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CANADA  
STEAMSHIP  
LINES  
LIMITED



ANNUAL REPORT  
1950

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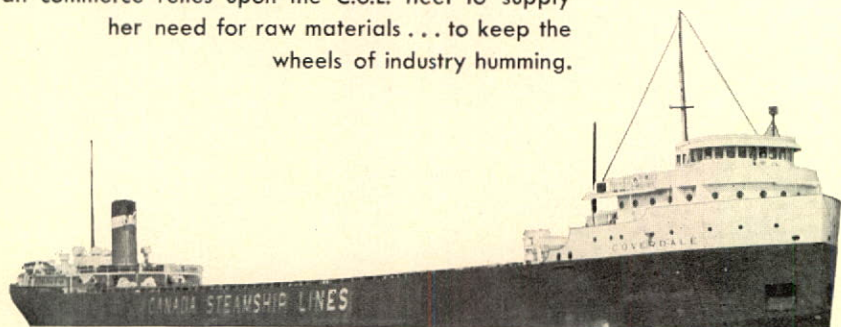
McGILL UNIVERSITY



the  
C.S.L.  
fleet  
**of bulk freighters**  
**keeps the wheels of**  
**industry humming**

Coal, ore, grain . . . by the thousands of tons . . . by the millions of bushels . . . these natural resources of Canada are carried by C.S.L. freighters, year after year, in peace and in war.

Canadian commerce relies upon the C.S.L. fleet to supply her need for raw materials . . . to keep the wheels of industry humming.



# CANADA STEAMSHIP LINES LIMITED

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## DIRECTORS

D. W. AMBRIDGE, ESQ.

C. GORDON COCKSHUTT, ESQ.

ARTHUR CROSS, ESQ.

KENNETH T. DAWES, ESQ.

SIR JAMES DUNN, BART.

JAMES A. ECCLES, ESQ.

HENRY GAUER, ESQ.

FRANK J. HUMPHREY, ESQ.

COL. K. R. MARSHALL

J. ARTHUR MATHEWSON, ESQ., K.C.

GEORGE H. MONTGOMERY, ESQ., K.C.

WM. A. MURPHY, ESQ.

A. C. PICARD, ESQ.

JOSEPH M. PIGOTT, ESQ.

PAUL F. SISE, ESQ.

## EXECUTIVE OFFICERS

K. R. MARSHALL

*President*

GEORGE H. MONTGOMERY, K.C.

*Vice-President*

H. A. CRESSWELL

*Vice-President and Treasurer*

R. B. THOMSON

*Vice-President and Secretary*

N. J. REOCH

*General Manager*

# CANADA STEAMSHIP LINES LIMITED

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## TO THE STOCKHOLDERS:

Your Directors submit the Company's Thirty-seventh Annual Report and Statement of Accounts.

## GROSS REVENUE

Your Company's gross revenue amounted to \$25,185,285, a reduction from the previous year of \$150,866. While revenue from the fleet increased by \$979,496, curtailed activities at the shipyards during the first half of the year more than offset this improvement; however a substantial backlog of orders is now on hand at all your yards.

## OPERATING EXPENSES

Operating expenses were reduced by \$512,107 to \$19,240,593. Net earnings available for interest and depreciation amounted to \$5,944,693.

## DEDUCTIONS

Interest charges amounted to \$356,321, a decrease of \$46,274 from the previous year. Provision was made for depreciation in amount of \$2,387,550, an increase of \$555,222.

## NET INCOME

Net earnings for the year, after all charges, amounted to \$3,200,822 and after providing \$1,410,000 for Dominion and Provincial Income Taxes, the net income for the year was \$1,790,822, being the highest net income recorded in the Company's history with the exception of the year 1942, and an increase over the previous year of \$157,294.

## SURPLUS

After payment of dividends of 5% on the preference stock and \$1 per share on the common stock, the earned surplus increased by \$917,697 to \$4,745,974. Surplus arising from realization of assets amounted to \$4,367,259 after adding surplus insurance recoveries and profit on sales of capital assets of \$1,141,071. The consolidated surplus increased by \$2,059,019 to a total of \$10,747,688.

## NET CURRENT ASSETS

The excess of current assets over current liabilities at December 31, 1950 amounted to \$7,675,473, an improvement over the previous year of \$1,375,348. Included in the current assets were cash and government securities amounting to \$3,172,688.

#### FUNDED DEBT

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 \$9,220,000, of which \$400,000 matures as of March 15, 1951.

#### PROPERTY

The Company's property has been maintained in sound physical condition. A net amount of \$2,542,602 was added to fixed assets during the year. The S.S. "Coverdale" was completed and commissioned at the opening of navigation and, with her sistership the S.S. "Hochelaga", continues to carry record cargoes of iron ore, grain and coal. The fleet now consists of 60 ships, of which 50 are freighters, 5 are passenger steamers and 5 are tugs. Your Company's wholly-owned subsidiary, Kingsway Transports Limited, has added to its fleet of highway equipment during the year and occupies a prominent position in the carriage of goods by highway.

#### PENSION FUND

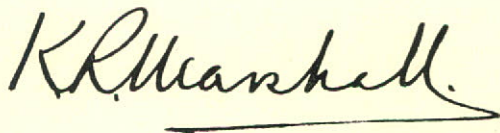
The contributory Pension Fund for the benefit of the Company's employees continues to operate on an actuarially sound basis.

#### GENERAL

Your Directors have to report the loss, by fire, of the S.S. "Quebec"; this loss and resultant claims for compensation are amply covered by insurance. Claims arising out of the loss of the S.S. "Noronic" are still before the Courts and, based on advice of counsel, your Directors feel that the Company is adequately protected by insurance. During the year, the Supreme Court reversed the 1948 findings, which were in our favour, of the Exchequer Court in connection with the fire which, in 1944, destroyed a Montreal freight shed leased by the Company. Leave to appeal this decision to the Privy Council has been granted.

Your Directors desire to record their appreciation of the loyal and efficient services of the Company's officers and employees.

On behalf of the Board,



President.

Montreal, Que.,  
March 15, 1951.

# CANADA STEAMSHIP LINES LIMITED

## CONSOLIDATED BALANCE SHEET

### ASSETS

Current Assets:

Cash in banks and on hand . . . . .	\$ 707,688.49
Guaranteed demand deposits . . . . .	2,350,000.00
Dominion of Canada bonds at cost . . . . .	115,000.00
Accounts receivable, less reserve . . . . .	3,089,625.52
Insurance and other claims, estimated amount recoverable . . . . .	211,514.81
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 . . . . .	10,894,654.02
	17,368,482.84
Deduct progress payments and billings on uncompleted shipyard work . . . . .	6,097,477.49
	11,271,005.35
Prepaid Expenses . . . . .	378,583.08
Investments at not exceeding cost . . . . .	235,665.47

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 . . . . .	\$58,788,116.11
Less reserve for depreciation . . . . .	31,753,713.27
	27,034,402.84

Signed on behalf of the Board:

K. R. Marshall	}	Directors.
Geo. H. Montgomery		

\$38,919,656.74

AUDITORS' REPORT TO

We have examined the accounts of Canada Steamship Lines Limited and its subsidiary companies for the year ended December 31, 1951, and in our opinion we have to report that we have obtained all the information and explanations we have required and, in our opinion, they exhibit a true and correct view of the state of the companies' affairs on a consolidated basis, as of December 31, 1951, in the books of the companies.

Montreal, March 15, 1951.

# AND ITS SUBSIDIARY COMPANIES

AS OF DECEMBER 31, 1950

## LIABILITIES

### Current Liabilities:

Accounts payable and accrued charges . . . . .	\$ 2,368,865.20
Reserve for taxes — estimated . . . . .	826,666.30
First Mortgage Serial Bonds 3½% Series "A" due March 15, 1951 . . . . .	400,000.00

### Funded Debt:

First Mortgage Serial Bonds 3½% Series "A" due March 15, 1952-1955 . . . . .	\$ 1,600,000.00
First Mortgage 12 Year Bonds 3½% Series "A" due March 15, 1957 . . . . .	4,500,000.00
First Mortgage Bonds 4% 1948 Series due December 15, 1966 . . . . .	2,720,000.00

### Reserves:

For freight claims . . . . .	45,000.00
For insurance losses and repairs . . . . .	337,000.00
For shipbuilding contracts . . . . .	18,000.00
For contingencies . . . . .	500,000.00

Minority shareholders' interest in capital stock and surplus of subsidiary company . . . . .

8,820,000.00

2,436.39

### 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

### Surplus:

Earned surplus . . . . .	4,745,974.31
Surplus arising from realization of capital assets . . . . .	4,367,259.36
Capital surplus arising through acquisition of a subsidiary company . . . . .	1,636,086.95

14,854,000.00

10,749,320.62

Less minority shareholders' interest in surplus of a subsidiary company . . . . .

1,631.77

10,747,688.85

### Contingent Liability:

In respect of claims in excess of insurance coverage, arising out of the loss of the S.S. "Noronic" and at the Montreal Freight Shed, the amount of which, if any, remains to be determined.

\$38,919,656.74

### THE SHAREHOLDERS

For the year ended December 31, 1950, and, in accordance with the provisions of the Companies Act (Dominion), in our opinion, the above Consolidated Balance Sheet as of December 31, 1950 is properly drawn up so as to show a true and correct view of the financial position of the company as at December 31, 1950, according to the best of our information and the explanations given to us, and as shown by

PEAT, MARWICK, MITCHELL & CO.,

Auditors.

# CANADA STEAMSHIP LINES LIMITED

AND ITS SUBSIDIARY COMPANIES

## STATEMENT OF PROFIT AND LOSS

For the year ended December 31, 1950

Operating Revenue:	
Vessels . . . . .	\$22,386,473.16
Docks and wharves . . . . .	1,068,853.87
Miscellaneous operating revenue — net . . . . .	1,618,357.67
	<u>25,073,684.70</u>
Other Revenue (including income from investments \$21,996.31) . . . . .	111,601.24
	<u>25,185,285.94</u>
Expenses (including salaries of executive officers \$107,316.58, directors' fees \$15,913.28 and legal fees \$40,889.44) . . . . .	19,240,592.70
	<u>5,944,693.24</u>
From which deduct:	
Interest on funded debt . . . . . \$ 344,583.29	
Other interest . . . . . 11,737.21	
Provision for depreciation . . . . . 2,387,550.34	
	<u>2,743,870.84</u>
	<u>3,200,822.40</u>
Provision for taxes on income — estimated . . . . .	1,410,000.00
Net Income for Year . . . . .	<u>\$ 1,790,822.40</u>

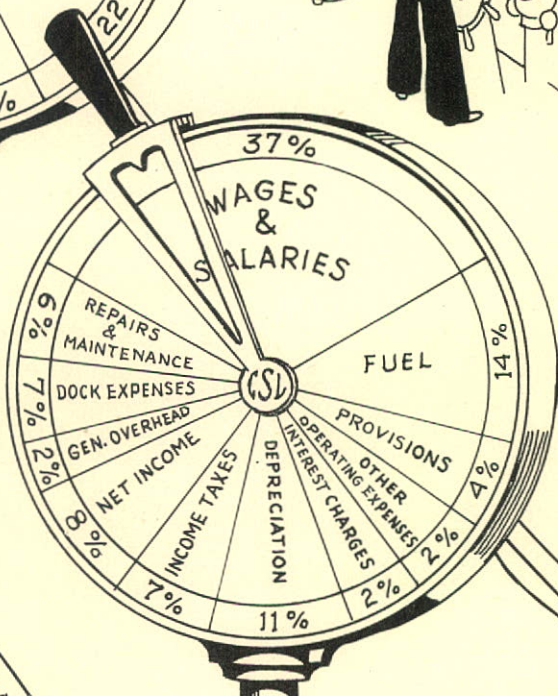
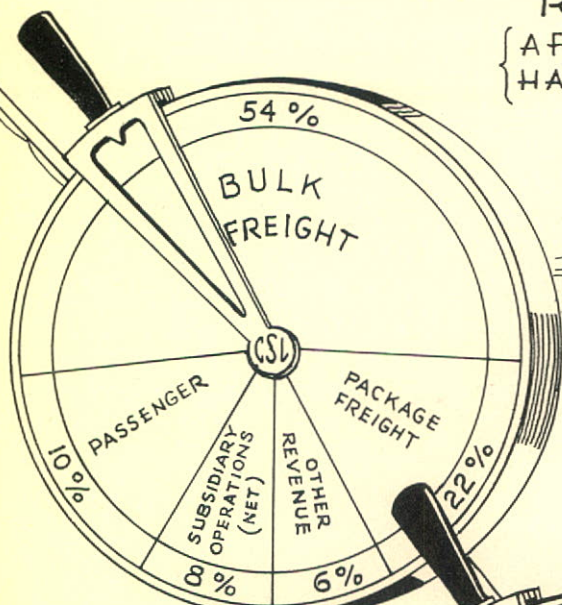
## STATEMENT OF SURPLUS

Earned surplus at December 31, 1949 . . . . .	\$ 3,828,276.91
Add net income for year ended December 31, 1950 . . . . .	1,790,822.40
	<u>5,619,099.31</u>
Deduct dividends paid:	
To preference shareholders . . . . . \$ 573,125.00	
To common shareholders . . . . . 300,000.00	
	<u>873,125.00</u>
	<u>4,745,974.31</u>
Surplus arising from realization of capital assets:	
Amount at December 31, 1949 . . . . . 3,226,187.91	
Add surplus insurance recoveries and profit on sales less amounts written off capital assets— net . . . . . 1,141,071.45	
	<u>4,367,259.36</u>
Capital surplus arising through acquisition of a subsidiary company	1,636,086.95
	<u>10,749,320.62</u>
Less minority shareholders' interest in surplus of a subsidiary company . . . . .	1,631.77
Amount at December 31, 1950 . . . . .	<u>\$10,747,688.85</u>

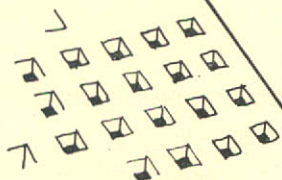
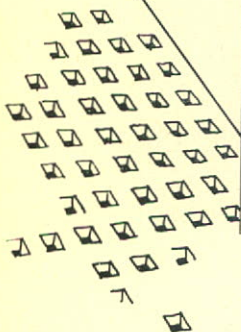


# REVENUE

{ AFTER DEDUCTING HANDLING EXPENSES }

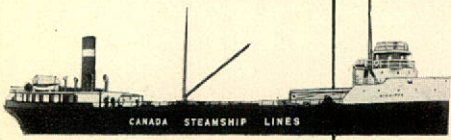


DISPOSITION  
of REVENUE





# C.S.L. Facilities



**provide fast,  
economical delivery  
of package freight**

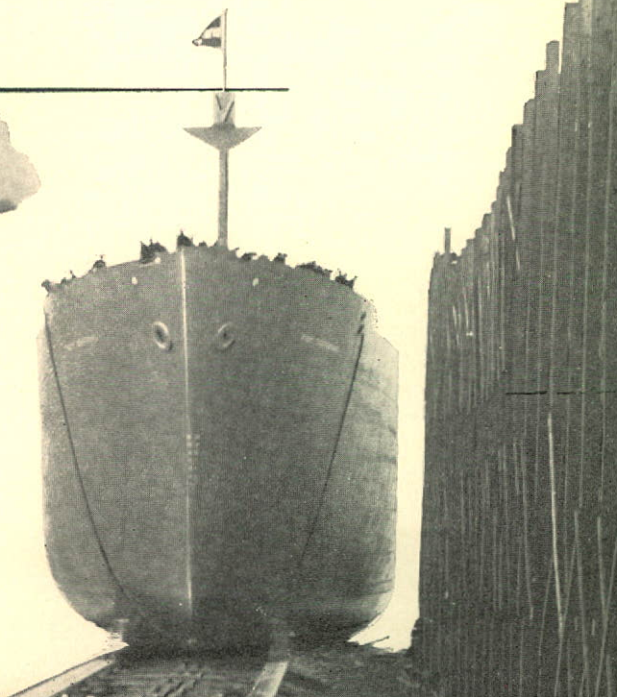
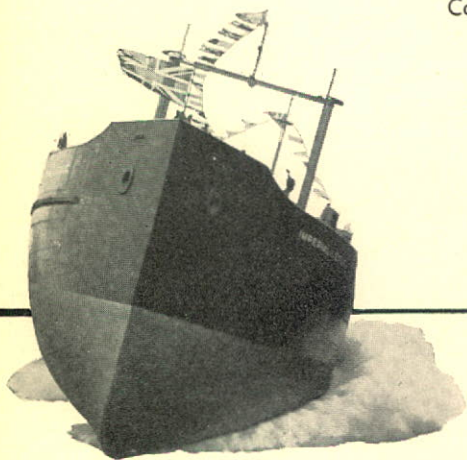
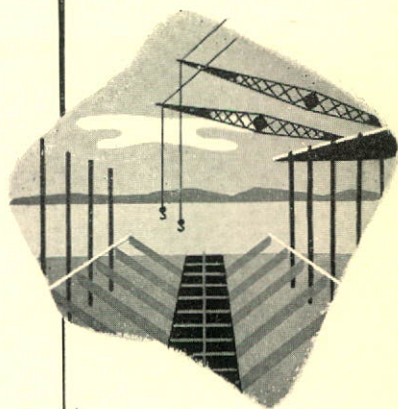
The volume of package freight handled year after year by C.S.L. is proof of the esteem in which the C.S.L. package freight system is held. Convenient terminals, modern loading and unloading methods have made the shipment of package freight fast, sure, economical.



# Shipyards

**birthplace of  
1000-ton babies**

The shipyards of the Canadian Shipbuilding and Engineering Limited, located at Kingston, Midland, Collingwood and Port Arthur, and the Davie Shipbuilding & Repairing Company Limited, at Lauzon, Que., all subsidiaries of C.S.L., are equipped with modern facilities, supplied with skilled, experienced shipwrights and are capable of handling all types of repairs and new construction, afloat or in dry dock.



*Manoir Richelieu,  
Murray Bay, P.Q.*

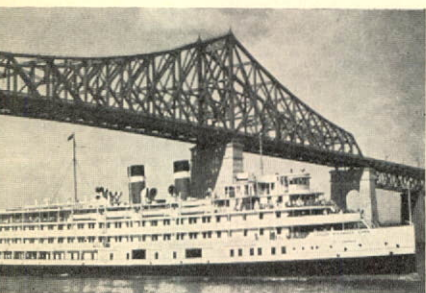


# Luxurious Living

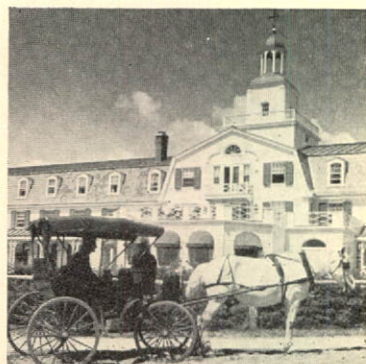
## **on land and on sea**

C.S.L. luxury hotels offer the finest facilities for sport and recreation or for just relaxing in pine-scented air.

Year after year, thousands of experienced vacationists travel to and from these famous resorts on the splendid C.S.L. river steamers that ply the beautiful St. Lawrence and Saguenay Rivers.



*Hotel Tadoussac,  
Tadoussac, P.Q.*



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