers

Chairman of the Board: R. C. McMICHAEL, Q.C.
President: E. M. LITTLE
Vice-President and General Manager: W. E. SOLES
Secretary: H. D. RUTHMAN
Assistant Secretary: W. P. CREACH
Treasurer: C. H. SMITH
Assistant Treasurer: W. G. D. STANLEY

Subsidiary and Associated Companies

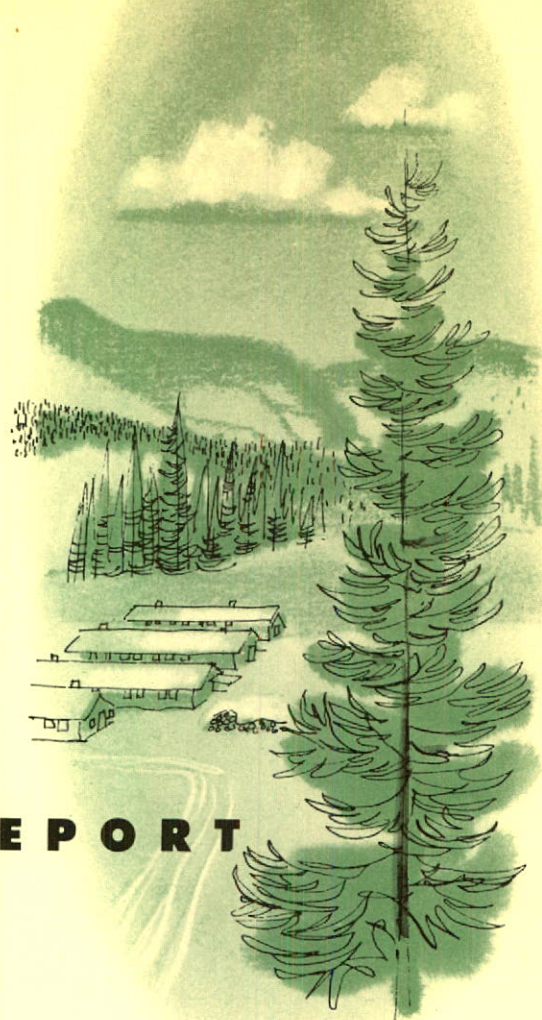
Dryden Paper Company, Limited, Dryden, Ontario
St. Charles Transportation Company Limited
Lignosol Chemicals Limited
La Compagnie le Parc St. Charles Limitée
Forestville Realities Limited
Northeastern Paper Products Limited
The Bersimis Mining Company (*No Personal Liability*)

Registrars and Transfer Agents

For Common Shares
Montreal Trust Company, Montreal
For Preferred Shares
Montreal Trust Company
Montreal, Toronto, Winnipeg, Vancouver and Halifax

Auditors

Lever, Honeyman, Leetham & Co., Montreal



DIRECTORS' REPORT

TO THE SHAREHOLDERS
OF ANGLO-CANADIAN
PULP AND PAPER MILLS, LIMITED

Your Directors take pleasure in presenting the thirtieth annual report of your Company, together with the audited Consolidated Balance Sheet as at December 31st, 1955 and Consolidated Statement of Profit and Loss and Earned Surplus of the Company for the year then ended.

PRODUCTION AND SALES

Mills operated at capacity levels throughout the year, and the output of all products totalled 388,067 tons.

At the Quebec mill, newsprint production of 237,187 tons represented an increase of 10,518 tons over the previous year, unbleached sulphite pulp production of 61,289 tons was slightly higher, and paperboard production of 20,566 tons was about the same as in 1954. The Dryden mill produced 46,909 tons of kraft papers and board as well as 22,116 tons of unbleached kraft pulp; the combined production of 69,025 tons compared with 70,715 tons in 1954.

Total sales amounted to \$46,501,047.

EARNINGS

Consolidated net profit for the year after provisions for depreciation, depletion and taxes, amounted to \$5,436,069. After providing for dividends on the Preferred shares outstanding the net profit per Common share was \$3.95 as compared with \$3.34 in 1954.

DIVIDENDS

As in 1954, regular quarterly dividends of \$0.50 per share were paid on the outstanding Common shares, and regular quarterly dividends of \$0.70 per share on the outstanding Preferred shares.

Total dividend payments amounted to \$2,976,542.

FINANCIAL

Working Capital at the end of the year amounted to \$18,943,987, an increase of \$3,200,116 over the previous year-end. Current Assets were 3.5 times Current Liabilities.

The Funded Debt of the subsidiary, Dryden Paper Company Limited, was increased

to \$14,000,000 during the year through the issue of \$5,775,000 4 $\frac{3}{4}$ % debentures. These debentures, which were part of the \$14,000,000 issue sold in 1954, were not delivered until the latter part of 1955.

An amount of \$1,000,000 heretofore carried on the Balance Sheet as a Reserve for Contingencies, and \$400,000 of the Provision for Income Taxes set aside in previous years and no longer required, have been added to Earned Surplus Account.

PROPERTIES

Capital expenditures during the year amounted to \$5,522,550. After deductions in respect of the sale of some assets, and after writing off other fixed assets no longer useful in the Company's operations, the net increase in Fixed Assets amounted to \$4,807,400.

The foregoing capital expenditures included \$2,995,678 expended by Dryden Paper Company, Limited, on its new development programme. Major items of expenditure at the Quebec mill were \$339,200 for improvements and additions to the electrical system, \$218,509 for equipment to provide increased capacity in the board mill and \$178,403 on a refuse burning plant.

The refuse burning plant, which is scheduled for completion in 1956 at a cost of about \$750,000, will add to the steam available and also provide for the disposal of bark.

All properties have been well maintained and many smaller expenditures have been made for replacements and improvements in the Quebec and Dryden mills and their respective woodlands operating divisions.

THE OUTLOOK

The demand for your Company's products continues to increase and mills are operating at capacity levels.

Plans to increase capacity are under way generally in the industry both in Canada and in the United States. However, indications are that the resultant increase in production will not exceed the anticipated increase in demand. Prospects for 1956 are good and we expect the Company's mills to continue to operate at maximum rate.

EMPLOYEE RELATIONS

At the end of the year, the total number of regular employees at the mills was 2,121. The number of employees in woods operations, to some extent seasonal, reached about 3,500 during the more active periods.

Contracts with the different Unions representing all employees at both the Quebec and Dryden mills were renewed for another year. At the time of renewal a 5% increase in all rates was agreed upon and implemented. A new agreement, effective July 1st, 1955, was entered into with a Union representing substantially all employees engaged in the Forestville woods operations.

In labour relations the spirit of cooperation and understanding that has long existed between the Company and its employees was maintained.

Your Directors once again express their sincere appreciation to all employees. Their loyal and efficient services throughout the year made a very important contribution to the results achieved.

On behalf of the Board,

Quebec, P.Q., February 29th, 1956



President





Anglo-Canadian Pulp and Paper Company

AND SUBSIDIARY COMPANIES INCLUDED

Consolidated Balance Sheet

Assets

		1954
CURRENT ASSETS		
Cash at Banks and in Hand.....	\$ 2,579,221	\$ 4,740,563
Government of Canada and Provincial Guaranteed Securities (Market Value \$6,837,740.).....	6,882,279	969,550
Accounts and Bills Receivable.....	5,229,819	5,777,591
Inventories — Valued at cost or lower but not exceeding market value		
Finished Products, Mill Supplies, etc.....	3,010,794	3,116,322
Pulpwood and Logging Supplies—including expenditures on logging operations in progress.....	8,646,222	9,025,916
		<u>26,348,335</u>
		<u>\$ 23,629,942</u>
PREPAID AND DEFERRED EXPENDITURE.....		486,656
		<u>\$ 682,833</u>
INVESTMENTS IN ASSOCIATED COMPANIES		
Shares at cost, less amounts written off.....	\$ 766,229	757,225
Loans and Notes.....	614,806	414,548
		<u>1,381,035</u>
		<u>\$ 1,171,773</u>
PREFERRED DIVIDEND MAINTENANCE FUND		
Cash at Bank.....		160,000
FUNDS OF DRYDEN PAPER COMPANY, LIMITED on deposit with Trustee held for new development program.....		
		6,778,445
		<u>\$ 3,474,849</u>
FIXED ASSETS		
Timber Limits and Land		
At cost.....	\$ 4,263,931	\$ 4,216,881
At valuation placed thereon in 1920.....	2,233,120	2,233,120
	<u>\$ 6,497,051</u>	<u>\$ 6,450,001</u>
Less: Depletion.....	2,006,409	1,780,453
	<u>\$ 4,490,642</u>	<u>\$ 4,669,548</u>
Mill Site, Buildings, Plant and Equipment, Ships, Logging Townsite, Water Power Development etc.		
At cost.....	\$ 51,713,836	\$ 47,108,433
At depreciated replacement values as at September 30, 1940 per appraisal of Canadian Appraisal Company Limited.....	3,167,962	3,167,962
	<u>\$ 54,881,798</u>	<u>\$ 50,276,395</u>
Less: Depreciation.....	31,353,185	28,585,224
	<u>23,528,613</u>	<u>\$ 21,691,171</u>
Logging Equipment and Improvements.....		
At cost.....	\$ 3,988,375	\$ 3,833,428
Less: Depreciation.....	2,722,934	2,566,405
	<u>1,265,441</u>	<u>\$ 1,267,023</u>
		<u>29,284,696</u>
		<u>\$ 27,627,742</u>
EXCESS OF COST OF SHARES OF SUBSIDIARY COMPANIES		
Over the book value of the net assets attributable thereto at dates of acquisition of the shares.....		3,337,251
		<u>\$ 3,336,421</u>
NOTE:		
The following have not been included as Liabilities in the above Balance Sheet.		
1. Commitments under contracts for Capital Expenditure amounting to approximately \$6,000,000, which includes \$3,600,000 in respect of new development programme of Dryden Paper Company, Limited estimated to cost \$8,500,000 to complete.		
2. Balance of Past Service Contributions under Dryden Paper Company, Limited's Employees Retirement Plan, \$146,000.		
		<u>\$ 67,776,418</u>
		<u>\$ 59,923,560</u>

On behalf of the Board:
W. E. SOLES, *Director*
W. H. HOWARD, *Director*

Dryden Paper Mills, Limited

ANGLO-DRYDEN PAPER COMPANY, LIMITED

Balance Sheet as at December 31, 1955

Liabilities

		1954
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities.....	\$ 3,149,846	\$ 3,458,288
Interest Accrued on Funded Debt	30,888	20,943
Dividends Payable:		
On Preferred Shares January 20, 1956.....	112,000	112,000
On Common Shares January 7, 1956.....	632,135	632,135
To Minority Shareholders.....	106	2,223
Provision for Income Taxes.....	<u>3,479,373</u>	<u>3,660,482</u>
	\$ 7,404,348	\$ 7,886,071
COST OF PAST SERVICE CREDITS under Parent Company's Em- ployees Retirement Plan — balance payable in 1956.....	156,688	<u>\$ 313,380</u>
SECURED LOANS	342,727	<u>\$ 362,888</u>
FUNDED DEBT OF DRYDEN PAPER COMPANY, LIMITED		
4¾% Serial Debentures — to mature \$500,000 annually 1958 to 1964 inclusive — Issued.....	\$ 3,500,000	—
4¾% Sinking Fund Debentures — to mature in 1974: (Sinking fund payments to commence in 1962) — Issued.....	<u>10,500,000</u>	<u>\$ 8,225,000</u>
	14,000,000	<u>\$ 8,225,000</u>
RESERVE FOR CONTIGENCIES (Transferred to Earned Surplus in 1955)	—	<u>\$ 1,000,000</u>
MINORITY INTERESTS IN SUBSIDIARIES	42,233	<u>\$ 44,495</u>
CAPITAL AND SURPLUS		
\$2.80 CUMULATIVE REDEEMABLE SINKING FUND PREFERRED SHARES of the par value of \$50 each (redeemable on thirty days notice at \$51.50 plus accrued dividends) Authorized, issued and fully paid 160,000 Shares.....	8,000,000	<u>\$ 8,000,000</u>
COMMON SHARES		
Authorized 1,500,000 Shares without nominal or par value Issued — 1,264,271 Shares	\$ 25,306,775	\$ 25,306,775
CAPITAL SURPLUS	758,206	758,206
EARNED SURPLUS (Since January 1, 1940)		
Reserved for Preferred Dividend Maintenance Fund (1954 Sinking Fund Appropriation Transferred).....	160,000	—
Appropriated for Preferred Share Sinking Fund.....	160,000	160,000
Balance per statement attached.....	<u>11,445,441</u>	<u>7,866,745</u>
	37,830,422	<u>\$ 34,091,726</u>
	<u>\$ 67,776,418</u>	<u>\$ 59,923,560</u>

This is the Consolidated Balance Sheet of Anglo-Canadian Pulp and Paper Mills, Limited and Subsidiaries including Dryden Paper Company, Limited, referred to in our report dated February 29, 1956.

LEVER, HONEYMAN, LEETHAM & CO.
Chartered Accountants, Auditors.

ANGLO-CANADIAN PULP AND PAPER MILLS, LIMITED
AND SUBSIDIARY COMPANIES INCLUDING DRYDEN PAPER COMPANY, LIMITED

*Consolidated Statement of Profit and Loss and
Earned Surplus FOR THE YEAR ENDED DECEMBER 31, 1955*

		1954
Profit on Trading and Other Income, before providing for Depreciation and Depletion.....	\$ 14,420,435	\$ 13,147,157
Surplus on Disposals of Fixed Assets.....	1,681	17,311
Interest on Government of Canada and Provincial Guaranteed Securities.....	\$ 51,853	\$ 61,133
Dividends on Shares in Associated Companies...	12,905	12,774
Interest on Notes Receivable.....	20,495	14,491
Other Interest Income.....	122,899	44,775
	208,152	133,173
	<u>\$ 14,630,268</u>	<u>\$ 13,297,641</u>
<i>Deduct:</i>		
Interest on Funded Debt of Dryden Paper Company, Limited.....	\$ 458,382	\$ 219,611
Interest on Loans Payable.....	10,515	40,054
	468,897	259,665
	<u>\$ 14,161,371</u>	<u>\$ 13,037,976</u>
<i>Deduct:</i>		
Provision for Depreciation.....	\$ 3,437,661	\$ 3,289,785
Provision for Depletion.....	225,956	227,132
	3,663,617	3,516,917
Profit before providing for Income Taxes.....	\$ 10,497,754	\$ 9,521,059
Provision for Income Taxes.....	5,058,509	4,850,164
Net profit.....	<u>\$ 5,439,245</u>	<u>\$ 4,670,895</u>
<i>Deduct:</i>		
Applicable to Minority Shareholders.....	3,176	2,110
Net Profit applicable to Shareholders of Anglo-Canadian Pulp and Paper Mills, Limited.....	<u>\$ 5,436,069</u>	<u>\$ 4,668,785</u>
Earned Surplus at December 31, 1954.....	7,866,745	6,658,599
Reserve for Contingencies transferred.....	1,000,000	—
Provision for Income Taxes in prior years no longer required.....	400,000	—
	<u>\$ 14,702,814</u>	<u>\$ 11,327,384</u>
Dividends paid or payable by Anglo-Canadian Pulp and Paper Mills, Limited		
On Preferred Shares — \$2.80 per share.....	\$ 448,000	\$ 448,000
On Common Shares — \$2.00 per share.....	2,528,542	2,527,892
	<u>\$ 2,976,542</u>	<u>\$ 2,975,892</u>
Appropriated for Preferred Share Sinking Fund ..	160,000	160,000
Debenture Issue Discount and Expenses (Dryden Paper Company, Limited).....	120,831	324,747
	3,257,373	3,460,639
Earned Surplus at December 31, 1955.....	<u><u>\$ 11,445,441</u></u>	<u><u>\$ 7,866,745</u></u>

CABLE ADDRESS
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LEVER, HONEYMAN & CO.
LONDON, ENGLAND

LEVER, HONEYMAN, LEETHAM & CO.
CHARTERED ACCOUNTANTS
MONTREAL AND TORONTO

UNIVERSITY TOWER BLDG.
MONTREAL, 2.

February 29, 1956

AUDITORS' REPORT TO THE SHAREHOLDERS,
ANGLO-CANADIAN PULP AND PAPER MILLS, LIMITED:

We have examined the books and accounts of Anglo-Canadian Pulp and Paper Mills, Limited and its wholly-owned subsidiary companies for the year ended December 31, 1955, and have obtained all the information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and, without making a detailed audit, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We have been furnished with the consolidated balance sheet as at December 31, 1955, of Dryden Paper Company Limited and its subsidiaries which, together with the related consolidated profit and loss and earned surplus accounts have been examined and reported upon by an independent firm of auditors.

Based upon such examination and independent auditors' report, the attached consolidated balance sheet of Anglo-Canadian Pulp and Paper Mills, Limited and subsidiary companies and related consolidated statements of profit and loss and earned surplus are, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the companies as at December 31, 1955, and the results of their operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the companies examined by us and the financial statements furnished to us.

Lever, Honeyman, Leetham & Co.

Chartered Accountants



Each year, Anglo-Canadian is host at its Quebec mill to many visitors from various parts of Canada, the United States, and other countries. A tour of a large pulp and paper plant is a memorable experience. The size of the throbbing machines, and the swiftness of the transformation of wood into pulp, newsprint and paperboard, form a fascinating picture of industry in action. The booklet inserted opposite this page has been prepared for the information of our visitors. We believe that our shareholders will be interested in the description it gives of the main operations of the Company.

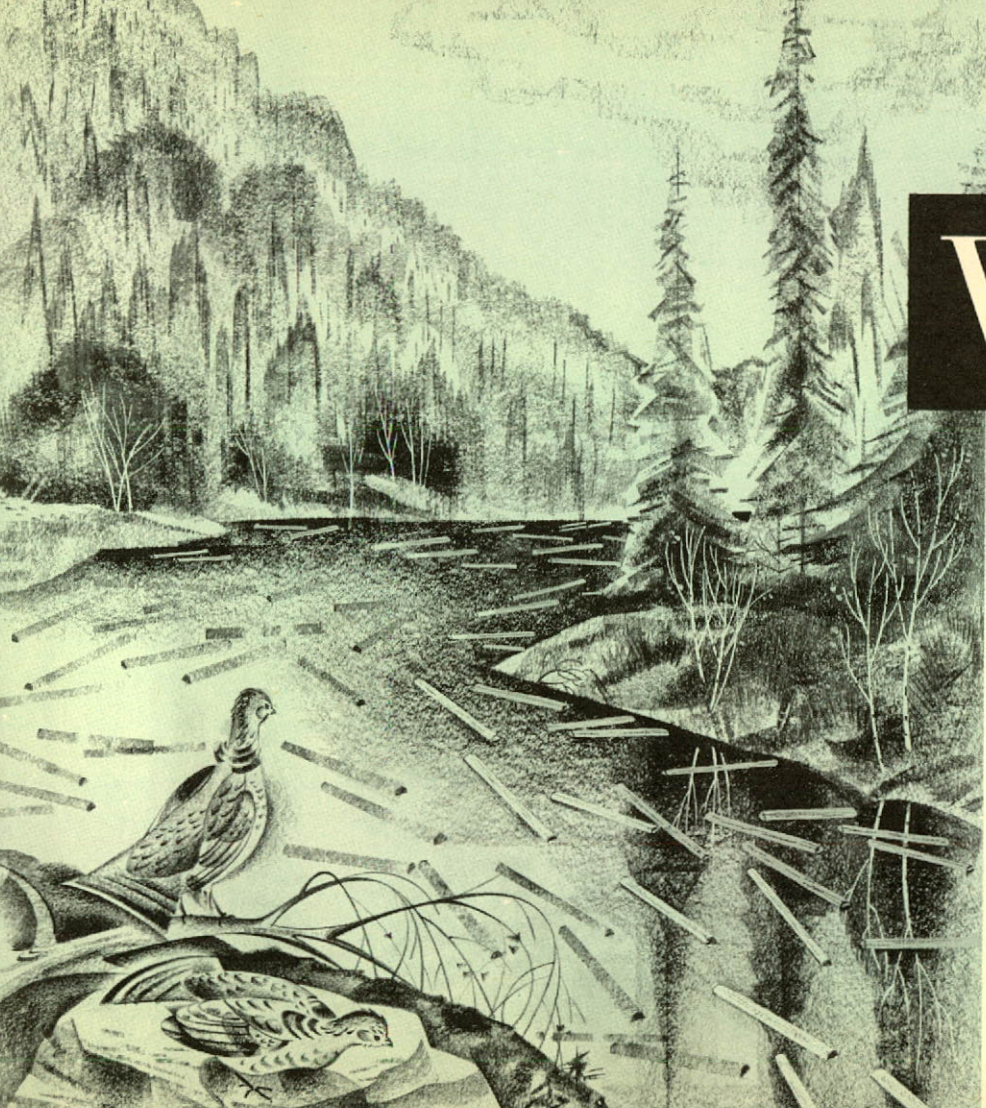




ANGLO

*Anglo-Canadian
Pulp and Paper Mills,
Limited*

QUÉBEC, CANADA



W

elcome

We at Anglo-Canadian are pleased to welcome you on the occasion of your visit to our operations.

Amid the bustling activity of a busy industrial plant, we hope you will find at Anglo the same hospitality for which Quebec City is so justly famed.

May your tour of one of Canada's many great paper mills be an interesting and a pleasant experience.

W. E. Soles.

W. E. SOLES,

Vice-President and General Manager



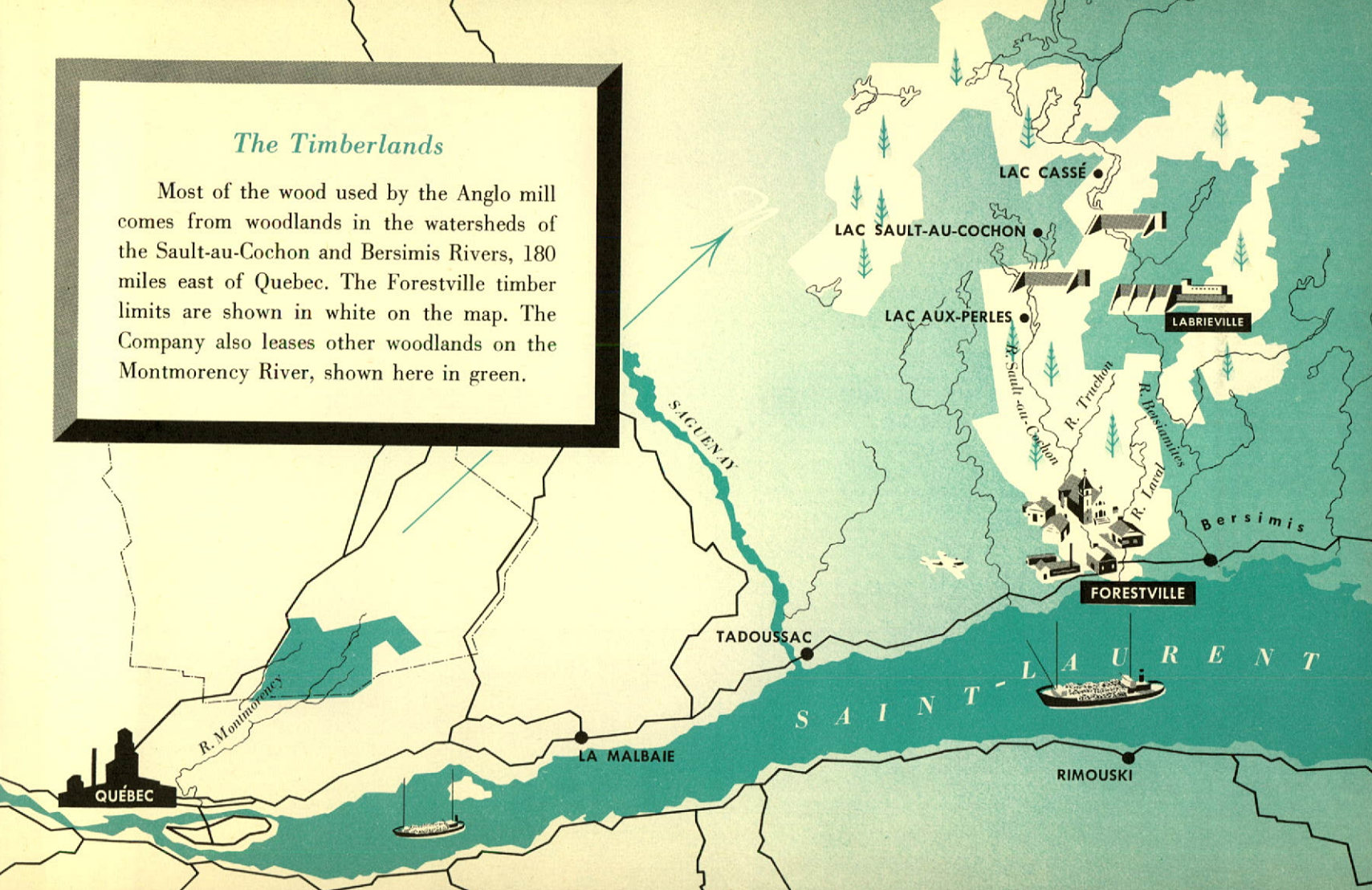
A QUEBEC INDUSTRY

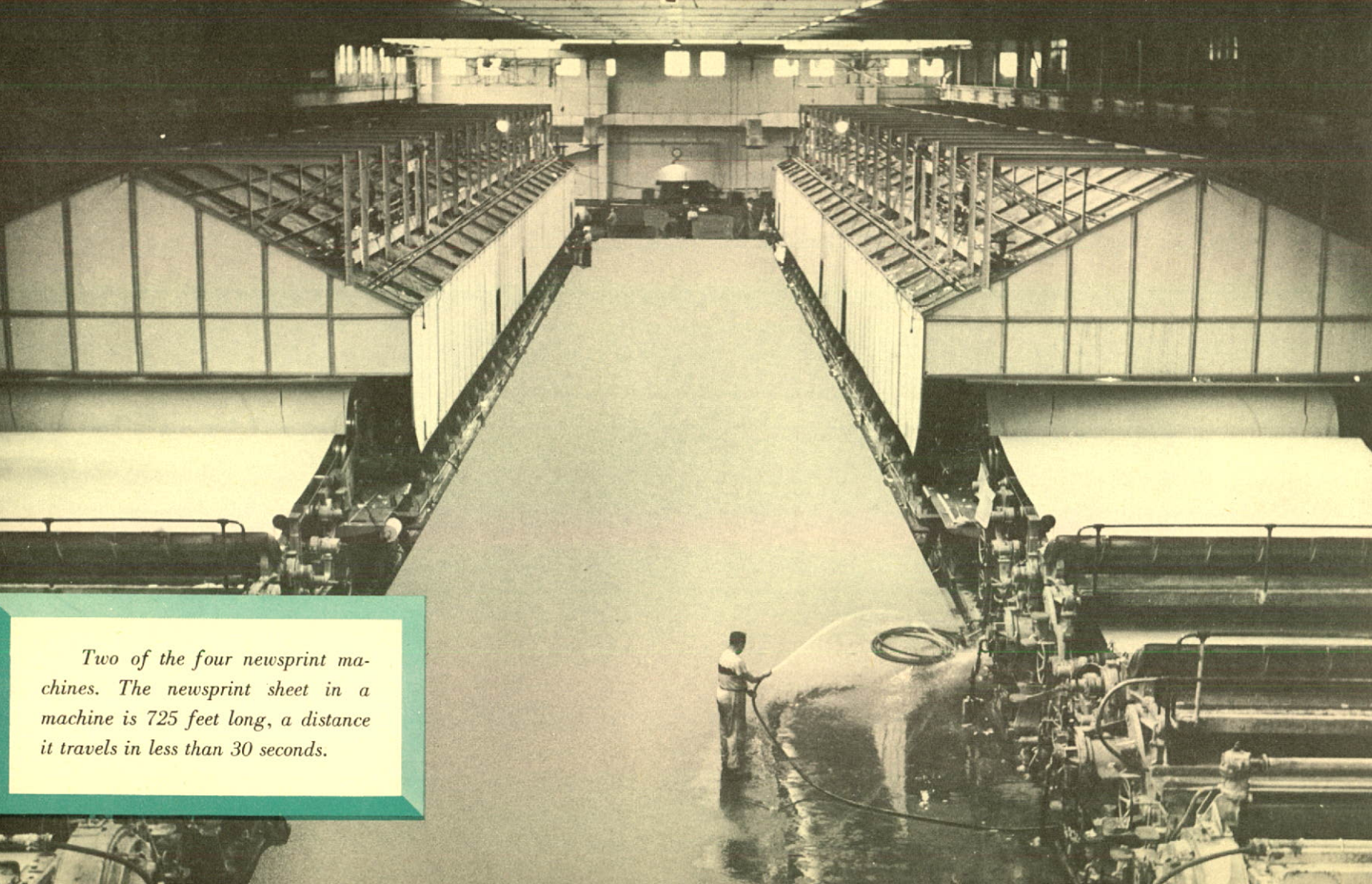
Since 1927, when it went into production, the mill of Anglo-Canadian Pulp and Paper Mills, Limited has been linked closely with the life of Quebec City.

The Anglo tower, a familiar landmark of Quebec, rising against the background of the ancient Laurentian hills, is symbolic of the mixture of old and new, of historic and modern, which contributes to the easy grace and distinctive charm of the City of Champlain.

The Timberlands

Most of the wood used by the Anglo mill comes from woodlands in the watersheds of the Sault-au-Cochon and Bersimis Rivers, 180 miles east of Quebec. The Forestville timber limits are shown in white on the map. The Company also leases other woodlands on the Montmorency River, shown here in green.





Two of the four newsprint machines. The newsprint sheet in a machine is 725 feet long, a distance it travels in less than 30 seconds.

Newsprint in the Making

Paper is born in the forest.

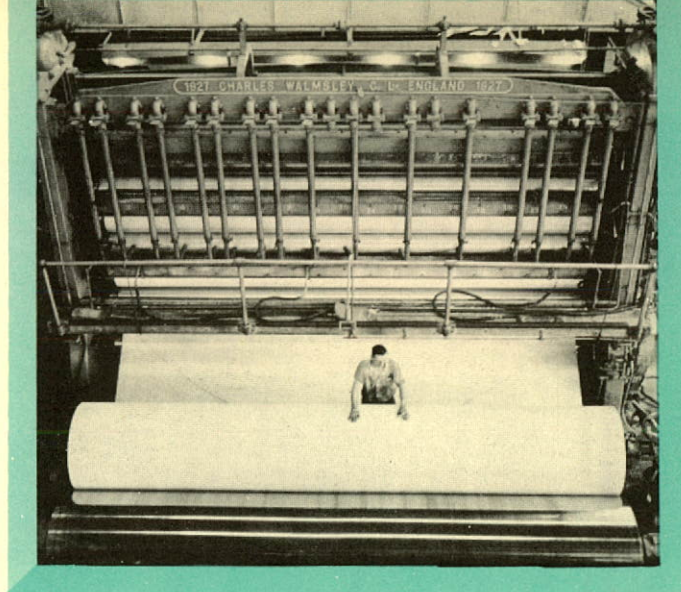
In the fibres of the trees which grow in such abundance in Eastern Canada, nature has provided the ideal raw material for newsprint, pulp, box board and paper board which are the main products of Anglo-Canadian.

Many weeks and even months elapse between the felling of a tree in the forest and its arrival at the mill in the form of four-foot pulpwood bolts. But once at the mill, the transformation from wood into pulp or paper is a swift one, reckoned in minutes. Papermaking is one of the fastest of all major industrial operations.

At Anglo, four machines produce a continuous sheet of newsprint 224" wide, at the rate of approximately 1,600 feet a minute, 24 hours a day. The newsprint sheet travels at some 20 miles an hour through the machines.

Anglo-Canadian is primarily a producer of newsprint, of which it turns out 800 tons a day—over 225,000 tons a year.

Newsprint is almost entirely made of mechanical pulp, obtained by the simple process of pressing wood against large grindstones, revolving at high speed. To give strength to the newsprint, approximately 20%

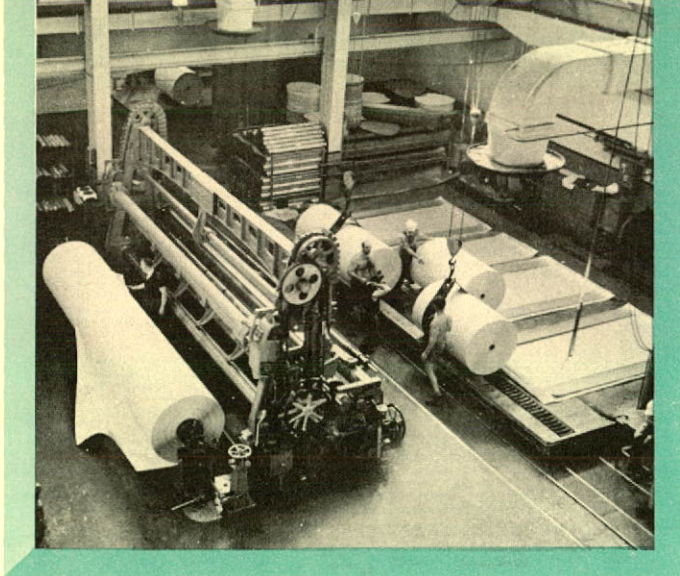


The calender stack rises above the reel of newsprint.

chemical or "sulphite" pulp is added to the groundwood.

The mechanical pulp is carefully filtered and refined to remove all impurities which might affect the quality of the newsprint.

When it enters the paper machine, the newsprint pulp contains 150 times as much water as fibre. The diluted pulp flows from the headbox in a jet 19 feet wide, onto a fine-wire screen belt 80 feet long and 234 inches



Newsprint is cut into widths suitable for rotary printing presses.

wide. Water at once drains through and a mat of fibres begins to form. Vacuum boxes speed up the removal of the water. In two seconds of travel, although it still contains five times as much water as fibre, the pulp has acquired enough strength to bridge a short gap to an endless moving belt of blanket wool called a felt.

The felt carries the sheet through the first press, a pair of rolls acting like an enormous laundry wringer.

A suction box helps to remove more water and to compact the fibre mat, which then crosses another gap and goes through a second set of rollers. At this stage, the sheet is about 70% water.

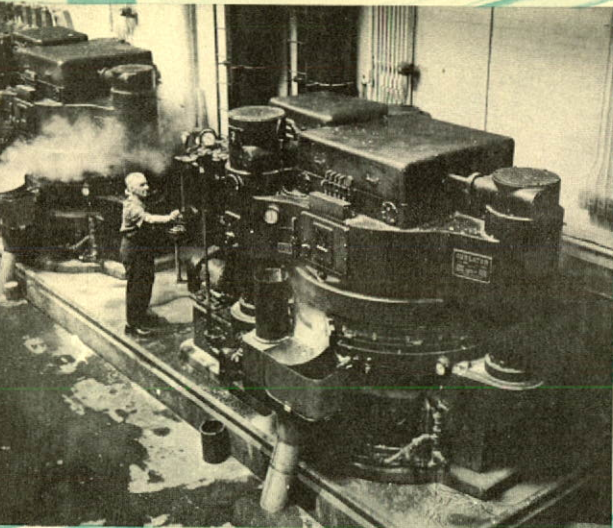
Nearly all the remaining water is then removed from the newsprint sheet by evaporation. The paper is brought into contact with 45 hollow steel, steam-heated rotating cylinders five feet in diameter. The sheet is held against these dryers by four endless bolts of canvas, or dryer felts.

The newsprint is now dry, but its surface is still rough. To smooth it, the sheet passes through a stack of heavy polished steel rolls or calenders. Then the sheet is wound up on a metal reel until a roll of the desired diameter has been formed.

A newsprint machine must never stop while it is in production. The changeover from one reel of finished paper to start another is a dramatic operation, calling for all the skill of the papermaker.

When a roll is fully wound, it is lifted to the winder, where it is cut into narrower rolls to suit the customer's rotary printing press.

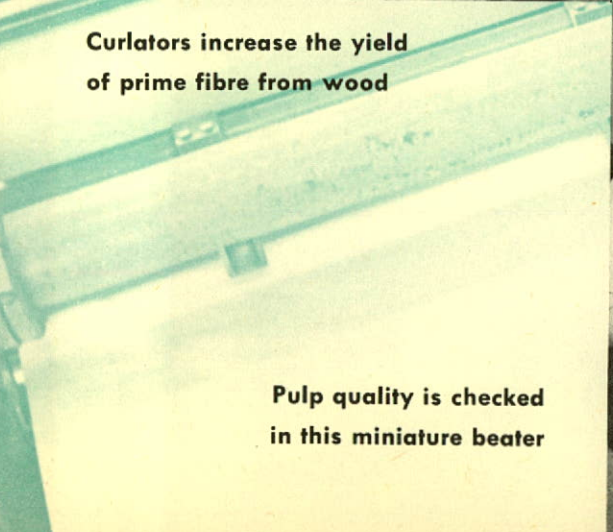
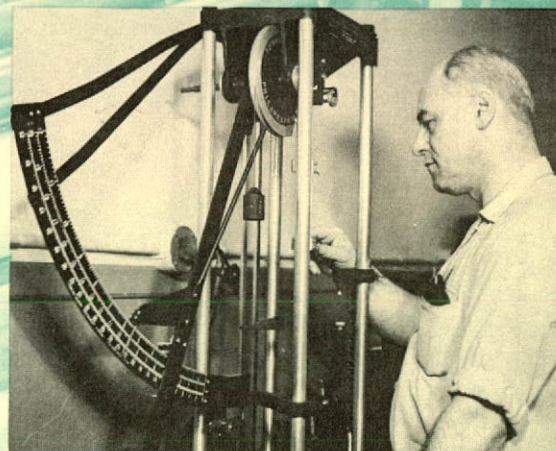
Thus, in a matter of minutes, wood from the Quebec forest becomes Anglo newsprint, on which news reaches millions of readers throughout the world.



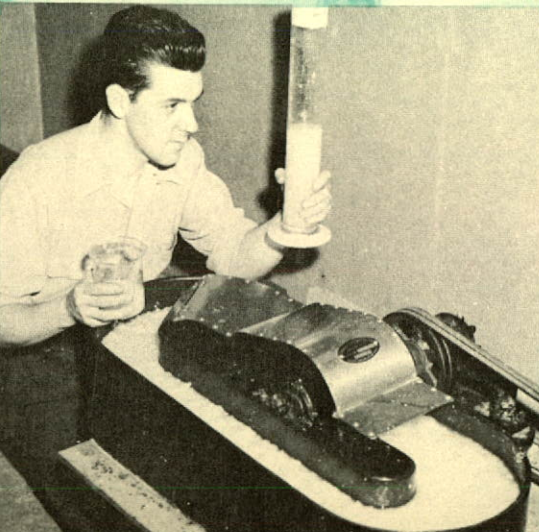
Curlators increase the yield of prime fibre from wood

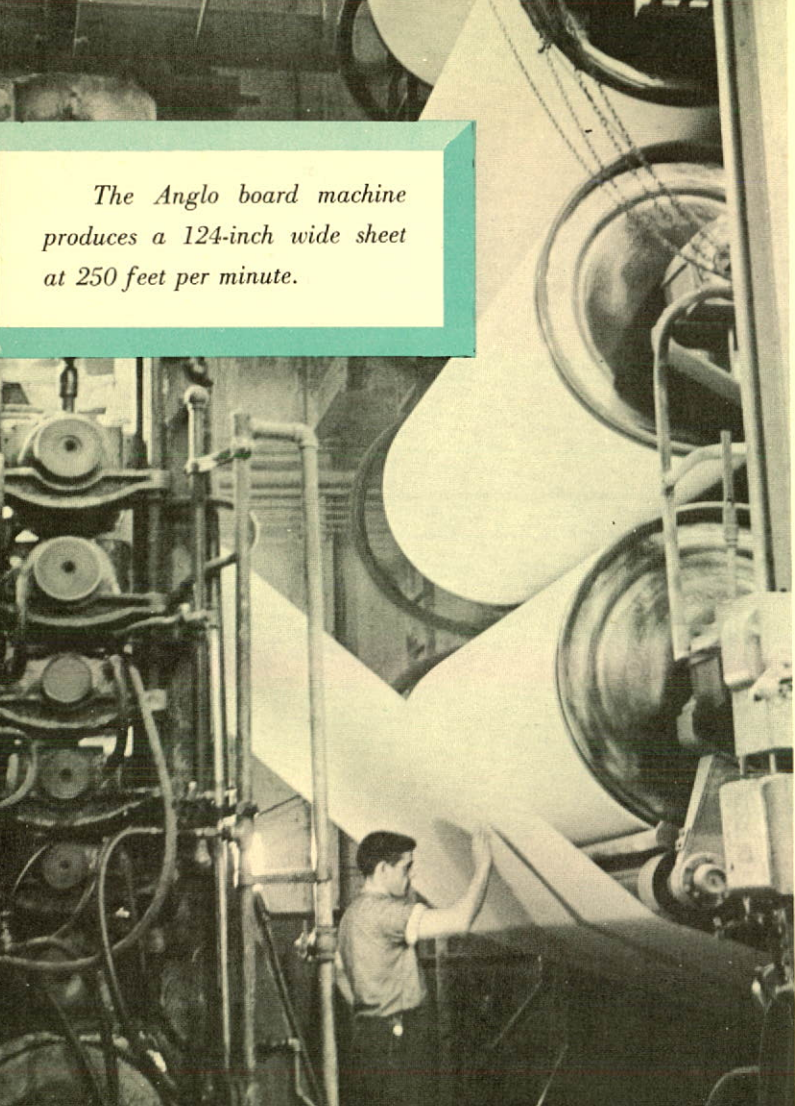


This machine is used to measure the strength of newsprint



Pulp quality is checked in this miniature beater





The Anglo board machine produces a 124-inch wide sheet at 250 feet per minute.

Paper and Box Board

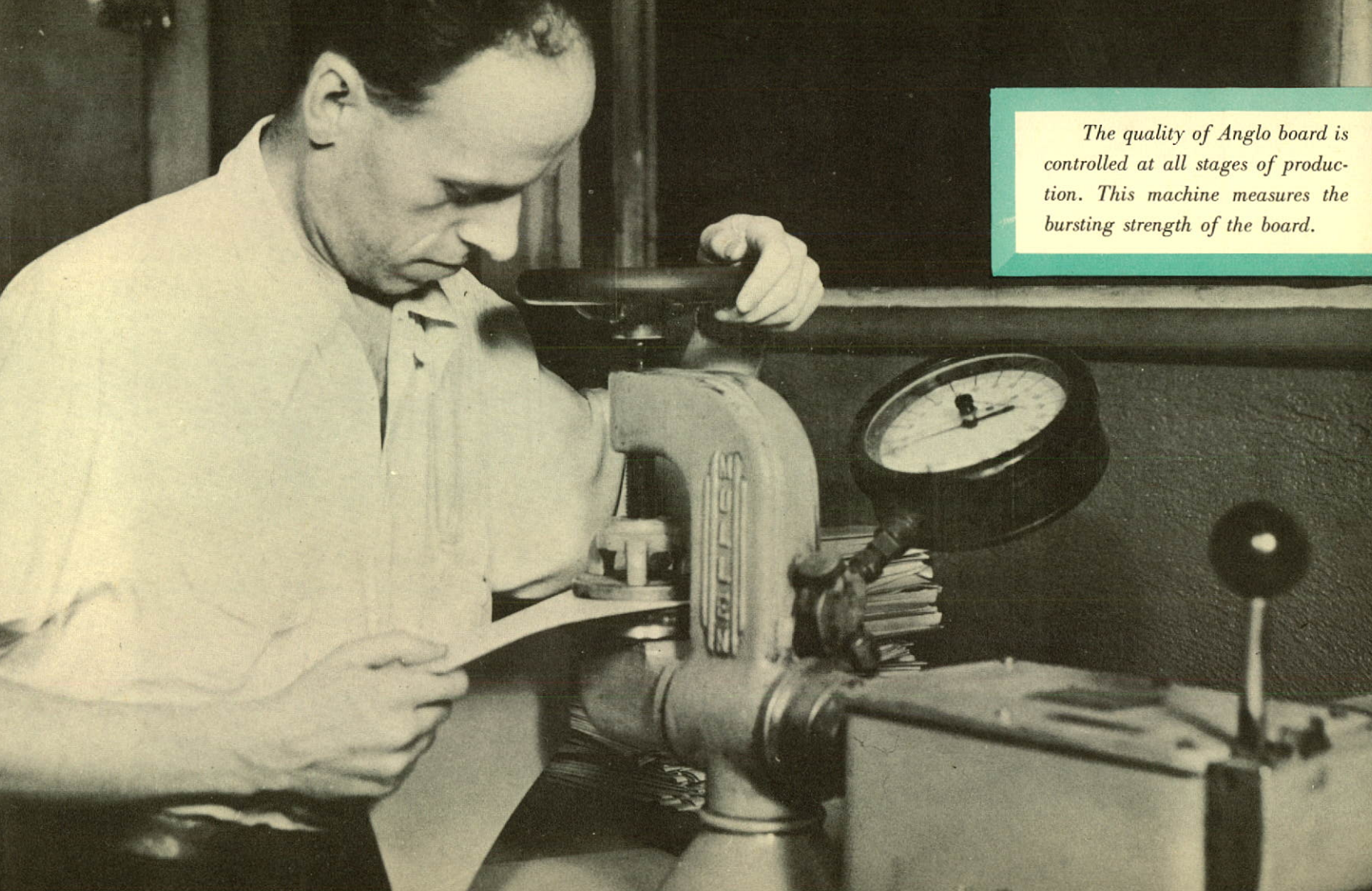
The production of paper board of the type used to package many things in everyday use is a relatively recent activity at Anglo. The board machine, installed in 1950, turns out approximately 75 tons of board a day, or 20,000 tons a year.

A board machine is very similar to a newsprint machine. Like newsprint, box board is made from a mixture of wood pulp dried on steam filled rollers. In a board machine, an endless woollen felt moves around seven cylinders which are partially submerged in seven different vats. Board is thus built by superimposing one thin sheet from each of the seven cylinders. The board is composed of a top and bottom liner and from one to five layers of filler, depending on the thickness and the type of finished product desired.

Sulphite, groundwood and waste paper pulps are mixed in varying proportions to produce different boards.

The finished paper board is wound into rolls or cut into sheets according to the consumer's needs, bundled or skidded and wrapped for shipment.

The whole production of Anglo-Canadian board is sold to Canadian manufacturers of boxes and other packaging materials.



The quality of Anglo board is controlled at all stages of production. This machine measures the bursting strength of the board.

The Pulp of a Thousand Uses

An essential ingredient of newsprint, sulphite pulp is also the starting point for a multiplicity of other cellulose products, such as writing, printing and tissue papers, box board and protective papers.

Besides the sulphite pulp it requires for newsprint.

Wood chips for sulphite pulp are conveyed to storage bins.



Charging a digester with chips—60 to 70 tons per charge.

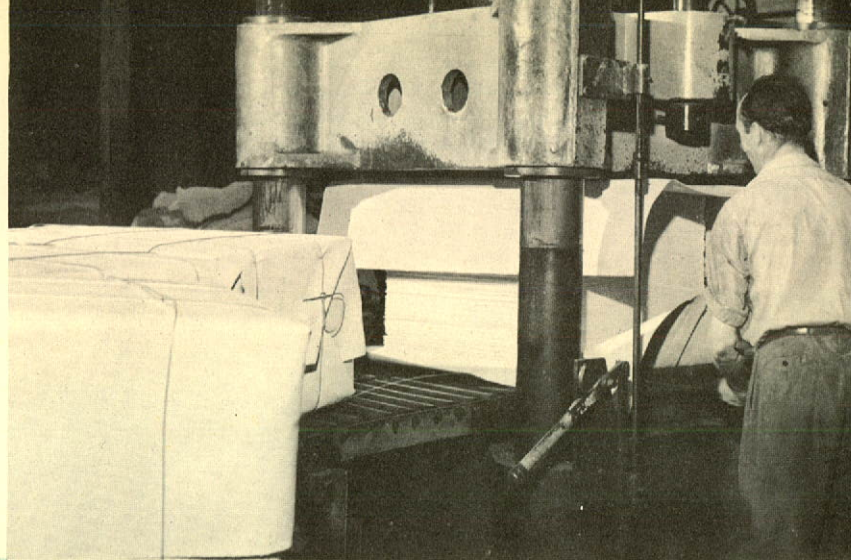
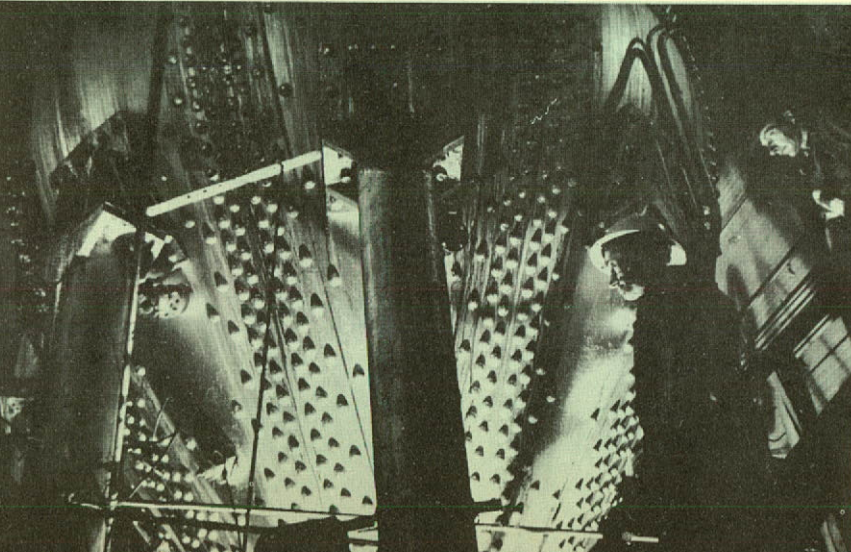
Anglo produces additional sulphite pulp which it sells in dried form. The combined production of the two Kamyr wet machines and associated Flakt dryers is over 225 tons a day—nearly 60,000 tons a year.

In the sulphite process, the wood is first cut into chips about $\frac{3}{4}$ inch long which are loaded into eight cylindrical digesters, 54 feet high and 16 feet in diameter. In the digesters, the chips are cooked with steam at high temperatures and pressures, in a solution prepared by

passing the vapours from burned sulphur over limestone in the presence of water. The three towers in which the cooking liquor is made measure 89 feet in height and $10\frac{1}{2}$ feet in diameter.

After cooking about seven hours, the digester is discharged; the chips are then sufficiently soft that they are reduced into individual cellulose fibres—unbleached sul-

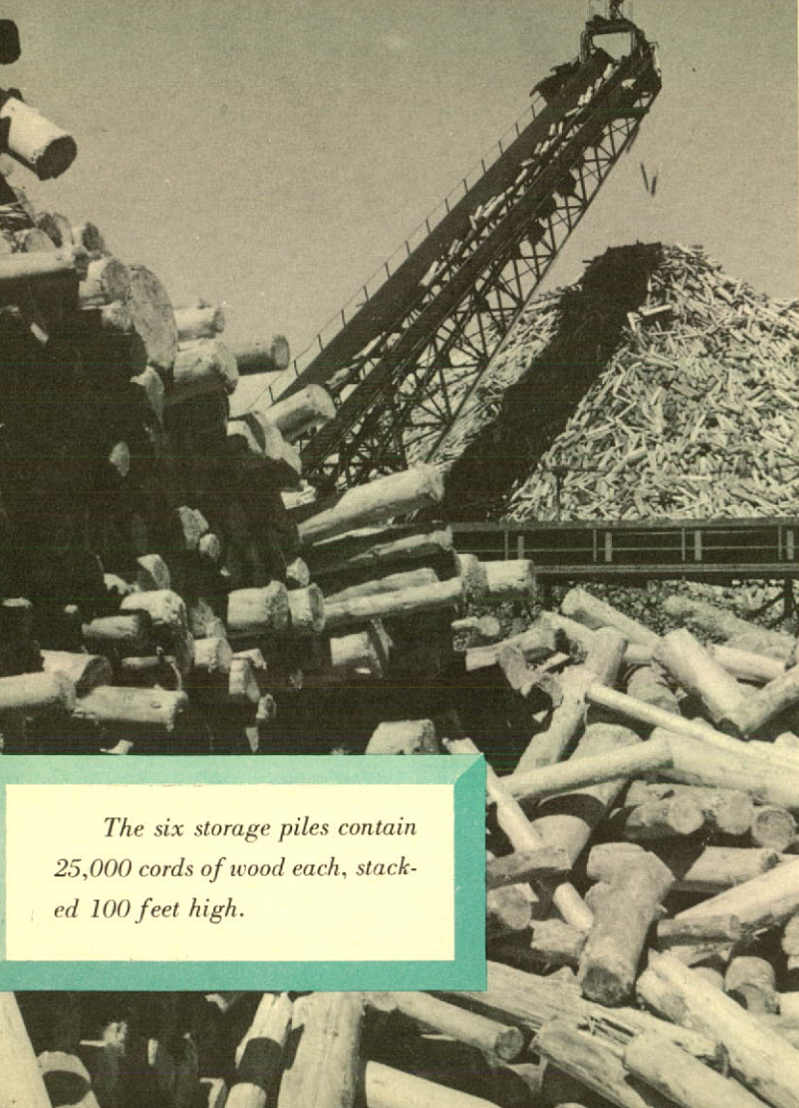
A digester is essentially a pressure cooker—54 feet high.



Dried sulphite pulp looks like ribbed cardboard.

phite pulp. The lignous cooking liquor is then drained away, the pulp washed and screened. The pulp now goes either into newsprint or to the dryers where it is cut and baled.

The twentieth century has been called the age of cellulose, and the uses of sulphite pulp are increasing constantly in number and variety. Anglo-Canadian sulphite pulp is sold to converters in the United States, the United Kingdom, and Canada.



The six storage piles contain 25,000 cords of wood each, stacked 100 feet high.

Wood for the Mill

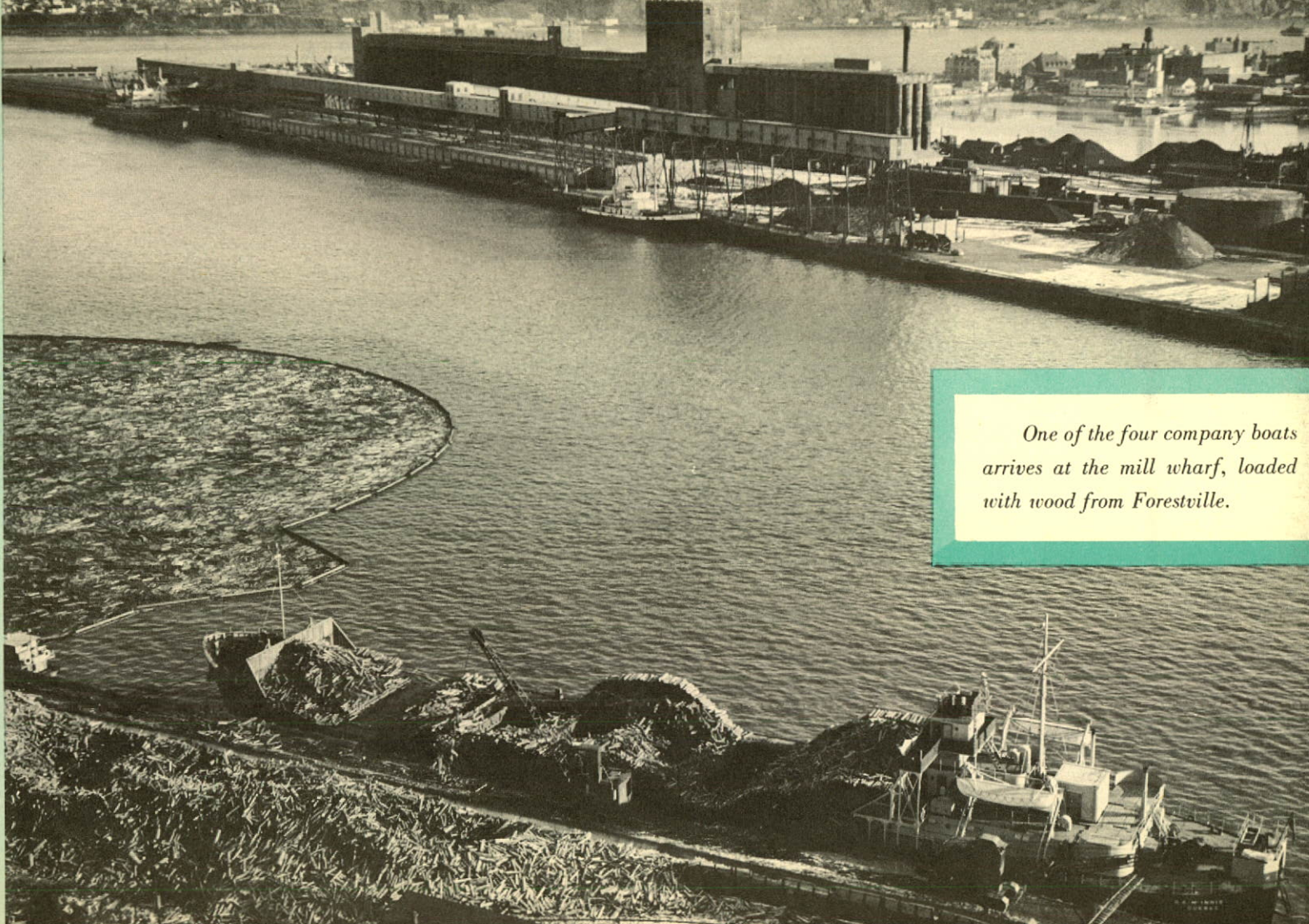
The Anglo mill uses over 450,000 cords of spruce and balsam fir pulpwood a year. Harvesting this great volume of wood, transporting it to the mill and handling it there involve complex logistics.

In an average year, over 260,000 cords of wood are harvested in the Company timber limits at Forestville. The wood is shipped to the mill on four specially equipped boats—324-foot converted military landing ships. The boats carry on the average 1,300 cords of loosely stowed wood. The round trip from Forestville, including loading and unloading, takes approximately 50 hours.

Picturesque schooners or “goelettes” supplement the big Company boats to bring to the mill wood purchased from private owners along the river.

A 1,350-foot long wharf on tidewater is provided for unloading the pulpwood and sulphur boats and oil tankers, and the loading of ocean-going vessels.

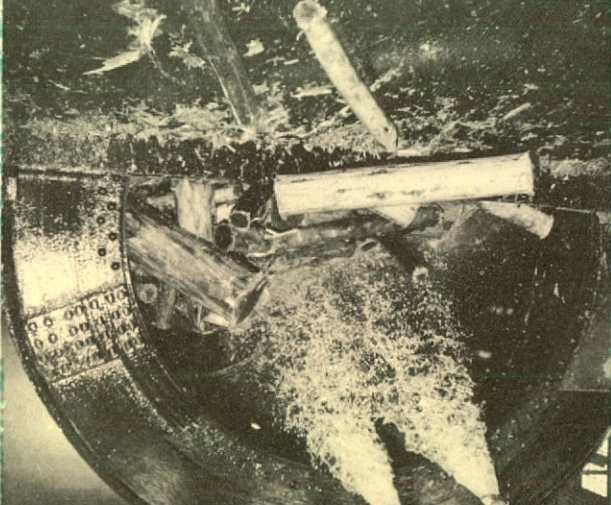
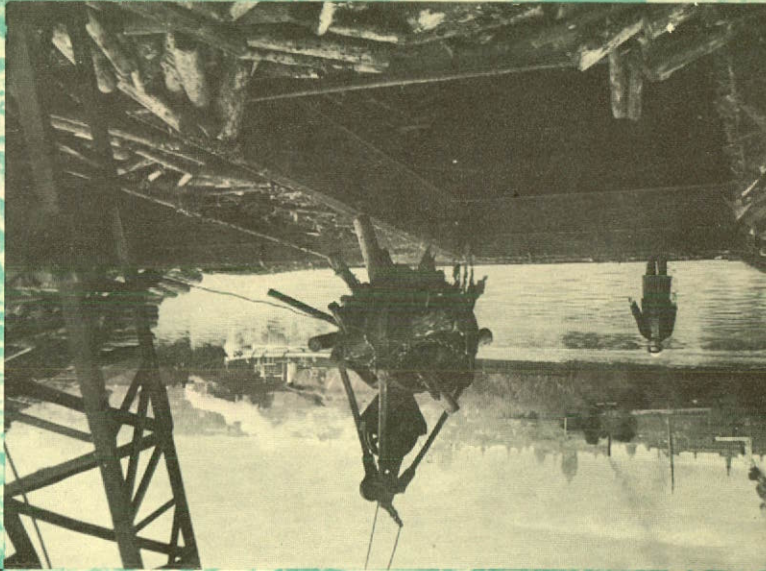
Much of the purchased wood arrives at the mill by rail and truck, especially during the winter. Company purchases of pulpwood contribute substantially to the economy of rural areas, by providing a year-round market for the farmers’ wood crops.



One of the four company boats arrives at the mill wharf, loaded with wood from Forestville.



Clamshell cranes are used to unload the loose wood.



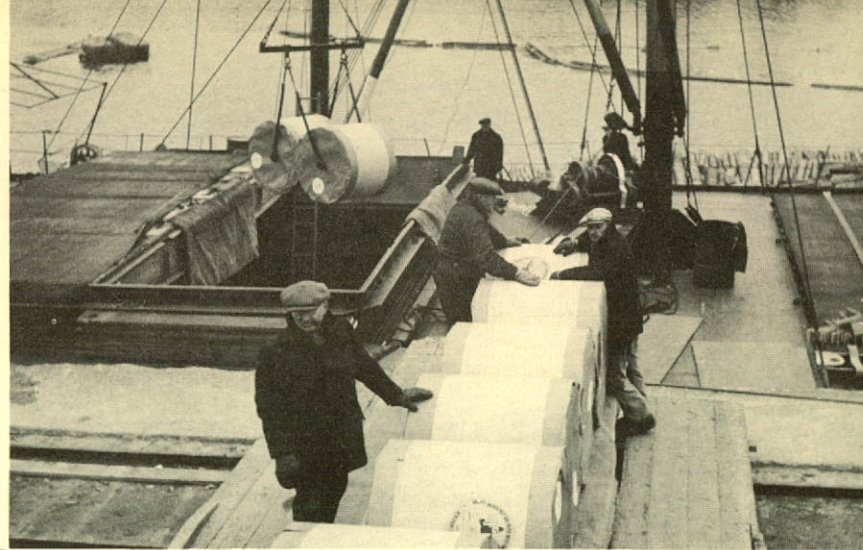
The pulpwood logs are barked in rotating drums. Water carries the bark away.

Storage and Shipping

About two thirds of Anglo newsprint and sulphite pulp is shipped by rail, mostly to U.S. points, and the other third by boat, largely to the United Kingdom. The entire box and paper board production is sold to Canadian converters and shipped by truck.

Annual shipments by water amount to over 100,000 tons. Some 65% of Anglo newsprint is shipped to the United States, 20% to England, 8% to South America

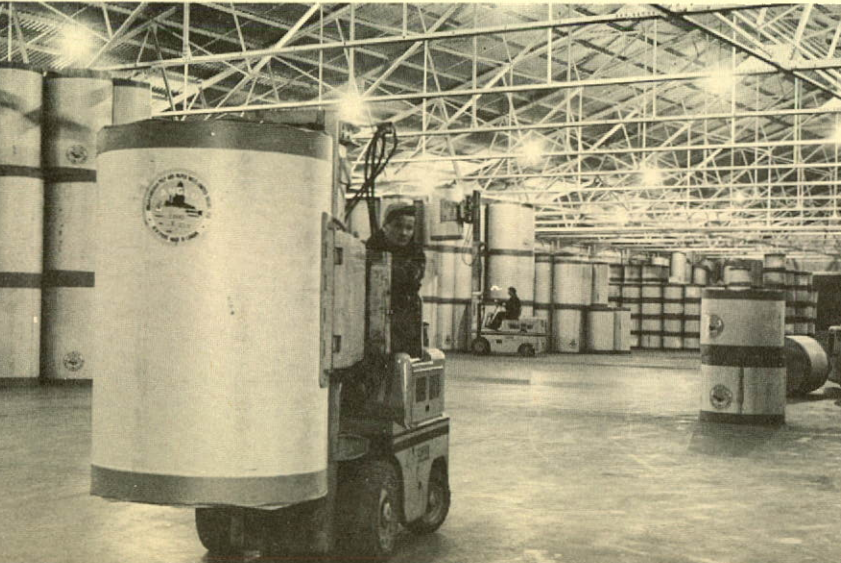
The mill has storage space for 12,000 tons of finished products.

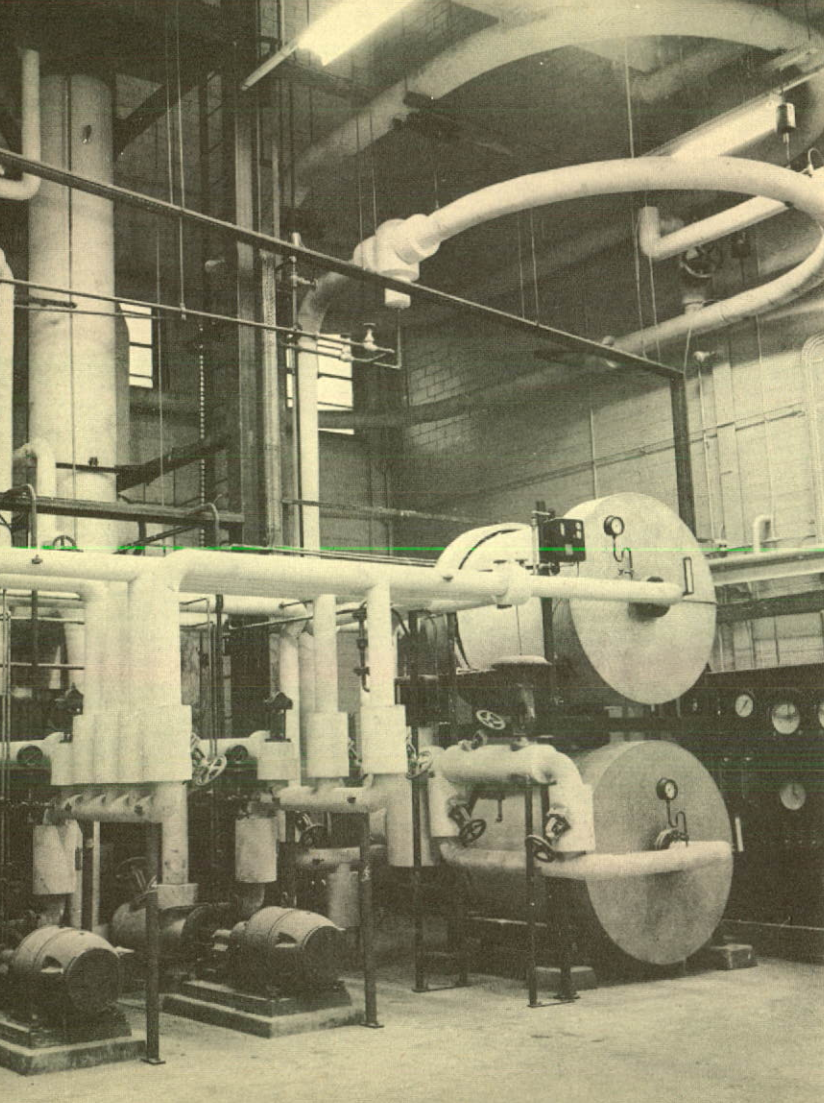


Loading newsprint at the rate of 150 tons per hour.

and other countries and 7% goes to Canadian publishers. Of the sulphite pulp produced by Anglo, 55% is shipped to the U.S.A., 25% to England, and the remainder is sold in Canada.

The location of the Anglo-Canadian mill in an inland seaport served by good highways and by the two main railways in Canada is particularly advantageous. By rail and road, Quebec City is only a few hours away from Montreal, Boston, New York and other principal markets.





Lignosol—A New Forest Product

In the sulphite process, the lignin and other substances which bind the cellulose fibres together are dissolved in the pulping liquor. This liquor is piped to the adjoining plant of Lignosol Chemicals Limited. There, it is processed into a growing variety of Lignosol products in use by twenty major industries.

Lignosol products serve as binders, as dispersants, and as tanning materials. They find application in the manufacture of refractory brick, linoleum cement, foundry cores, and various briquettes and pellets. They are also used in agricultural insecticides and fungicides, in the cement industry, in ceramics, in boiler feed water treatment, on railway embankments to prevent frost heaving, in highway construction, in gypsum wallboard manufacture, in floatation processes in the mining industry, and in oil well drilling.

Research conducted in the extensive Lignosol laboratories constantly adds new products and new applications for the output of this auxiliary industry.

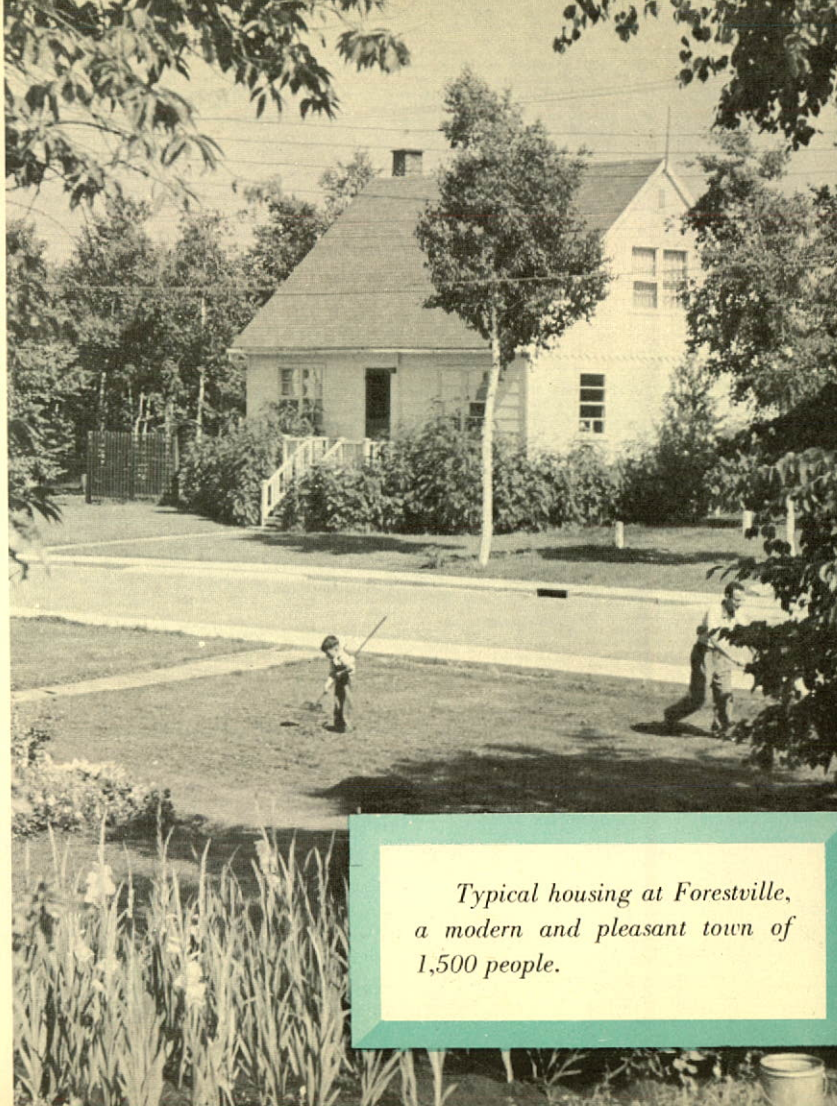
Lignosol Chemicals Limited is owned jointly by Anglo-Canadian and Anglo-Newfoundland Development Company Limited.

Forestville—A Planned Community

Headquarters of the Company woods operations, Forestville was established by Anglo-Canadian upon the concept of forest management on a sustained yield basis. Forestville has been planned and built as a permanent community, on the north shore of the St. Lawrence, 180 miles downstream from Quebec.

The construction by the Quebec Government of the giant Hydro-Quebec development on the Bersimis River, and the establishment of Labrieville, 90 miles north of Forestville, have given added impetus to the growth of the town. When the project was first undertaken, the Company had already opened a main road from Forestville to the site of the development, to serve its forest operations. This provided immediate access to the construction crews and their heavy equipment.

The Forestville wharf, airport, stores and other Company facilities were placed at the disposal of the Provincial government, and thus contributed materially to the speedy progress of the 1¼ million horsepower development. Anglo-Canadian is happy to have been able to cooperate in a project which will play a major part in the economic progress of the North Shore of the St. Lawrence



*Typical housing at Forestville,
a modern and pleasant town of
1,500 people.*

and the Gaspé peninsula.

Linked with Quebec City by a year-round provincial highway, Forestville is also the hub of a 200-mile road network built and maintained by the Company to serve the 3,500 square miles of timberlands leased from the Crown on the Sault-au-Cochon and upper Bersimis Rivers. These woods roads are kept open throughout the year to serve the many camps set up in the logging areas. Regular

Daily air service is maintained at Forestville.



Sluices control streams used to drive the wood.

bus services are provided for the woodsmen between Forestville and the camps.

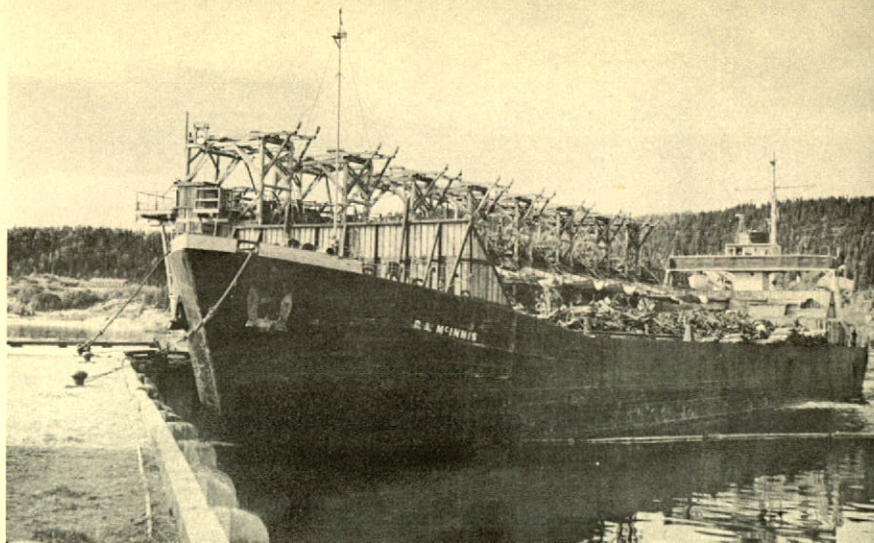
Woods operations follow a definitive cycle through the seasons. Preparatory forest improvements are done in the summer: opening roads, clearing streams, building dams and camps. In addition, some cutting is done in the summer. The height of the harvesting season is reached in the fall and winter when over 3,000 men, many of whom come from the South Shore and Gaspé,

are at work in the forest.

Once cut into four-foot logs, the wood is hauled and piled on the frozen lakes and streams, with trucks and tractors gradually displacing the traditional horse and sleigh. The spring breakup drives the wood in the swollen creeks down to the main streams, and eventually to the boats at the Forestville dock.

Management of large timbered areas to ensure a sustained wood crop calls for long range planning and

The Forestville staff house—a 30-room residence.



Loading pulpwood at Forestville—250 cords an hour.

requires vast expenditures. The permanent road network in Company limits is being extended year by year to by-pass young stands and reach mature ones. Large storage and control dams have been built at Lac Cassé, Lac aux Perles and on the Sault-au-Cochon river, and additional ones are projected.

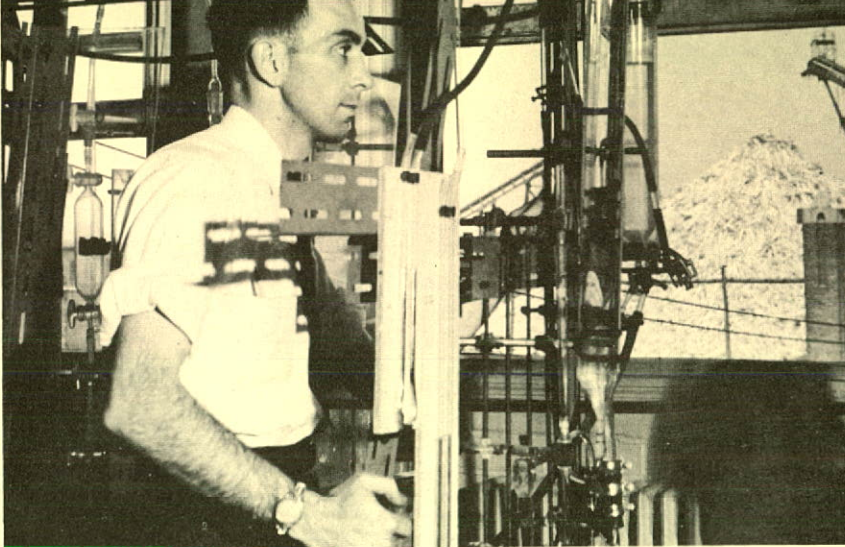
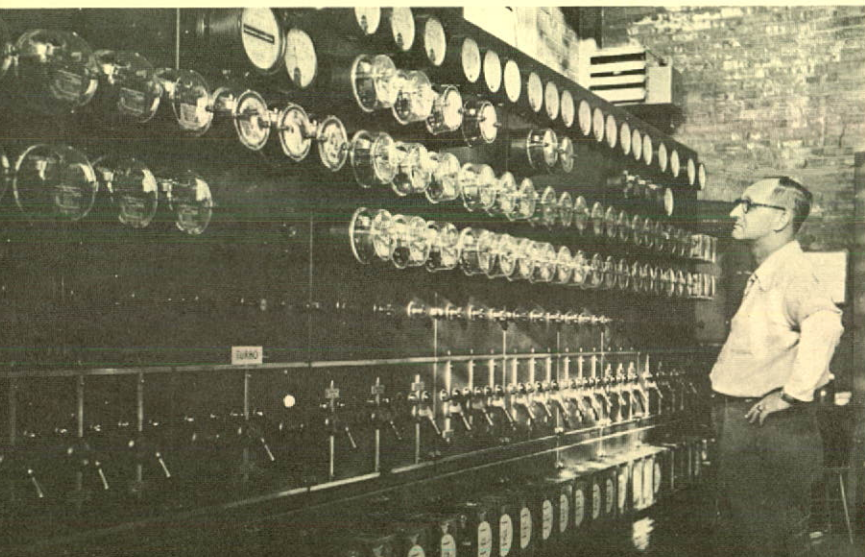
Forestry research and experimental projects at Forestville include studies of harvesting practices aimed at improving forest regrowth and conserving immature stands.

To Keep the Mill Going

A great many installations and facilities are required to keep a pulp and paper mill the size of Anglo producing at top efficiency.

For instance, there are more than 1,100 electric motors in the plant. Electricity comes from Isle Maligne, on the upper Saguenay River, 140 miles away. The current arrives at 165,000 and 220,000 volts, and is

The main control panel in the mill's substation.



Research for tomorrow, in Anglo-Canadian laboratories.

reduced in the plant substation. The mill requires over 80,000 h.p., as much as is used in Quebec, a city of some 200,000 people.

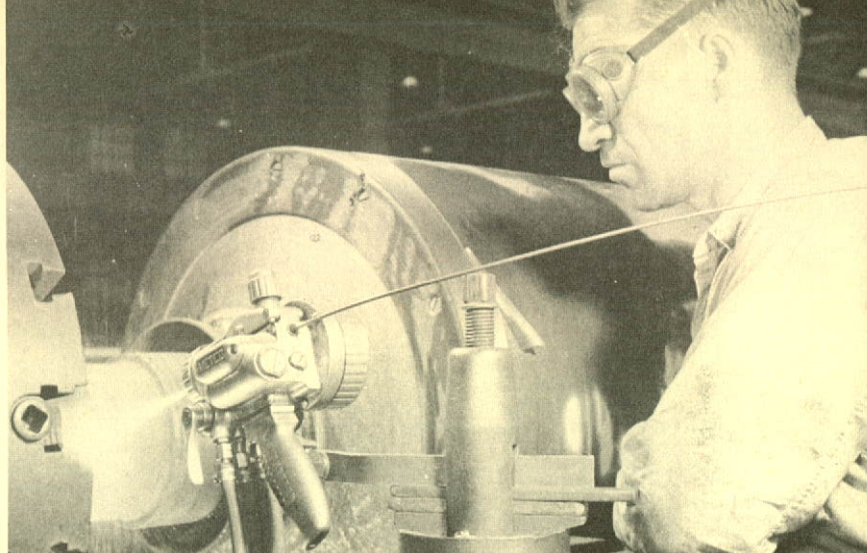
Water is everywhere in a pulp and paper mill, from the jets pushing the pulpwood on the yard jackladder, to the steam used to dry the newsprint. Anglo uses 30 million gallons of water a day.

Steam is another essential industrial service, to power the 7,500 KVA electric turbine, to supply the heat

required in the heating, cooking and drying purposes. The steam requirements are 500,000 pounds per hour, which are amply provided by two electric boilers supplemented by four oil-fired boilers. In addition, a bark burning plant will add 75,000 pounds per hour to the plant's steam capacity.

Then there are many stores and shops: machine, blacksmith, electrical, carpenter, welding, paint, pipe,

Forestville processes 400,000 pounds of meat a year.



Refinishing a bearing on one of the heavy dryer rollers.

tinsmith and a host of other shops, sufficient in themselves to make up a plant of considerable size.

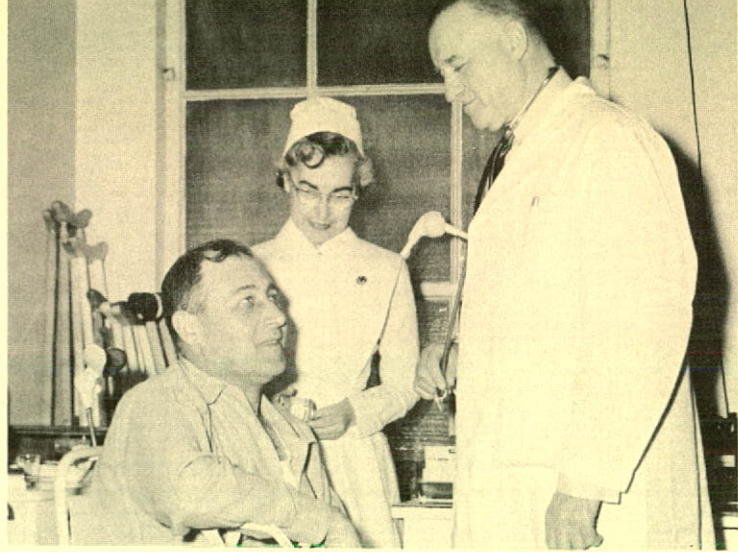
In addition to the supplies required at the mill itself, the 3,000 workers engaged in woods operations near Forestville have to be housed, fed and supplied. Odd items such as 13,000 bags of oats and 1,400 tons of hay for the horses used in logging are still required in a year, despite the increasing use of machinery.

The People of Anglo

The people who work at Anglo-Canadian, in the mill and in the woods, form a group of many trades and professions united in a common purpose.

Stability is one of the assets contributed by the people of Anglo to the community. While the Company passed the quarter century mark only recently, about 250 of its

Mill and woods employees have their recreation clubs.



Medical facilities are provided for employees.

original 500 employees have remained with Anglo for twenty-five years or more.

At the mill alone, 1,500 people work the year-round, in addition to temporary help required during the shipping season. The mill's annual payroll tops \$5 millions, and the woods payroll \$5½ millions, a total of \$10½ millions. Contributory pension, hospitalization and accident plans, and group insurance are available to employees.

Anglo employees and their families enjoy sandy beaches on salt water at Forestville.



Daily Mirror
FORWARD WITH THE PEOPLE

Big TV 'fight' starts
IT'S GOING TO

EL TIEMPO

Suspendidas las Importaciones La Corte Suprema de Justicia Interpretó
Entusiasmo por la Comisión de Paz

EDITION FINALE
LE SOLEIL

Les actes de terrorisme continuent à Chypre
Québec a contribué à la progression de la

The New York Times.

WEST WARY OF SOVIET PLANS ON ATOM
AND ON GERMANY, YET IS ENCOURAGED;
BULGANIN 'FAVORABLE TO BIG 4 TALKS'

Chicago American

Plane Hits Ship

The Birmingham News

Ike invites Bulganin to meet him, Allies
Bills introduced for four-lane tunnel through Red Mountain

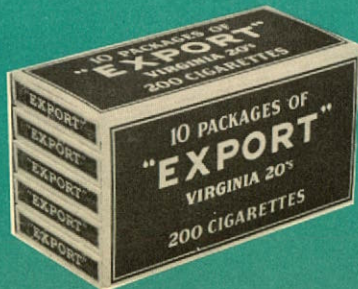
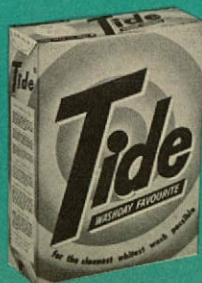
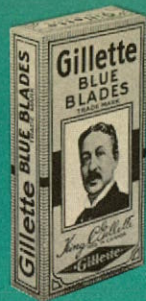
ANGLO



Your daily newspaper, the sugar in your coffee, your favourite brand of cigarettes, and many other things which are part of your daily life may have been printed on Anglo newsprint, packaged in Anglo box board or produced from Anglo sulphite pulp.

At left are reproduced mastheads of only a few of the many newspapers published on Anglo newsprint, in Canada, the U.S.A., the United Kingdom, South America and other countries in various parts of the world.

The familiar products at right are among the hundreds of things in daily use which reach you packaged in Anglo board or in the manufacture of which Anglo sulphite pulp is used.





**Above the Anglo mill, rise in the evening mist the spires
and turrets of the famous skyline of Quebec City.**

