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CANADA
STEAMSHIP
LINES
LIMITED



ANNUAL REPORT
1952

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Side by Side

WITH CANADA'S
GROWING IMPORTANCE

the C.S.L. fleet of bulk freighters

From the head of the Great Lakes to the Gulf of St. Lawrence, the red, white and black colours of the C.S.L. fleet are in prominence. Canada depends on this "fleet" for the economical transportation of raw materials and finished products that are the foundation of her growing importance in the industrial world.



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.

H. A. CRESSWELL

JOHN H. DAVEY

A. O. DUFRESNE

SIR JAMES DUNN, Bart., Q.C.

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

S. F. HOBBS

Treasurer

CANADA STEAMSHIP LINES LIMITED

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting the thirty-ninth Annual Report of Canada Steamship Lines Limited and Subsidiary companies.

In 1952 an Operating Profit of \$13,939,503 was realized which figure compares with \$9,834,420 in 1951. All of the many units of your Company operated at a high level of activity during the year. A substantial proportion of the profit earned was derived from the Company's non-water transportation activities.

You will observe that charges for depreciation have increased to \$6,475,539. The corresponding figure in 1951 was \$4,838,689. The increase in depreciation is due to the expansion which has taken place in your Company's fleet of ships. Also, other improvements and additions were made to the facilities of the shipyards, trucking services, coal company, hotels, etc. In all, some \$6,495,221 was spent on capital assets.

During the year two new ships were delivered from our own shipyards, namely, the S.S. "Sir James Dunn" and S.S. "Thunder Bay". Each ship has a total deadweight of about 18,000 tons. Another ship is now being built and it is hoped that delivery will be made before the end of the current year.

The damages in connection with the burning of the S.S. "Noronic" have been settled for \$2,150,000 all but \$50,000 of which is covered by insurance.

After all charges, including Income Tax amounting to \$3,880,000, your Directors are happy to report a Net Profit of \$3,267,940 which compares with \$2,042,248 in 1951. The earnings on the common shares, after deducting preferred dividends of \$573,125 amount to \$8.94. This compares with \$4.89 in 1951.

During the year Serial Bonds in amount of \$400,000 matured and were paid and \$140,000 1948 Series Bonds were retired through the Sinking Fund leaving outstanding fixed indebtedness of \$8,140,000 of which \$400,000 matures as of March 15, 1953.

We are pleased to report an increase in Working Capital to \$10,620,284 from \$9,009,522 in 1951.

"Inventories and Work in Progress" and "Accounts Receivable" are substantially higher due to the great amount of work in your company's shipyards.

Although the steel strike in the U.S.A. reduced the tonnage of ore carried, this loss of tonnage was compensated for by bigger grain shipments. The tonnage carried of Package Freight also increased. In the 1951 report, reference was made to the passenger services being a cause of concern to your Directors. We are happy

to state that a substantial improvement in passenger earnings was realized during the year and every effort is being made to sustain this improvement in 1953.

Your Company's shipyards produced and delivered more than 120,000 dead-weight tons of new ships in 1952. We believe that this is a peacetime record which will not be exceeded for some years to come as there are signs that our shipbuilding peak has passed. We still have, however, a substantial amount of new shipbuilding tonnage to complete, particularly, at your Company's yard at Lauzon, Quebec.

Kingsway Transports Limited has enjoyed a very good year. The expansion into Western Ontario, which was referred to in the 1951 report, is complete and is reflected in an improvement in the earnings of this subsidiary company.

At the end of the year an actuarial report was made of the Company's pension fund and found to be satisfactory. There are now 61 former employees receiving pensions.

During 1952 your Board suffered a great loss in the deaths of the Hon. J. G. Fogo and Mr. John L. Lang.

The late Senator Fogo had rendered valuable services to his country and to our Company and his passing is keenly felt.

The late Mr. John L. Lang was an engineer of distinction. His sound judgment and technical knowledge is sorely missed by the members of your Board.

In the course of the year 1952, Messrs. D. S. Holbrook and J. H. Davey were elected to the Board.

Mr. Holbrook is Executive Vice-President of the Algoma Steel Corporation and Mr. Davey is the President of the International Paints (Canada) Limited. Both these gentlemen have wide experience and knowledge of affairs closely associated with our business which is very helpful to your Company.

Your Directors wish to record their appreciation of the devoted services rendered by all our officers and employees. We cannot speak too highly of the admirable efforts of our Captains, Chief Engineers, ships' officers and crews, of the exacting work of our shipyard managers and staffs, of the hard day-to-day work of our trucking and passenger personnel and of the close, intelligent approach to our affairs which has been shown by all members of our staff. We feel that the splendid results of the past year bear eminent testimony to the services rendered.

On behalf of the Board,



President.

Montreal, Que.
March 5, 1953.

CANADA STEAMSHIP LINES LIMITED

CONSOLIDATED BALANCE SHEET

ASSETS

Current Assets:

Cash in banks and on hand	\$ 2,523,110.47
Guaranteed demand deposits and short term notes	2,798,159.00
Dominion of Canada bonds at cost	115,000.00
Accounts receivable, less allowance for doubtful accounts	5,535,970.13
Insurance and other claims, estimated amount recoverable	831,197.78
Inventories of stores and supplies at the lower of cost or market (as determined and certified to by responsible officials) and shipyard work in progress at not exceeding cost	36,003,552.12
Prepaid Expenses	499,678.66
	<hr/>
	48,306,668.16
Deduct progress payments and billings on uncompleted ship- yard work	29,468,733.49
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	18,837,934.67
Investments at not exceeding cost	244,245.59

Fixed Assets:

Vessels, real estate, buildings, docks and wharves, plant, highway equipment and miscellaneous assets on the basis of the reduced valuation made by the Manage- ment as of December 31, 1936, and approved by the Board of Directors with subsequent additions based on cost	\$69,612,756.73
Less allowance for depreciation	42,909,649.35
	<hr/>
	26,703,107.38

NOTE: At December 31, 1952 a vessel was under construction in respect of which the estimated cost to complete was approximately \$4,668,800.00.

Signed on behalf of the Board:

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

\$45,785,287.64

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 porting evidence as we considered necessary in the circumstances.

In our opinion, the above consolidated balance sheet and accompanying statements of profit and loss companies on a consolidated basis at December 31, 1952 and the results of their operations for the year end by the books of the companies.

Montreal, Quebec, March 5, 1953.

AND ITS SUBSIDIARY COMPANIES

AS OF DECEMBER 31, 1952

LIABILITIES

Current Liabilities:

Accounts payable and accrued charges	\$ 5,094,797.93
Estimated taxes on income	2,722,852.34
First Mortgage Serial Bonds 3½% Series "A" due March 15, 1953	400,000.00
	<hr/>
	8,217,650.27

Funded Debt:

First Mortgage Serial Bonds 3½% Series "A" due March 15, 1954-1955	\$ 800,000.00
First Mortgage — 12 year Bonds 3½% Series "A" due March 15, 1957	4,500,000.00
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	5,300,000.00
First Mortgage Bonds 4% 1948 Series due December 15, 1966	2,440,000.00
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	7,740,000.00

Reserves:

For Freight Claims	61,000.00
For insurance losses and repairs	342,500.00
For contingencies	500,000.00
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	903,500.00

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	8,307,462.97
Surplus arising from realization of capital assets	4,126,587.45
Capital surplus arising through acquisition of a subsidiary company	1,636,086.95
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	14,070,137.37
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	<u>\$45,785,287.64</u>

THE SHAREHOLDERS

Companies as of December 31, 1952 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 ded 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, 1952

Earnings from operations before taking into account the under-noted items:		\$14,150,762.99
Remuneration of executive officers	\$ 170,385.33	
Directors' fees	16,993.33	
Legal fees	61,476.40	
		<u>248,855.06</u>
		13,901,907.93
Add income from investments		<u>37,595.77</u>
		13,939,503.70
Deduct:		
Interest on funded debt	305,383.40	
Other interest	10,639.66	
Depreciation at the maximum rates allowed for Federal Income Tax purposes	6,475,539.84	
		<u>6,791,562.90</u>
		7,147,940.80
Provision for taxes on income — estimated		<u>3,880,000.00</u>
Net income for year		<u>\$ 3,267,940.80</u>

STATEMENT OF SURPLUS

Earned surplus at December 31, 1951		\$ 5,915,097.79
Add net income for year ended December 31, 1952		<u>3,267,940.80</u>
		9,183,038.59
Deduct dividends paid:		
To preference shareholders	573,125.00	
To common shareholders	300,000.00	
		<u>873,125.00</u>
		8,309,913.59
Deduct portion of earned surplus applicable to acquisition of minority interest		<u>2,450.62</u>
		8,307,462.97
Surplus arising from realization of capital assets:		
Amount at December 31, 1951	4,380,234.36	
Deduct:		
Loss on disposal of property of a subsidiary company	89,199.61	
Cost of franchises acquired by a subsidiary company	164,447.30	
	<u>253,646.91</u>	
		4,126,587.45
Capital surplus arising through acquisition of a subsidiary company		<u>1,636,086.95</u>
Amount at December 31, 1952		<u>\$14,070,137.37</u>

Recreation AND Relaxation

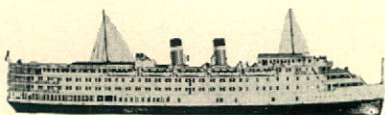
know no bounds

Canada offers unlimited opportunities for the recreation and relaxation of hundreds of thousands of her own and visiting vacationists. C.S.L.'s luxurious resort hotels at Murray Bay and Tadoussac, Quebec, and C.S.L. Cruise Ships that thread their leisurely way along the peaceful waters of the St. Lawrence and Saguenay Rivers are symbols of the "finest Canadian vacations".



*Hotel Tadoussac,
Tadoussac, Que.*

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



*Manoir Richelieu,
Murray Bay, Que.*

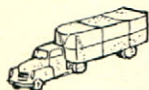




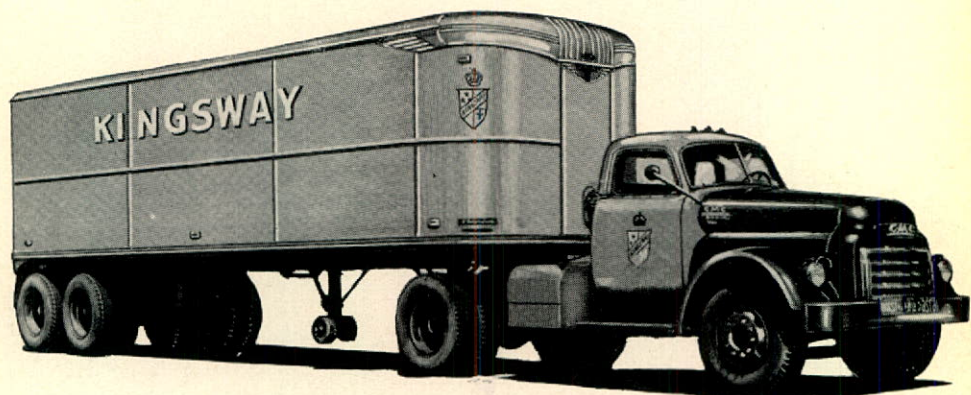
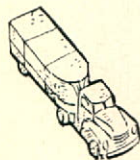
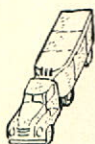
Pride

OF CANADA'S HIGHWAYS

Kingsway Transport



The efficiency, the speed and the knowledge of freight handling for which C.S.L. has become renowned on Canada's waterways has been carried to land by Kingsway Transport — a fleet of super trailer transports serving Canada between Quebec City, Niagara Falls and Windsor, Ont.



KINGSWAY TRANSPORTS LTD. TERMINALS

QUEBEC

SHAWINIGAN FALLS

THREE RIVERS

SOREL

MONTREAL

SHERBROOKE

VALLEYFIELD

OTTAWA

TORONTO

HAMILTON

NIAGARA FALLS

WATERLOO

LONDON

CHATHAM

WINDSOR

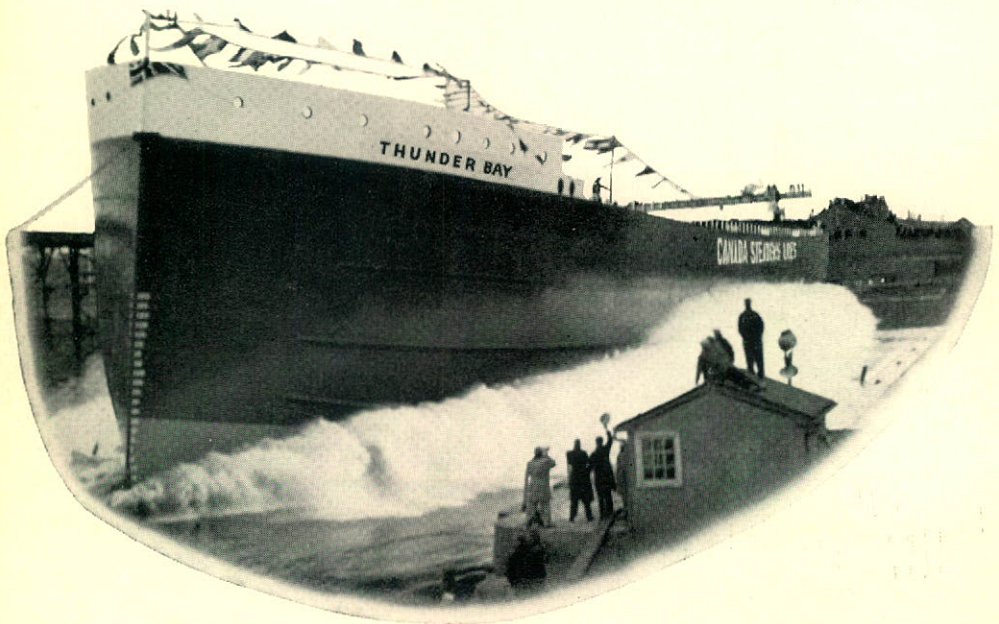
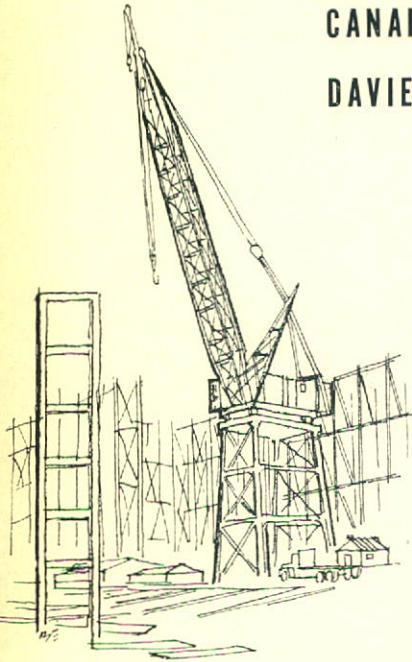
C.S.L. Subsidiaries

**CANADIAN SHIPBUILDING & ENGINEERING LTD.
DAVIE SHIPBUILDING AND REPAIRING CO. LTD.**

*set new records
in 1952*

for both tonnage and versatility of output

The Canadian Shipbuilding & Engineering Limited, with yards located at Port Arthur, Midland, Collingwood and Kingston, and the Davie Shipbuilding & Repairing Company Limited, at Lauzon, P.Q. built and delivered in 1952 the greatest tonnage ever achieved by a Canadian company in a single season, in addition to completing numerous major and minor repairs afloat and in dry dock. The great achievements of these C.S.L. subsidiaries are a tribute to the skill and experience of their personnel combined with modern methods and equipment.



*package
freight
moves*

by C.S.L. facilities

C.S.L. has become a leader in the fast, economical handling of freight. Especially equipped ships, conveniently located freight terminals, modern methods of loading and unloading and, above all, men who know how to keep freight moving, have established this enviable reputation of leadership.

