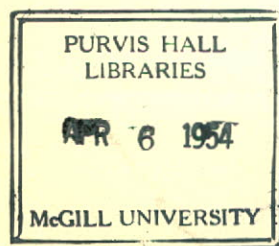


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CANADA
STEAMSHIP
LINES
LIMITED



ANNUAL REPORT
1953



C.S.L. bulk carriers...

new GIANTS of Canada's inland seas

The carrying capacity of the C.S.L. fleet —

supplemented by giant new bulk carriers — is

keeping pace with prospering Canada.

From the Head of the Great Lakes to the Gulf

of St. Lawrence this "fleet" provides economical

transportation so important to Canadian commerce.



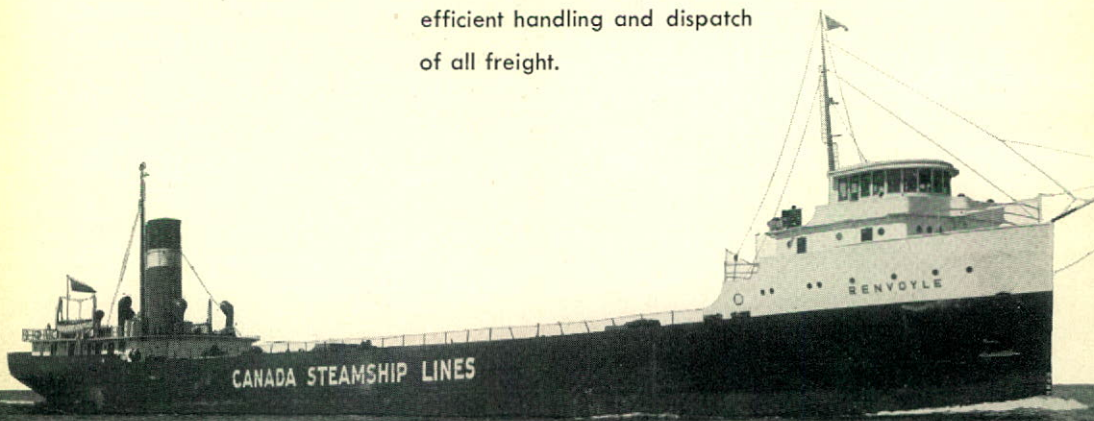


C.S.L. package freight services

In ships specially designed for the careful and economical carriage of package freight.

The placing of freight on pallet boards — the loading and unloading to and from vessels by the latest type of mechanical lift trucks eliminates the extra handling of individual packages. Freight elevators installed on the ships give the effect of a floating warehouse.

Freight terminals, conveniently located, at ports on the St. Lawrence-Great Lakes waterway — from Quebec to the Canadian Lake Head — and staffed with trained operators assure efficient handling and dispatch of all freight.





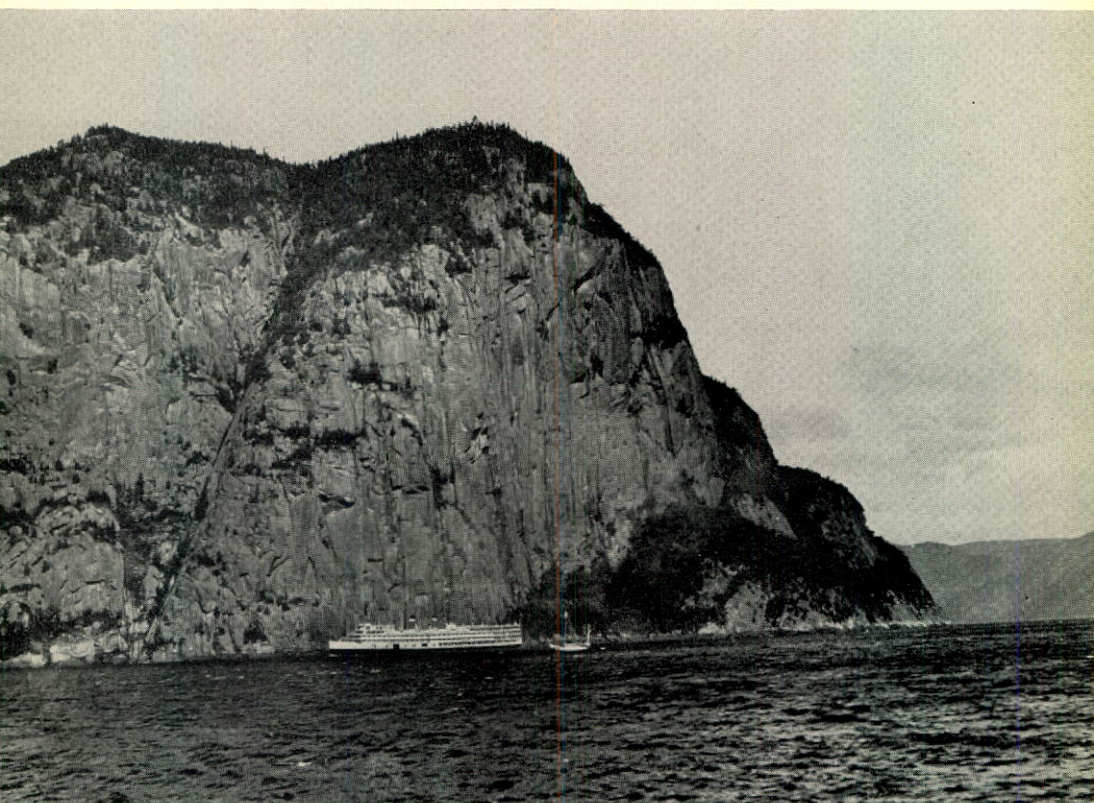
Vacation Time the C.S.L. Way

The traditional St. Lawrence-Saguenay route is viewed in panoramic beauty from C.S.L.'s decks.

The luxury passenger steamers, "Tadoussac", "St. Lawrence", and "Richelieu", assume a major role in the ever-growing tourist industry, which is so important to the national economy.

Happy vacationists relax in shipboard delights. Internationally known convention groups, too, continue to select C.S.L. as their official host.

*For information and reservations, apply to
Passenger Traffic Manager, Canada Steamship Lines, at 759 Victoria Square, Montreal.*



CANADA STEAMSHIP LINES LIMITED

DIRECTORS

D. W. AMBRIDGE, C.B.E.

G. C. BATEMAN, C.M.G., O.B.E.

L. E. BLACKWELL, Q.C.

HON. T. A. CRERAR

H. A. CRESSWELL

JOHN H. DAVEY

A. O. DUFRESNE

SIR JAMES DUNN, Bart., Q.C.

PHILIP DUNN

J. A. ECCLES

HENRY GAUER

DAVID S. HOLBROOK

J. ARTHUR MATHEWSON, Q.C.

T. R. McLAGAN, O.B.E.

GORDON McMILLAN, Q.C.

JOHN A. McPHAIL, Q.C.

A. C. PICARD

EXECUTIVE OFFICERS

T. R. McLAGAN

President

H. A. CRESSWELL

Vice-President

R. LOWERY

Vice-President

P. S. JAEGER

Vice-President

G. H. PAGE

Vice-President

N. W. VAN WYCK

Vice-President

N. F. HOWELL

Secretary

J. G. WYLLIE

Comptroller

S. F. HOBBS

Treasurer

CANADA STEAMSHIP LINES LIMITED

TO THE SHAREOWNERS:

Your Directors have pleasure in submitting the fortieth Annual Report of Canada Steamship Lines Limited and Subsidiary Companies.

The Operating Profit in 1953 was \$15,087,024 which compares with \$13,939,503 in 1952. All of the units of your Company operated at a high level of activity during the year and, as in 1952, a substantial proportion of the profit was earned by the Company's non-water transportation facilities.

The charges for depreciation amount to \$7,976,951 whereas the corresponding figure in 1952 was \$6,475,539. This increase in depreciation, amounting to \$1,501,412, reflects the expansion in your Company's fleet of ships together with improvements and additions to the shipyards, trucking company and other facilities. In the course of the year the sum of \$6,948,710 was spent on new capital assets.

During the year two new ships were in the course of construction and will be added to your Company's fleet. One of these vessels was referred to in the Annual Report for 1952, and it is expected that this ship, together with one other, will be ready for operation this spring.

After all charges, including Income Taxes of \$3,340,000, your Directors are happy to report a Net Profit of \$3,484,289 which compares with \$3,267,940 in 1952.

On 15th February 1954 the Shareowners approved a division of the Company's Preferred and Common shares by exchanging four new shares in each case, for each share of the old stock. Consequently, after deducting \$573,125 for dividends on Preferred shares, the earnings on the new Common shares were equal to \$2.42 per share compared with \$2.24 earned on a comparable basis in 1952.

During the year Serial Bonds in an amount of \$400,000 matured and were paid and \$111,500 1948 Series Bonds were retired through the Sinking Fund leaving outstanding fixed indebtedness of \$7,628,500 of which another \$400,000 matures as of March 15, 1954. Cash in an amount of \$28,500 was deposited with the Trustees for the purchase of additional 1948 Series Bonds.

Your Directors are pleased to report an increase in Working Capital to \$13,494,571, which is the highest in the Company's history.

The Company's bulk and package freight business operated very satisfactorily and we are pleased to report a further improvement in the passenger division.

Your Company's shipyards enjoyed a profitable year. Although the deadweight tonnage delivered was not as great as in 1952 your yards are credited with

several outstanding achievements worthy of mention. The Davie Shipbuilding Limited at Lauzon, Quebec, built a tanker of more than 28,000 tons, which is the biggest ship ever built in Canada. Also, this yard delivered the first two mine-sweepers of Canada's new Naval shipbuilding programme. The Midland Shipyards Limited at Midland, Ontario, launched the largest ship ever built on the Great Lakes up to this date.

Kingsway Transports Limited has consolidated its operations in Western Ontario and has shown a marked improvement in earnings. During the year this Company started a new branch to operate between Montreal and New York City.

The Company's pension fund continues in a sound position and there are now sixty-three former employees receiving pension allowances.

During the year your Directors inaugurated a scheme of extra compensation for senior executives. This scheme is designed as an incentive to achieve better results. It is based on the strength of the balance sheet and earnings of your Company. Benefits from this incentive plan will be paid upon the retirement of the executives concerned. An amount of \$175,000 has been deducted from the Contingency Reserve and set aside in the Balance Sheet.

At the last Annual Meeting the number of Directors was increased from fifteen to seventeen and during the year Mr. Philip Dunn and the Hon. T. A. Crerar were elected to the Board.

Mr. Dunn brings to us a wide knowledge of international affairs and his advice will be most helpful. The Hon. Mr. Crerar is a member of the Senate of Canada and his wide experience in the grain business and public life of our country will be most valuable to us.

The year 1953 has been a noteworthy one in the long history of your Company. Your Directors record with pride the fine services rendered by the officers and employees and again refer to the devotion to duty of the ships' officers and crews, to the strenuous efforts of the shipyard Managers and staffs and to the aggressive abilities of the trucking, passenger and freight personnel. Never before has your Company enjoyed such teamwork throughout its many activities, and your Directors believe the results for 1953 bear eloquent testimony to such co-operation.

On behalf of the Board,

J. N. McHagan

President.

Montreal, Que.
March 8, 1954.

CANADA STEAMSHIP LINES LIMITED

CONSOLIDATED BALANCE SHEET

ASSETS

Current Assets:

Cash in banks and on hand	\$ 5,121,661.71
Guaranteed demand deposits and short term notes	3,000,000.00
Dominion of Canada bonds at cost (Market value \$108,825)	115,000.00
Accounts receivable, less allowance for doubtful accounts	5,512,466.27
Deposit with the Department of Transport to guarantee performance of contract	249,150.00
Insurance and other claims, estimated amount recoverable	921,570.73
Inventories of stores and supplies at the lower of cost or market value and shipyard work in progress at not exceeding cost	44,494,914.52
Prepaid expenses	525,716.21

59,940,479.44

Deduct progress payments and billings on uncompleted shipyard work	39,969,677.34
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19,970,802.10

Investments at not exceeding cost	249,222.32
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Cash in hands of Trustees:

For Sinking Fund requirements	\$ 28,500.00
For replacement of assets sold	121,400.00
	<u>149,900.00</u>

Fixed Assets:

Vessels, real estate, buildings, docks and wharves, plant, highway equipment and miscellaneous assets, at not exceeding cost	75,767,027.39
Less allowance for depreciation	50,097,160.60
	<u>25,669,866.79</u>

NOTE: At December 31, 1953 capital commitments in respect of vessels and properties under construction amounted to approximately \$3,100,000.

Signed on behalf of the Board:

T. R. McLAGAN	}	Directors.
D. S. HOLBROOK		

\$46,039,791.21

AUDITORS' REPORT TO

We have examined the consolidated balance sheet of Canada Steamship Lines Limited and its Subsidiary on that date and have obtained all the information and explanations we have required. Our examination reporting evidence as we considered necessary in the circumstances.

In our opinion, the above consolidated balance sheet and accompanying statements of profit and loss of companies on a consolidated basis at December 31, 1953 and the results of their operations for the year ended by the books of the companies.

Montreal, Quebec, March 8, 1954.

AND ITS SUBSIDIARY COMPANIES

ET AS OF DECEMBER 31, 1953

LIABILITIES

Current Liabilities:

Accounts payable and accrued charges	\$ 4,204,538.53
Estimated taxes on income	1,871,692.96
First Mortgage Serial Bonds 3½% Series "A" due March 15, 1954.	400,000.00
	<hr/>
	6,476,231.49

Funded Debt:

First Mortgage Serial Bonds 3½% Series "A" due March 15, 1955	\$ 400,000.00
First Mortgage — 12 year Bonds 3½% Series "A" due March 15, 1957	4,500,000.00
	<hr/>
	4,900,000.00
First Mortgage Bonds 4% 1948 Series due December 15, 1966.	2,328,500.00
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	7,228,500.00

Reserves:

For freight claims	35,000.00
For insurance losses and repairs	325,000.00
For guarantee on shipbuilding contracts	50,000.00
For extra compensation	175,000.00
For contingencies	325,000.00
	<hr/>
	910,000.00

Capital Stock:

Authorized and outstanding:	
229,250 shares 5% Cumulative Preference Stock of \$50.00 each	11,462,500.00
300,000 shares Common Stock of no par value.	3,391,500.00
	<hr/>
	14,854,000.00

Surplus:

Earned surplus	10,918,627.18
Surplus arising from realization of capital assets.	4,016,345.59
Capital surplus arising through acquisition of a subsidiary company	1,636,086.95
	<hr/>
	16,571,059.72
	<hr/>
	<u>\$46,039,791.21</u>

TO THE SHAREHOLDERS

Companies as of December 31, 1953 and the statements of profit and loss and surplus for the year ended included a general review of the accounting procedures and such tests of accounting records and other sup-

and surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the ended on that date, according to the best of our information and the explanations given to us and as shown

PEAT, MARWICK, MITCHELL & CO.,
Auditors.

CANADA STEAMSHIP LINES LIMITED

AND ITS SUBSIDIARY COMPANIES

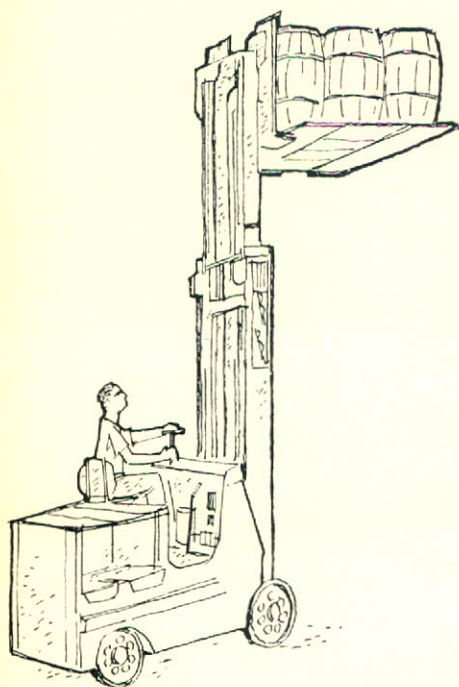
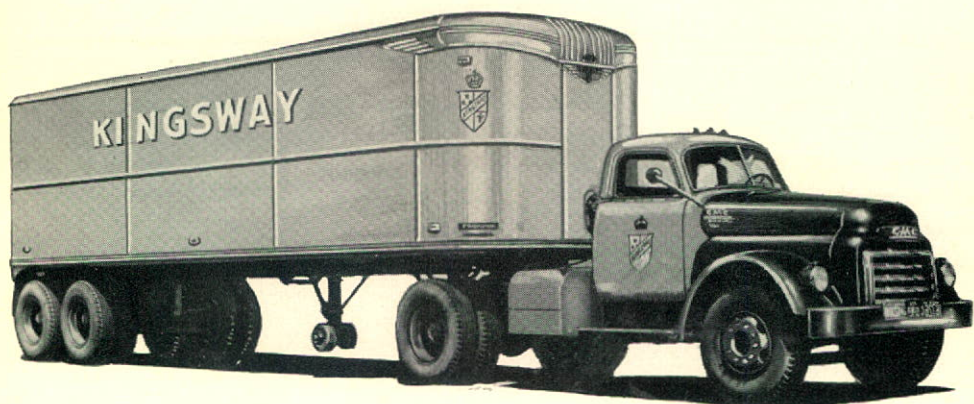
STATEMENT OF PROFIT AND LOSS

Year ended December 31, 1953

Earnings from operations before taking into account the undernoted items:		\$15,227,323.55
Remuneration of executive officers	\$ 135,349.99	
Directors' fees	17,658.33	
Legal fees.	49,271.29	
		<u>202,279.61</u>
		15,025,043.94
Add income from investments		61,980.13
		<u>15,087,024.07</u>
Deduct:		
Interest on funded debt	285,783.38	
Depreciation at the maximum allowed for Federal Income Tax purposes	7,976,951.48	
		<u>8,262,734.86</u>
		6,824,289.21
Provision for taxes on income — estimated		3,340,000.00
Net income for year.		<u>\$ 3,484,289.21</u>

STATEMENT OF SURPLUS

Earned surplus at December 31, 1952		\$ 8,307,462.97
Add net income for year ended December 31, 1953		3,484,289.21
		<u>11,791,752.18</u>
Deduct dividends paid:		
To preference shareholders	\$ 573,125.00	
To common shareholders	300,000.00	
		<u>873,125.00</u>
		10,918,627.18
Surplus arising from realization of capital assets:		
Amount at December 31, 1952	4,126,587.45	
Deduct:		
Loss on disposal of real estate.	31,200.00	
Cost of franchises acquired by a subsidiary company	79,041.86	
		<u>110,241.86</u>
		4,016,345.59
Capital surplus arising through acquisition of a subsidiary company		<u>1,636,086.95</u>
Amount at December 31, 1953		<u>\$16,571,059.72</u>



Kingsway Transports Limited

Efficiency, speed, courtesy and knowledge of freight handling are factors responsible for the reputation developed by Kingsway's fleet of super trailer transports, serving Canada between Quebec City, Niagara Falls and Windsor, Ont. and New York City in the United States.

KINGSWAY TERMINALS

QUEBEC
SHAWINIGAN FALLS
THREE RIVERS
SOREL

MONTREAL
SHERBROOKE
VALLEYFIELD
NEW YORK CITY
(terminal at Lyndhurst, N.J.)

OTTAWA
TORONTO
HAMILTON
NIAGARA FALLS

KITCHENER
LONDON
CHATHAM
WINDSOR

Davie Shipbuilding Limited

The Davie shipyard is well located at Lauzon, across the St. Lawrence river from historic Quebec City.

In 1953 the achievements of this shipyard included the delivery of the largest ship ever built in Canada—the S.S. "ANDROS VENTURE" an ocean-going tanker of 28,000 tons.

This great Canadian enterprise occupies some 45 acres and provides the best of facilities for building and repairing vessels of all descriptions.

The development of new methods and better tools and equipment is a never-ending task in the efforts of the Davie organization to maintain its reputation as a builder of fine ships at reasonable cost.

The launching of the S.S. "ANDROS VENTURE" in July 1953, marked another milestone in the proud history of the Davie shipyard.





The icebreaker C.G.S. "d'IBERVILLE" (a product of the Davie yard) proudly represented Canada at the Coronation Naval revue at Spithead in June 1953.

Davie Shipbuilding Limited is a major contributor to Canada's defence programme and the minesweeper the H.M.C.S. "GASPE" shown below was delivered to the Canadian Navy November 26, 1953. The Lauzon organization acted as lead design yard for the new Royal Canadian Navy anti-magnetic minesweeper programme. The Davie-built H.M.C.S. "GASPE" was the first vessel commissioned for Canada's post-war navy.

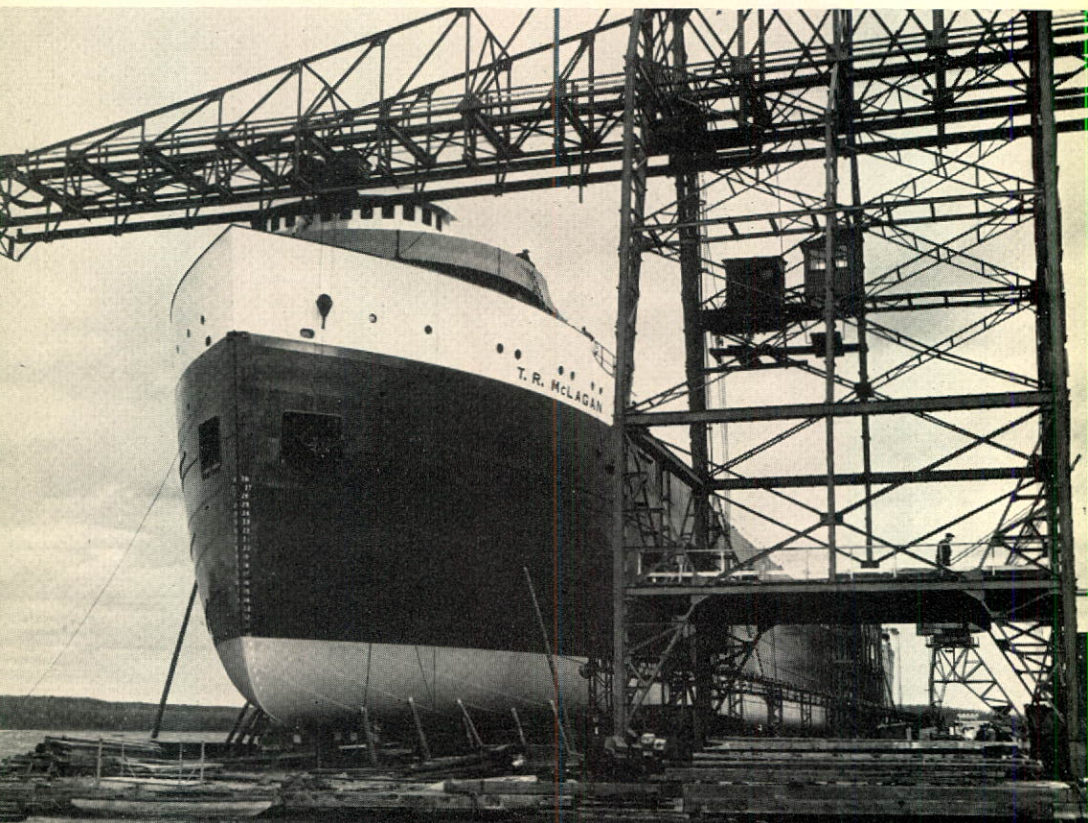


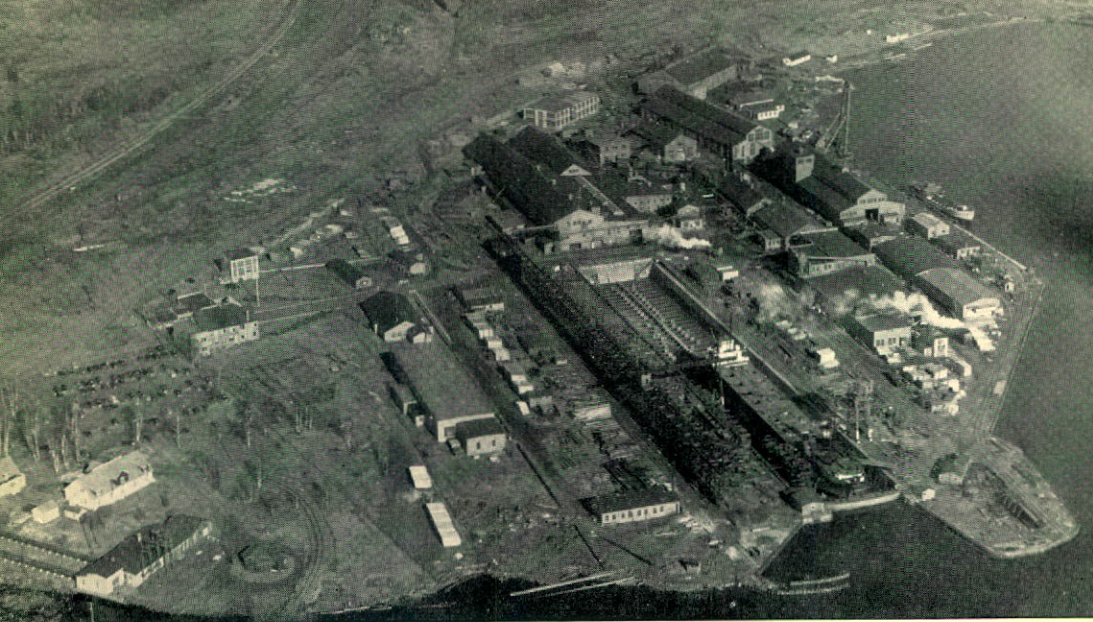
Canadian Shipbuilding & Engineering Limited

and Subsidiary Companies with shipyards located at Kingston, Midland, Collingwood and Port Arthur, Ont.

The importance to the Canadian economy of these shipyards, all located on the Great Lakes, is demonstrated by their activities and achievements in 1953. Diversity of operations is indicated by the construction of special defence vessels for the Royal Canadian Navy, cargo vessels of various types and repairs to numerous vessels, afloat and in dry dock, and is the result of combining modern methods and equipment with the skill and experience of shipyard personnel.

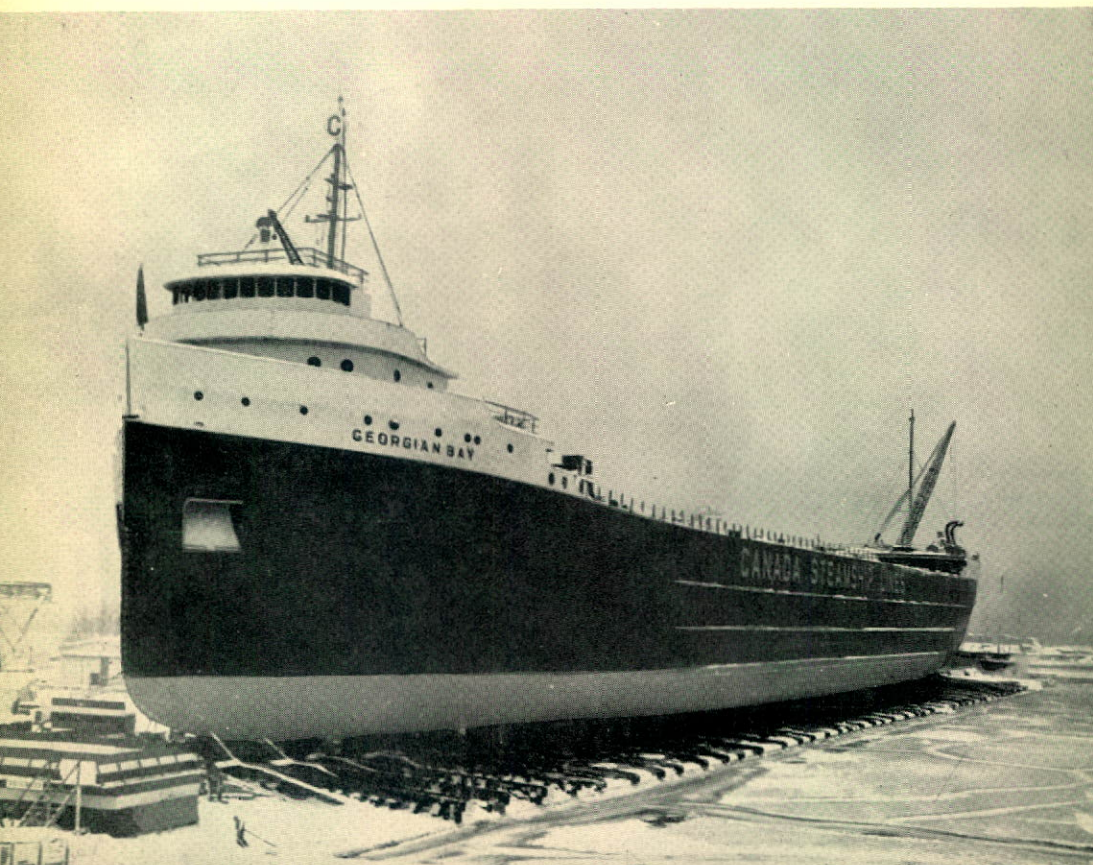
The new C.S.L. giant freighter "T. R. McLAGAN", launched at Midland, Ont., November 7, 1953, is the largest ship ever built on the Great Lakes.





Aerial view of the Port Arthur Shipbuilding Company plant, Port Arthur, Ont. In addition to the construction and repair of ships, this yard is well equipped to produce many items of heavy industrial equipment for Canada's great manufacturing plants.

The S.S. "GEORGIAN BAY", launched at Collingwood, Ont., December 18, 1953, will add considerably to the carrying capacity of the C.S.L. Upper Lake Fleet.





*Hotel Tadoussac,
Tadoussac, Que.*

Comfort Service Luxury

Hundreds of thousands of vacationers, from our own country and afar, have enjoyed memorable holidays at one of our famed resort hotels at Murray Bay and Tadoussac, Quebec. Indicative of the vacation facilities and of their appeal is the unusually high percentage of patrons who return year after year to release themselves from the tensions of everyday living amidst the scenic splendour and tranquility along the lower St. Lawrence.

*For information and reservations,
apply to Passenger Traffic Manager,
Canada Steamship Lines, at
759 Victoria Square, Montreal.*



*Manoir Richelieu,
Murray Bay, Que.*

