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## A History of Hollingsworth & Whitney Company

James Lester Madden

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A HISTORY OF  
Hollingsworth & Whitney  
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# A HISTORY OF

# Hollingsworth & Whitney Company

by JAMES L. MADDEN, *President*

*This is a most important day for the 3,500 men and women who have been devoting their working lives to Hollingsworth & Whitney Company, to the over 4,000 stockholders who have provided the equity capital of this enterprise, and to the over 500 customers who have depended upon us for many years.*

*We believe that our merger with the Scott Paper Company will open new horizons for our employees, will benefit our stockholders, and place us in a position to better serve our customers. The operation of the two companies as a single enterprise brings together two leaders in their fields — Hollingsworth & Whitney in exacting papers for industrial use and Scott, the leading manufacturer of household paper products, a field which has the most dynamic growth trend in the paper industry.*

*October 27, 1954*

The history of Hollingsworth & Whitney Company is closely tied in to, and parallels, the story of the development of the paper industry in the United States. Hollingsworth & Whitney first used as raw material linen and cotton rags, then hemp, manila rope, jute, and finally wood pulp fiber.

As you know, paper is an extremely ancient product known to have been in use in China at the time of the birth of Christ. From China, the knowledge of paper making travelled gradually westward to Samarkand, Bagdad and Damascus, where the Arabs are said to have learned the art from Chinese prisoners in the eighth century. By 1100, it had found its way to Morocco, whence it extended into Europe and by 1494, to England. Almost 200 years later (comparatively recently by Asiatic and European standards) paper making was introduced into the United States by William Rittenhouse, who founded and operated a paper mill near Philadelphia in 1690.

In spite of the fact that in the first quarter of the eighteenth century the printers of Boston outnumbered those of the rest of the country two to one, there were three mills in Pennsylvania and one in New Jersey before a charter for a paper mill in New England was granted in 1728. In that year a charter was issued by the General Court of the province of the Massachusetts Bay Colony to a group including Thomas Hancock, uncle of the illustrious John Hancock, and Benjamin Faneuil, brother of the celebrated Peter Faneuil, allowing them to set up a paper mill at Milton, on the Neponset River. In return for their investment of capital in a needed industry, monopoly protection for 10 years was promised this infant company provided they made 250 reams of paper within the next 15 months. This mill passed through several hands—Jeremiah Smith and James Boies taking over in 1741; in 1769 Daniel Vose; and about 1800 Isaac Sanderson.

In 1793, Jeremiah Smith Boies erected another building for the manufacture of paper, chocolate, and starch. In 1798 he employed as foreman, Mark Hollingsworth from Delaware, and that introduced into this locality the family of great papermakers of that name. In 1801, Mark Hollingsworth formed the Tileston & Hollingsworth partnership and thus established one of the two oldest paper making firms in existence in this country today, the other being the Crane's at Dalton. Amor Hollingsworth, Sr. and Amor Hollingsworth, Jr., Directors of our Company, are the fourth and fifth generation heads of the Tileston & Hollingsworth Company.

The offspring of Mark Hollingsworth, who had eleven children, were very instrumental in building up the paper industry of New England. His son, Amor, carried on the Tileston & Hollingsworth business.

Lyman Hollingsworth acquired a mill in West Groton, Massachusetts, in the early 1800's. The Hollingsworth family has continued to operate a mill at this site until the present day. Lyman's nephew, Zachary, in 1871 founded with Louis Vose the Hollingsworth & Vose Company which operates mills at West Groton and East Walpole, Massachusetts today.

Mark Hollingsworth purchased the mill of the Revere Copper works in South Braintree shortly after 1835 and converted it into a paper mill which was operated by his sons, John M. and Lyman Hollingsworth, until 1852, when their brother, Ellis A., returning from California whither he had gone in 1849, took over. In 1862, Ellis A. Hollingsworth formed the partnership of Hollingsworth & Whitney with Leonard A. Whitney, Jr., who had been operating a paper mill and bag factory at Watertown, Massachusetts. This Watertown plant produced the first machine-made paper bags in this country. The Hollingsworth & Whitney partnership produced four tons of paper per day in 1862. Later, through the purchase of an 1872 invention of Luther C. Crowell, the partnership pioneered the first manufacture of square bottomed bags, forerunners of the modern grocery bag.



Primitive processes were employed in the early mills, with all work being done by hand. Rags, which provided the raw material, were scarce and relatively expensive. The rags were put in water-filled vats and beaten to a pulp with heavy hammers. Rectangular molds made with wire cloth strainers were dipped into the vats. As the pulp flowed into these molds, the mold was shaken to interlace the fibers and the water drained through the wire. The thin sheets were removed by a woolen felt and then interlaced with sheets of felting cloth. Heavy pressure was then brought to bear upon the mass, to squeeze out the water and to flatten the sheets of pulp into sheets of paper. The sheets were then taken, one by one, and hung on poles to dry in rooms open to free currents of air.

No methods had been devised for producing a smooth surface, beyond what might come from heavy pressure. So, the paper went into the market unbleached and uncalendered with the peculiar dark brown or grey color, and sometimes a mottled hue, seen in some of the books and newspapers of the period.

In 1750 the Hollander beater was invented in Holland, and came into extended use over the next half century. With this equipment,

pulp could now be produced from cotton and linen rags in larger quantities than could be utilized in most mills with the vat men working only by hand. A faster method of transforming the pulp into paper was an economic necessity. In the years between 1800 and 1810, the Fourdrinier paper machine was developed in France and England. This endless wire screen passing between two squeezing rolls was the first really great invention that paper manufacturing had known, and practically revolutionized paper making the world over. The continuous web of paper, in place of single sheets, made modern paper manufacture possible. In 1827, the first Fourdrinier paper machine in New England was installed by Tileston & Hollingsworth Company.



John M. and Lyman Hollingsworth, who operated the South Braintree mill from 1835 to 1852, discovered an improved method for the manufacture of a strong paper by the utilization of waste rope in the manufacturing process. For the preceding century and a quarter, rags were practically the only raw material used in paper making in the United States. But 1843—the fifth “hard times” year since the panic of 1837—found the Hollingsworths themselves without stock for making paper and also without the money to buy it. It had been their custom for some time to cut the manila bolt ropes from old sails that were used to make paper pulp. These ropes were piled up outside the mill, because they were considered useless. Then one day, with the inspiration born of desperation, it occurred to the brothers that the old rope might be used to make paper. They cut up and worked some of it, and the result of the experiment was a fine manila paper of great strength and quality. The patent for this discovery was granted to the Hollingsworth brothers in 1843. The Hollingsworth mills then established a high reputation for strong protective and specialty papers which Hollingsworth & Whitney and Hollingsworth & Vose maintain to this day.



The Fourdrinier paper machine and the Hollander beater made mass production of paper possible, and the development of wood pulp as a raw material for paper making made possible the industry's great growth, which had been held in check by inadequate supply of basic raw materials, chiefly rags. First use of wood pulp in this country was by the Pagenstecher brothers, who set up wood grinders in Curtisville, Massachusetts in 1866. Chemical pulp manufacture was introduced into this country from Europe shortly after the Civil War.

In 1876, Hollingsworth & Whitney purchased a paper mill at Gardiner, Maine, which was operated until 1939. It was here that Sum-

ner Hollingsworth, a son of Ellis A., built Hollingsworth & Whitney's first woodpulp mill—one of the first in the country utilizing the soda process. This pulp mill had a short life and was converted by Hollingsworth & Whitney to a paper mill in 1882.

In 1875, Charles A. Dean, a most dynamic man with great vision and leadership, was hired as sales manager and, following the death of both Mr. Hollingsworth and Mr. Whitney in 1881, he was instrumental in incorporating the present company in 1882, with a capital stock of \$500,000. Sumner Hollingsworth was President and Mr. Dean was Vice President and General Manager. Mr. Dean became President in 1899, upon the death of Sumner Hollingsworth.

In 1882, Hollingsworth & Whitney Company produced 2,700 tons (9 tons a day) in its 4 mills, 2 at Gardiner and 2 in Massachusetts, and during Mr. Dean's tenure with the Company, production increased 20 fold to 54,000 tons in 1911, the year of his retirement, while in the same period the capital stock increased from \$500,000 to \$5,000,000. Charles A. Dean inspired tremendous loyalty from his associates and employees and brought along the group who were to run the Company in subsequent years: Mr. Waldo E. Pratt, Vice President from 1899 to 1911, and President from 1911 to 1931; Mr. Herbert E. Fales, Treasurer from 1904 to 1927; and Mr. M. L. Madden, Vice President from 1911 to 1931, General Manager from 1925 to 1931, President from 1931 to 1945, and Chairman of the Board from 1945 to 1954.



During 1891, 1892, and 1893, a new paper mill with 2 paper machines and a groundwood pulp mill were built at Winslow, Maine at a site where water power was available and timber accessible. To move from Massachusetts to the wilds of Maine for a woodpulp and paper mill was a daring move in the 1890's. Construction costs ran over engineering estimates 60 years ago, even as they do today. In fact, the mill cost \$800,000, just twice the original estimate. This mill had a capacity of 30 tons per day of groundwood pulp and 20 tons of paper per day. Each paper machine cost \$18,000. Today, a single paper machine with auxiliary equipment would cost several times as much as the entire original mill.

The Company had increased its capital stock to \$700,000 and sold its bag business to Union Bag & Paper Company in 1892 but additional money was needed to complete the project. 1893 was a year of financial panic and the banks told Hollingsworth & Whitney that, in spite of the fact that their credit was good, and that they appreciated the deposits that Hollingsworth & Whitney had carried were substantial, they would not loan them money because the banks had to



take care of the lame ducks who had loans outstanding. Mr. Dean, with typical courage and vision, went into his own pocket and lent money to the Company to complete the mill. He sold his securities at a considerable sacrifice in the depressed markets of that year. Many of the mills in Massachusetts had a tough time weathering the depression which followed the Panic of 1893, and in September of that year the Company's mills at Braintree were shut down. The new mill, the world's finest at that time, was a high quality, very low cost producer. Mr. Dean was repaid within a few years from the profits of the new mill and bought back the stocks he had sold at even lower prices than those at which he sold. It is interesting to note that when the Winslow mills were started, only 150 people were employed and men worked 11 and 13 hours a day for an average wage of less than 15 cents an hour. Under Mr. Dean's leadership, Hollingsworth & Whitney Company was the first organization in our field to change from a two- to a three-shift operation. This enlightened move, at the time it was made, was considered very radical!



In 1899, the Watertown paper mills and stock in Union Bag & Paper were sold to the new Union Bag & Paper Company for cash.

German technicians were brought over to design and install equipment for the new sulphite pulp mill, built at Winslow in 1900, at which time a new, wider paper machine was installed. The sulphite mill was enlarged in 1905, another paper machine added in 1907, and a 100 ton groundwood mill was built at Madison, Maine, in 1908, and the production of groundwood was removed from Winslow to that location which had an excellent water power site with a 43 foot head. Two more paper machines were added in 1913 and 1916.

Under the successive management of Mr. Frank Boston, Mr. Robert Stobie, Mr. Robert Nivison and Mr. Thomas Barry, the Gardiner and Winslow mills achieved a name for top quality strong papers, first in the wrapping and butcher and later in the specialty and fine paper fields. The Company enjoyed an unrivaled reputation for quality, service and its sense of responsibility to its customers, employees and stockholders.

No paper machines were added after 1916, but improvements were made which increased the capacity of Winslow mills to 250 tons of paper and 150 tons of sulphite wood pulp per day in the 1930's. During the depression that came in the 1930's no further expansion took place in Maine. The Company weathered this period in good shape and, making money during this difficult time, was not forced to make some of the changes which were required of some of their less fortunate competitors. Meanwhile, as the mill and its operating personnel

grew older, it began to face increasing competition from new, modern, faster running machines making paper from the lower cost Southern and Western woods.



During the 1930's we began to face increasing competition from the South in wrapping, butcher, and envelope lines, and Mr. M. L. Madden, looking ahead to further improvements in the pulping and bleaching of Southern woods and their processing into higher grade papers, embarked on a study of possible locations for a new mill in the South. This was the most important move made by the Company since the move from Massachusetts to Winslow, Maine, 45 years earlier. It is interesting to note that Mr. M. L. Madden, then over 70 years old, was the leading spirit in this progressive move. He stood up against much head wagging and doubt expressed by some of his principal colleagues, and pushed through the construction of a new integrated pulp and paper mill at Mobile, Alabama. He displayed here leadership and foresight, similar to that of Mr. Dean in the earlier period, in his realization of the potential advantages of such a move.

The new mill, an integrated sulphate pulp and paper mill designed to produce higher quality brown and white papers, started up at the end of 1940, under the able management of Dennis E. Cousins, who ran that mill until he came North to assume the position of Vice President in Charge of Manufacturing.

Mr. M. L. Madden's timing on the new mill was most fortunate. This mill was the last new mill in the South completed at pre-war construction costs and was built after many of the quality difficulties in processing the southern pitch pine had been worked out. Dennis E. Cousins, now a Vice President of Scott and his capable team have turned in a marvelous performance in making pulp and paper of better quality than had hitherto been produced in the South, which has enabled us to run this mill seven days a week ever since it started up.

During the war both Winslow and Mobile, because of their ability to produce high quality industrial papers, were forced to divert their product from normal channels to defense outlets. The Winslow mill was requested, as the Country's only supplier of Tabulating Cardstock, to quadruple its production of this item to satisfy the military and defense demands for cards to operate tabulating machines; while the Mobile plant, after an early demand by the War Manpower Commission that it shut down to release labor for shipbuilding, was the only Southern mill to be awarded the Army-Navy "E" which was given in recognition of the development and manufacture of a special board to replace critical metal in ammunition containers.

The Company early realized the importance of insuring a good supply of standing timber to protect its costly pulp and paper operations, which could not be uprooted to move about in search of its timber supplies. Purchases of timberland have been made continuously since 1895 as the mills have grown, until today we have 550,000 acres of land on the Kennebec Watershed on which we are growing over 100,000 cords of spruce and fir per year, all of which can be floated down the streams, lakes, and rivers to our plant at Winslow. This is one of the finest forest properties in the northern United States, as it contains principally spruce and fir—a long fibered, bright colored wood particularly suitable for higher quality papers. Over the years, our ideas of managing these forest properties have changed as we have learned more about the science of growing trees, and as we have added Foresters to our staff to apply the useful tools of forest and business management to our properties. We now have 22 forestry trained men on our staff in Maine, Nova Scotia and in Alabama. We have drawn up management and cutting plans for 20 years in the future, and inventory and growth studies on our properties indicate that we can expect much greater growth than we had formerly counted on, particularly as we use more of faster growing fir.

When we started operations in Maine in 1896, all felling was done with an axe, hauling was by horses, and the timber was driven down the river in long log form. Since 1925, the wood has been cut in 4 foot lengths, later tractors and trucks were introduced, and now 90 per cent of the wood is cut by gasoline chain saws.

We also purchase stumpage from adjoining landowners, and cut and haul such wood to the lakes and streams to be included in our river drive.

The hydraulic power owners on the river (including Central Maine Power Company) belong to the Kennebec Water Power Company which regulates the flow of the water to the best advantage of all. With the building of the Great Flagstaff and Brassua storage dams by the water users on the river, and the co-ordinated use of the log driving dams at Moosehead Lake, Spencer Lake, and other places, the Kennebec with its 47 billion cubic feet of water storage has become one of the best regulated rivers in the country. Although log driving has a priority in the use of water, it has proven practical to utilize virtually all the water drawn from storage for power generation and industrial purposes.



In 1922, the Company formed Hollingsworth & Whitney Limited, a wholly owned subsidiary which acquired and has since owned extensive timberland acreages in Nova Scotia and New Brunswick to

supplement the Company's Maine lands as a source of pulpwood for its Maine mills. The Company now owns over 450,000 acres in Canada, the stand on which runs very heavily to dense, high quality spruce. This makes a total of over 1 million acres of timberlands growing wood to support these mills.

At the present time the growth on our Northern lands is in excess of our requirements and we sell sawlog stumpage in Canada in order to harvest the growth and keep the forests in a productive condition.

In the past 15 years, the Company has been, through its dealers, purchasing more and more wood from local farmers and wood lot owners, and we have assigned a forester, full time, to work with the landowners to demonstrate to them that managing their wood plots for continuing crops of timber will pay them better than cutting it all off for immediate return. Under the direction of this forester and in cooperation with Diamond Match Co. of Oakland, Maine, there has been organized the first "Tree Farm Family" in the northern United States. Under this "Family" plan, we provide timberland management service and advice, and guarantee a market for any spruce and fir pulpwood which the owner who joins the "Family plan" may wish to cut and deliver. The owner, for his part, agrees to so handle his forest property that it may be classified as a "Tree Farm" according to prescribed standards and will give us the first refusal of any pulpwood he may cut from his tract. This source of wood means 25,000 cords of wood a year for Winslow, and has meant about 15,000 cords per year for Madison.

In the South we are following the same basic policy in acquiring timberlands to give assurance of future wood supplies. The Southern pulp and paper industry looks to the small timberland ownerships, to individuals who own forest properties for the purpose of growing timber for sale, and to other substantial owners for a large portion of the required wood supply. Southern pulpwood is coming in increasing amounts from thinnings of natural stands and from plantations. The small timberland owner is receiving assistance in the development of cutting plans for his property, advice in the planting and care of seedlings and on-the-ground demonstrations of the best methods of harvesting his timber to promote the growth of the present stand and provide regeneration of new pine growth. We have four or five foresters who spend a large part of their time working on these problems.

Our 160,000 acres of Southern timberlands, to which additions are continually being made, are managed intensively, primarily for the production of pine pulpwood, but sawlogs, poles, piling, and other forest products are harvested when economics dictate that such a course is desirable.

Many changes had taken place in the pulp and paper industry since

Mr. Dean's day and it might be interesting, as the War Period ended one era and started another, to review at this point the broad economic trends which have influenced the development of the pulp and paper industry since 1900, in order to put Hollingsworth & Whitney's story in proper perspective.



The pulp and paper industry is now the 5th largest in the country. Since 1900 our population has doubled, paper consumption has increased 10 times; paperboard consumption has increased 33 fold to a point where every man, woman and child in the country, with hardly a thought, consumes over a pound of paper per day in forms ranging from sanitary tissue to containers. Hollingsworth & Whitney's increase in tonnage in this period has also been about 10 times, quintupling its Maine productive capacity and adding an equal amount in the South. During the past half century the rotary press has made possible the volume printing of books, papers, and magazines, the demand for which rapidly increased with educational advances. Improved communication demanded paper. The modern supermarket and other mass distribution outlets could not operate without modern paper packaging and advertising. As I mentioned earlier the consumer sanitary paper products segment has shown the greatest growth in the paper industry. More lately, wood pulp has been developed for its chemical uses in rayon, tire cord, cellophane, and molded products.

The woodpulp industry was established early in New England because of the availability of wood, water, and water power. Its growth has followed the logging industry, trailing the lumberjacks from the forests of New England, westward to New York State, Pennsylvania, and the upper Appalachian area, and into the Lake States region as far as Minnesota. Fifty years ago the Northeast and the Lake States produced the bulk of the country's paper. From 1900 to 1925 these Northern States accounted for 90 per cent of the nation's pulpwood production, which tripled during that period to 5 million cords. Today the national cut is over 25 million cords, with the Northeast and the Lake States providing about 25 per cent.



Forty years ago, the lumbermen continued on to the South and Pacific Northwest, while the pulp mills waited as they had not learned how to pulp Southern woods and could not afford to move West as their best markets were still in the East.

There being some question as to the ability of the spruce and fir forests of the Northeast and Lake States to support the increased expansion required to meet the increasing demand for newsprint, new productive capacity was located in Canada close to untapped sources

of pulpwood. The shift to Canada was given impetus by the removal in 1913 of the tariff covering imports of newsprint into the United States. Competition from fast new Canadian paper machines, backed by plentiful supplies of Crown land pulpwood and Provincial developed water power, forced many of the United States mills to shift from newsprint to higher grade papers.

The extensive forests, plentiful power, water, and ocean transportation facilities of the Pacific Northwest next attracted capital. Much of the production in this area was in pulp for shipment East, to paper mills not making their own pulp.

Most of the new mills in the last 20 years have been located in the South, where large stands of quick growing pine have supplied the raw material for production of Kraft pulp, paper, and board. Important strides have been made in bleaching the Southern pulp in the past ten years, which added this product to their original Kraft wrapping and paperboard fields.



The growth of the industry in the South, most of which has taken place since 1930, has been spectacular. Pulp production in the South has increased about 17 fold since 1930, from about 6 hundred thousand tons to over 10 million tons today. Six large new mills have come into operation in the South this year. The development is based on the adaptation of the sulphate process to fast growing pine, which is available over the accessible, easily operated area of this region. Pulp production of the United States is now over 55 per cent in the South, 18 per cent in the Pacific Northwest, 13 per cent in the Lake States, 9 per cent in New England, and 6 per cent in the Middle Atlantic region which represents the Appalachian area and New York State. Of the approximately 250 active pulp mills in the country, all but 25 are integrated with paper mills, with the bulk of the market pulp production located in the Pacific Northwest.

It is interesting to note that the South and the Pacific Northwest, which have the great advantage in strong, long fibered pulps, now represent almost three quarters of the total production. By long fibered pulp, we mean higher strength pulps produced from coniferous woods as contrasted to the lower strength, short fibered pulp produced from hardwood or broad leafed trees.

The pulp and paper mills in the South, Pacific Coast, and the Southern Appalachian area have a large advantage in wood costs over those located in the Lake States, Northeast, and Middle Atlantic areas. Southern pine and Western hemlock can be delivered at those mills at considerably less cost than slow growing spruce and fir from rugged country can be delivered in the Northeast and Lake States.

The South and West have the advantage of a longer growing season and more moisture, resulting in faster growth, and they require less man hours per unit of production to harvest and transport wood to the mill—the South because of its more favorable terrain, and the West because it has much more wood per tree and per acre. The South has the further advantage of lower wage costs in the woods. It is interesting to note that in our industry the mill wage levels in the South are higher than in New England. Because of demand, Southern and Western land prices have gone to fantastic levels and stumpage prices have risen far above pre-war levels to equal and exceed Maine stumpage prices. Increasing industrialization of the South and possible changes in the agricultural pattern of the area may present the wood users of that region with problems not now foreseen.

We feel that our timber properties in Maine have a most promising future as we expect that better forest management and improving pulpwood harvesting and transportation methods will reduce the cost differential between Maine and the South and West. We recognize the limitations of the present cost of spruce and fir in the North and are engineering our sales and plant around these limitations so as to produce grades which are well adapted to our raw materials and manufacturing facilities. The prospect of using hardwood in the manufacture of Scott's products and Hollingsworth's printing papers at Winslow greatly expands the wood resources available to us, permits more intensive forest management and after development will provide us much lower cost hardwood pulp and will also make it easier for us to purchase spruce and fir along with hardwoods from outside ownerships.

At the end of the war period we were faced with many problems: (1) replacing the substantial tonnage devoted to war-time uses; (2) modernizing our facilities at Winslow and shifting and upgrading many of the grades produced there away from the strong high volume lines which were being made in increasing amounts in the South at prices below our costs in Winslow; and (3) expansion of our Mobile mill to enable us to make more white paper there and to take advantage of the opportunities for supplying our share of the rapidly expanding market for Southern bleached Kraft papers.

Construction costs had more than doubled since pre-war times and it was obvious that we did not have the money to carry on the modernization program required at Winslow and the expansion at Mobile at the same time. We also had at Winslow the job of grade shifting, which meant the wooing of new customers. We decided that we should give priority to the Southern expansion and embarked on a program which added 75 per cent to our pulp and paper capacity and 150 per cent to our bleaching facilities at a total cost of \$18,000,000.

It is worth noting that the original Mobile plant cost \$7,000,000. We felt that we could not hold up this expansion or we would lose our market opportunities, and we also felt that it would add a lot to the size and stability of our earnings while we were exploring new markets and working out our Northern problems. In the North we have spent over \$9,000,000 on plant improvements since the War, and in the next year an additional \$7,000,000 will be spent to improve quality, reduce costs, and give some added capacity.

As we approach the 100th Anniversary of the time when Hollingsworth & Whitney came together, we can look back at the many changes that have taken place since their mills produced only 4 tons a day. In 1882, at the time of the incorporation, they produced only 9 tons a day and the Winslow mill, the world's best when it was built 60 years ago, now produces 17 times as much paper as then, or 350 tons per day, which is also the paper capacity of the Mobile mill. Our pulp capacity is more than ample to supply the requirements of the paper machines at both mills.

The buildings, machinery, and production we have mentioned are essential of course, but the vital elements in the story of progress are measured in terms of the human efforts and skills of the people, men and women who have done their jobs in a way that has brought distinction to Hollingsworth & Whitney papers. Their pride in craftsmanship, accomplishment, and service to our customers have enabled us to maintain an unbroken dividend record since our incorporation in 1882.

For over 50 years we have followed the same basic sales philosophy of consistent quality and service at a reasonable price. We have concentrated on the manufacture of exacting papers for industrial uses and we are one of the leading suppliers of specialty papers to American industry. In such fields as office equipment, packaging, communications, food protection, printing, tags, cups and envelopes, we are proud of our customers on whom we rely to distribute the products of our mills.

We shipped our first tabulating cardstock to a predecessor of the International Business Machines Corporation about 50 years ago and to Remington Rand a few years later. Tabulating cardstock is the most exacting grade that we manufacture as little tolerance can be permitted for the successful performance of the punch card which controls the operation of intricate accounting machines. Our relations with the Dennison Manufacturing Company, United States Envelope Company, The Whitaker Paper Company, George W. Millar & Company, and Carter, Rice & Company go back more than 50 years. We have supplied paper to more than one-third of our customers for more than 25 years. Among our customers who



were buying from us a quarter century ago are such concerns as Lily Tulip Cup and Dixie Cup, or their predecessor companies. At the same time we have gained good new customers such as A. B. Dick Company, for whom we are making all of their mimeograph and duplicating papers; the Bemis Bro. Bag Co. and Arkell & Smiths, who have built multi-wall plants at Mobile to convert paper received from us. About 90% of our tonnage is on a contract or long-established basis.

We have reviewed the history of Hollingsworth & Whitney Company from the early 1800's to October 27, 1954, but the history of this Company will not stop today as we will continue as the Hollingsworth & Whitney Division of Scott Paper Company.

I am most enthusiastic as I look forward to the future of our people, our shareholders, and our customers with the Scott Paper Company and let me tell you that in our negotiations with Scott we kept the interests of all these groups always in mind and we found the Scott people sympathetic and understanding in solving problems of our customers and our employees resulting from this merger. The shareholders have already benefited from the broader market for Scott's securities which has resulted in a fairer market appraisal of our stock.

A most important factor to us in considering this merger was the caliber of the men running the Scott Paper Company. I am not only referring to the very able group of men you see here but also to the young, aggressive, enthusiastic, and competent team all down the line. Scott's search for talent among their recruits and employees, and their continuing interest and encouragement to the individual to develop as he progresses from one stage of his training to the next, will assure Scott a continuing supply of able supervisors, managers and leaders for the years ahead.

The Scott Paper Company is research conscious and has an active, imaginative group at work constantly endeavoring to make better products for less money by improving operating efficiency. Their aggressive sales and service organization has turned in an outstanding advertising and merchandising performance and built up a fabulous general consumer franchise which has resulted in a sales volume today almost four times the 1945 level. The demand for Scott's products—tissue, towels and household wax paper—has been proven, by their experience in the depression of the 1930's and the recession of 1949, to be more stable than that for other paper grades, including those we manufacture. We foresee terrific opportunities in technical and market research and in sales of present and new products by combining our efforts in this area, particularly in the industrial and merchant field to which Scott has been giving increasing attention.

In order to keep up with these sales, Scott has done an outstanding

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manufacturing job. When you add to this the manufacturing skill and experience of our people in quality pulp and paper grades very different from those manufactured by Scott, you should have an even more effective manufacturing team. The combined operation will benefit from increased efficiency, and from the diversification in the industrial, merchant and consumer fields resulting from the marriage of the Hollingsworth technical specialties with Scott's consumer and industrial products.



Our facilities, located in Mobile and in Maine, with experienced and skilled men and women to manage and operate them, and with the timberlands and water back of them, are ideally situated as easily expanded production and distribution centers for the manufacture and transportation of Hollingsworth's and Scott's products to important market areas of this country. They round out Scott's economic geography picture. We believe we can appraise our markets and adapt our manufacturing facilities to utilize our resources in each region to best advantage so as to offer a better rounded and more complete line to the paper merchants and converters.

These facilities can be easily expanded to meet the demands for Hollingsworth and Scott products. In the North, our growth of spruce and fir pulpwood is well in excess of our present requirements and we have not yet begun to tap the abundant supply of hardwood available to us which should lower our over-all cost. Northern spruce and fir are admirably adapted to make the best quality pulp for Scott's products and we have an abundant supply of good water available to us from the Kennebec River. At Madison, our demand for groundwood in recent years has been low and our inclusion in the Scott family will permit us to increase its operation to an efficient level. We are now making a large investment to modernize our plant and improve the quality of our papers at Winslow, and further investment will be required on the machines which produce those Hollingsworth grades which are selected for development and expansion, and for the introduction of Scott products to this mill. In the South, we have one of the most efficient specialty pulp and paper mills of its type in the world with a water supply available greatly in excess of its present consumption and a wood supply from the surrounding region which can be expanded, and greatly supplemented by the use of hardwood for Scott products.

The Directors of Hollingsworth & Whitney Company share my enthusiasm. We expect to see continued future growth in sales, earnings, and dividends, greater horizons for our employees, and better products for our customers.

# Hollingsworth & Whitney Company

*Executive Offices:* 60 BATTERYMARCH STREET, BOSTON, MASSACHUSETTS

## *Divisional Sales Offices:*

230 Park Avenue, New York, New York

111 West Washington Street, Chicago, Illinois

## Board of Directors

M. LESTER MADDEN, *Chairman*

JAMES L. MADDEN, *President*

DENNIS E. COUSINS

AMOR HOLLINGSWORTH

HERBERT G. FALES

AMOR HOLLINGSWORTH, JR.

L. GORDON GLAZIER

CURTIS M. HUTCHINS

FREDERICK GOODRIDGE

ROBERT NIVISON

W. ELLIOTT PRATT, JR.

## Executive Committee

JAMES L. MADDEN    L. GORDON GLAZIER    W. ELLIOTT PRATT, JR.

DENNIS E. COUSINS    FREDERICK GOODRIDGE

## Officers

M. LESTER MADDEN, *Chairman of the Board*

JAMES L. MADDEN, *President*

L. GORDON GLAZIER, *Executive Vice President, Controller*

W. ELLIOTT PRATT, JR., *Vice President, Treasurer*

DENNIS E. COUSINS, *Vice President — Production*

FREDERICK GOODRIDGE, *Vice President, Assistant Clerk*

J. B. COWIE, *Vice President — Sales*

CLAUDE B. CROSS, *Clerk*

ROBERT D. ROBINSON, *Assistant Treasurer*

GEORGE W. BRADY, *Assistant Controller — Taxes*

JOHN J. CLEARY, *Assistant Controller — Accounting*

C. J. DYNES, *Assistant Vice President*

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### *General Counsel*

WITHINGTON, CROSS, PARK & McCANN  
73 Tremont Street, Boston, Massachusetts

### *Auditors*

LYBRAND, ROSS BROS. & MONTGOMERY  
80 Federal Street, Boston, Massachusetts

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