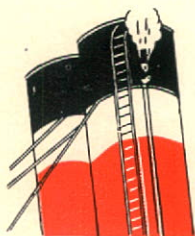


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CANADA
STEAMSHIP
LINES
LIMITED

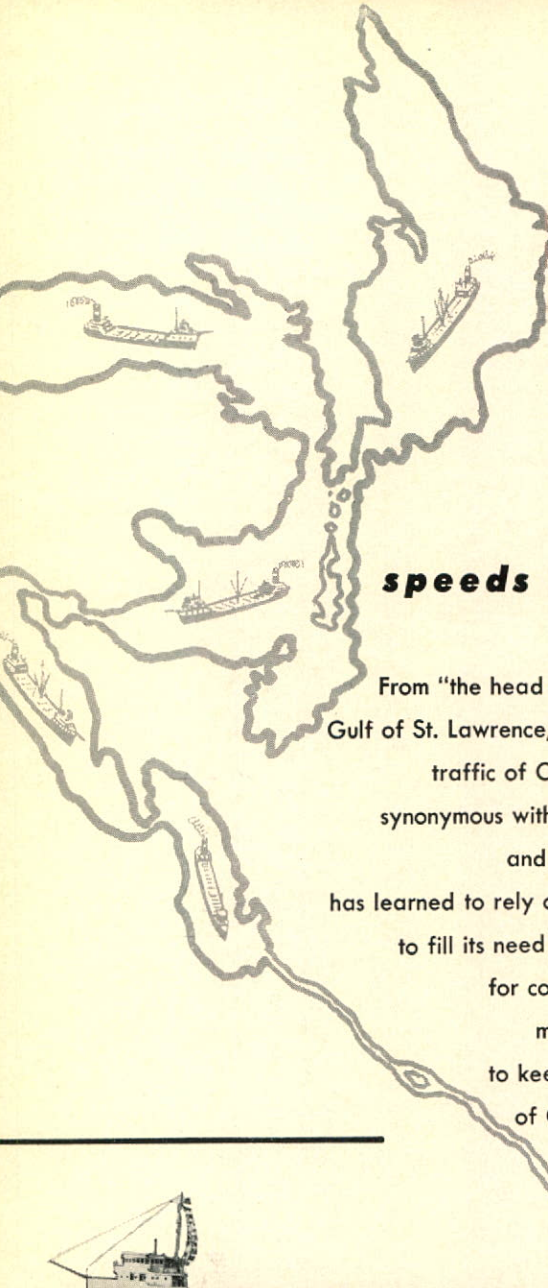


ANNUAL REPORT
1951

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McGIL UNIVERSITY



The C.S.L. FLEET

of bulk freighters

***speeds Canada's Trade
and Commerce***

From "the head of the lakes" to the
Gulf of St. Lawrence, the ever-increasing
traffic of C.S.L. freighters is
synonymous with Canada's expanding trade
and commerce — for Canadian Industry
has learned to rely on this "fleet"
to fill its need for grain . . .
for coal . . . for ore . . . for the
myriad of raw materials needed
to keep pace with the new era
of Canada's industrial importance.



CANADA STEAMSHIP LINES LIMITED

DIRECTORS

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

H. A. CRESSWELL

A. O. DUFRESNE, M.Sc., D.A.Sc.

SIR JAMES DUNN, Bart., Q.C.

JAMES A. ECCLES, B.A.

HON. J. GORDON FOGO, Q.C.

HENRY GAUER

JOHN L. LANG, B.A.Sc.

COL. K. R. MARSHALL, C.M.G., D.S.O.

J. ARTHUR MATHEWSON, Q.C.

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

GORDON McMILLAN, Q.C.

JOHN A. McPHAIL, Q.C.

A. C. PICARD

CHAIRMAN OF THE COMPANY

COL. K. R. MARSHALL

EXECUTIVE OFFICERS

T. R. McLAGAN

President

H. A. CRESSWELL

Vice-President

R. B. THOMSON

Vice-President and Secretary

S. F. HOBBS

Treasurer

CANADA STEAMSHIP LINES LIMITED

TO THE STOCKHOLDERS:

Your Directors have pleasure in submitting the thirty-eighth Annual Report of the Canada Steamship Lines Limited.

In 1951, due to an expanding transportation business and high levels of activities in most of the subsidiary companies, the Operating Profit rose to \$9,834,420 in comparison with a similar Operating Profit of \$5,944,693 in 1950.

You will observe that depreciation charges have risen to \$4,838,689 as compared to \$2,387,550 in 1950. In this regard your Directors have taken full advantage of depreciation allowances permitted by the Federal Government for new ships built in Canada. These increased charges therefore, reflect the expansion which is taking place in the Company's fleet of ships. In this regard your Company has under construction two new large Upper Lake Bulk Carriers. One of these vessels, the S.S. "SIR JAMES DUNN" has been launched and it is expected will go into service in the spring. The other vessel, as yet unnamed, will be ready at the end of the year.

Legal fees were high due to the litigation in which the Company is involved over the S.S. "Noronic" fire, which case, it is expected, will be settled in the near future.

Your attention is drawn to the charges for income taxes which have risen to \$2,610,000 in 1951 from \$1,410,000 in 1950.

Despite these increased expenses for depreciation, legal fees and taxes, your Directors are happy to report a Net Profit of \$2,042,248 which compares with \$1,790,822 in 1950.

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 debt of \$8,680,000 of which \$400,000 matures as of March 15, 1952.

The item of "Inventories and Work in Progress" is substantially higher due to the greater amount of work in the Company's shipyards.

Working Capital has increased to \$9,009,522, which figure in 1950 was \$7,675,473.

Bulk freight cargoes of ore and grain were the highest on record in 1951 and the package freight business operated at capacity. The results of your Company's passenger and hotel services are a cause of concern to your Directors, who have the problem under study.

The Company's shipbuilding activities have operated at a high level during the past year and the shipyards have a very substantial back-log of business. The yards on the Great Lakes are building tankers, bulk freighters and Naval craft. Your Company's large shipyard at Lauzon has a large back-log of orders for both Naval and Merchant ships but it is hampered by lack of steel, and until this situation is rectified, cannot operate at a satisfactory profit level.

Your Company's trucking business, namely the Kingsway Transports Limited, has enjoyed a profitable year. Arrangements have been concluded to expand the operations of the Company into Western Ontario which will make it one of the major trucking companies in Canada.

At the end of the year an actuarial report was made of the state of the Company's pension fund and it was found to be satisfactory. At the present time there are forty-nine pensioners.

In the report for 1950 reference was made to a decision of the Supreme Court of Canada which was adverse to the Company in connection with the destruction by fire of a Montreal freight shed under lease from the Federal Government. This decision was appealed by your Company to the Privy Council and your Directors are happy to report that the Privy Council has reversed the decision of the Supreme Court of Canada and has decided in favour of your Company.

During the year your Board suffered a great loss in the deaths of Mr. Paul F. Sise and Dr. Alex. Johnston.

The late Mr. Sise was a director for many years and rendered valuable service from time to time. His loss will be keenly felt.

The late Dr. Johnston was elected a director in April 1951 and served in that capacity for a period of seven months.

Your Directors express their appreciation to all the officers and employees, both ashore and afloat, for their loyalty and devotion to the exacting duties which the nature of your Company's operations require. Our transportation season is a relatively short one and extraordinary demands on our personnel are made at various times. Such demands have been cheerfully and efficiently met.

On behalf of the Board,

J. N. McKeegan

President.

Montreal, Que.,
March 4, 1952.

CANADA STEAMSHIP LINES LIMITED

CONSOLIDATED BALANCE SHEET

ASSETS

Current Assets:

Cash in banks and on hand	\$ 4,050,699.31
Guaranteed demand deposits	2,500,000.00
Dominion of Canada bonds at cost	115,000.00
Accounts receivable, less reserve	3,214,898.35
Insurance and other claims, estimated amount recoverable	348,932.34
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	20,208,992.42
Prepaid expenses	463,274.24

30,901,796.66

Deduct progress payments and billings on uncompleted ship- yard work	15,749,721.39
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15,152,075.27

Investments at not exceeding cost	255,274.83
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Fixed Assets:

Vessels, real estate, buildings, docks and wharves, plant, highway equipment and miscellaneous assets on the basis of the re- duced valuation made by the management as of December 31, 1936, and approved by the Board of Directors, with subsequent additions based on cost	\$63,172,377.17
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Less reserve for depreciation	36,488,951.13
---	---------------

26,683,426.04

NOTE: At December 31, 1951 two vessels were under construction in respect of which the estimated cost to complete was approximately \$4,000,000.00.

Signed on behalf of the Board:

T. R. McLagan	}	Directors.
J. G. Fogo		

\$42,090,776.14

AUDITORS' REPORT

We have examined the consolidated balance sheet of Canada Steamship Lines Limited and its Subsidiaries as at December 31, 1951, and the accompanying statements of profit and loss for the year ended on that date and have obtained all the information and explanations we have required. Our examination was based on other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above consolidated balance sheet and accompanying statements of profit and loss for the year ended on that date are correct in all material respects and the results of their operations for the year are shown by the books of the companies.

Montreal, Quebec, March 4, 1952.

AND ITS SUBSIDIARY COMPANIES

ET AS OF DECEMBER 31, 1951

LIABILITIES

Current Liabilities:		
Accounts payable and accrued charges	\$	3,748,680.65
Advance payment on shipbuilding contract		170,625.00
Reserve for taxes—estimated		1,823,246.77
First Mortgage Serial Bonds 3½% Series "A" due March 15, 1952		400,000.00
		<hr/>
Funded Debt:		6,142,552.42
First Mortgage Serial Bonds 3½% Series "A" due March 15, 1953-1955	\$	1,200,000.00
First Mortgage—12 year Bonds 3½% Series "A" due March 15, 1957		4,500,000.00
		<hr/>
		5,700,000.00
First Mortgage Bonds 4% 1948 Series due December 15, 1966		2,580,000.00
		<hr/>
		8,280,000.00
Reserves:		
For freight claims		45,000.00
For insurance losses and repairs		337,000.00
For contingencies		500,000.00
		<hr/>
		882,000.00
Minority shareholders' interest in capital stock and surplus of subsidiary company		2,715.86
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		5,915,097.79
Surplus arising from realization of capital assets		4,380,234.36
Capital surplus arising through acquisition of a subsidiary company		1,636,086.95
		<hr/>
		11,931,419.10
Less minority shareholders' interest in surplus of a subsidiary company		1,911.24
		<hr/>
		11,929,507.86
Contingent Liability:		
In respect of claims in excess of insurance coverage, arising out of the loss of the S.S. "Noronic", the amount of which, if any, remains to be determined.		
		<hr/>
		<u>\$42,090,776.14</u>

THE SHAREHOLDERS

diary Companies as of December 31, 1951, and the statements of profit and loss and surplus for the year
mination included a general review of the accounting procedures and such tests of accounting records and

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

CANADA STEAMSHIP LINES LIMITED

AND ITS SUBSIDIARY COMPANIES

STATEMENT OF PROFIT AND LOSS

For the year ended December 31, 1951

Earnings from operations before taking into account the under-noted items		\$10,096,072.61
Remuneration of executive officers	\$ 138,172.69	
Directors' fees	15,505.96	
Legal fees	137,968.28	
		<hr/>
		291,646.93
		<hr/>
		9,804,425.68
Add income from investments		29,995.17
		<hr/>
		9,834,420.85
Deduct:		
Interest on funded debt	324,983.31	
Other interest	18,499.33	
Depreciation at the maximum rates allowed for Federal Income Tax purposes	4,838,689.73	
		<hr/>
		5,182,172.37
		<hr/>
		4,652,248.48
Provision for taxes on income—estimated		2,610,000.00
		<hr/>
Net Income for year		\$ 2,042,248.48

STATEMENT OF SURPLUS

Earned surplus at December 31, 1950		\$ 4,745,974.31
Add net income for year ended December 31, 1951		2,042,248.48
		<hr/>
		6,788,222.79
Deduct dividends paid:		
To preference shareholders	\$ 573,125.00	
To common shareholders	300,000.00	
		<hr/>
		873,125.00
		<hr/>
		5,915,097.79
Surplus arising from realization of capital assets:		
Amount at December 31, 1950	4,367,259.36	
Add profit on sale of capital assets	12,975.00	
		<hr/>
		4,380,234.36
Capital surplus arising through acquisition of a subsidiary company		1,636,086.95
		<hr/>
		11,931,419.10
Less minority shareholders' interest in surplus of a subsidiary company		1,911.24
		<hr/>
Amount at December 31, 1951		\$11,929,507.86



*Manoir Richelieu,
Murray Bay, Que.*

*where
luxury*



On land and on sea . . .

C.S.L. river steamers that ply the beautiful St. Lawrence and Saguenay waterways and the C.S.L. luxury resort hotels provide the facilities for sport, for recreation or relaxation for thousands of Canadian and visiting vacationists who, year after year, avail themselves of this supreme "reign of luxury" at moderate prices.

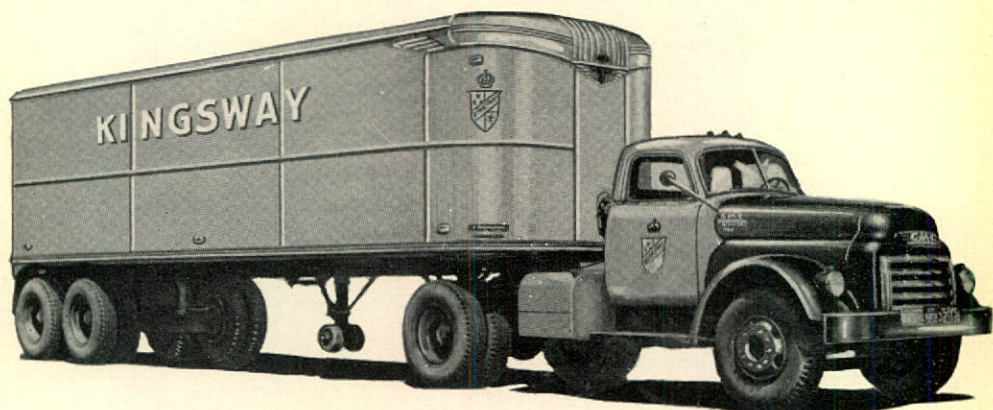
For information and reservations, apply to any Canada Steamship Lines office or write to the Hotel Manager at 759 Victoria Square, Montreal.

*reigns
supreme*

*Hotel Tadoussac,
Tadoussac, Que.*



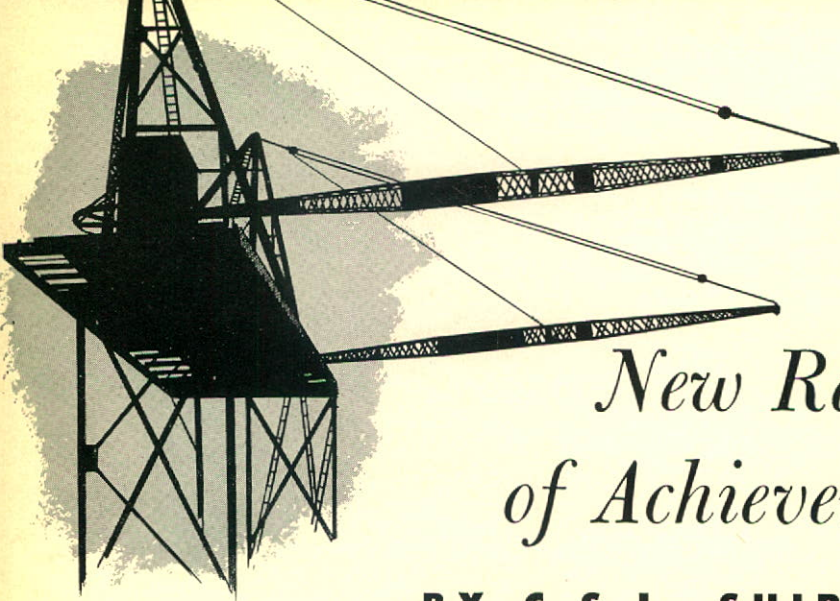
KINGSWAY *transport*



Carries a tradition to land

The Kingsway Fleet has carried
to Canada's highways
the tradition of speed
and efficiency in freight
handling established by
C.S.L. on Canada's waterways

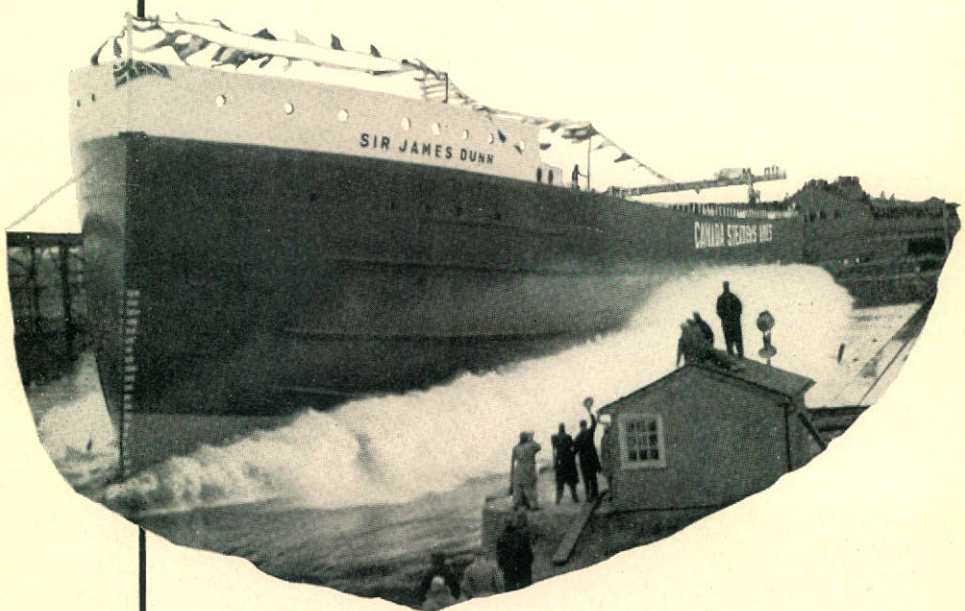




New Records of Achievements

BY C.S.L. SHIPYARDS

Modern, mechanized facilities combined with the experience and skill of the shipbuilders have enabled the shipyards of Canadian Shipbuilding and Engineering Limited, located at Kingston, Midland, Collingwood and Port Arthur, and the Davie Shipbuilding and Repairing Company Limited, at Lauzon, Que., all subsidiaries of C.S.L., to establish new records of achievement and an enviable reputation for efficiency in handling all types of repairs and new construction, afloat or in drydock.



C. S. L. *facilities...*



speed packaged freight

The ships themselves, the conveniently located terminals and the modern mechanized methods of loading, unloading and warehousing plus the skill and knowledge that come from years of experience has made C.S.L. the leader of fast, economical, efficient freight handling.

