



CANADIAN WESTERN LUMBER
COMPANY LIMITED

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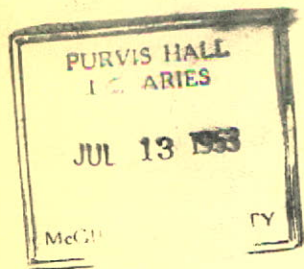
ANNUAL REPORT

YEAR

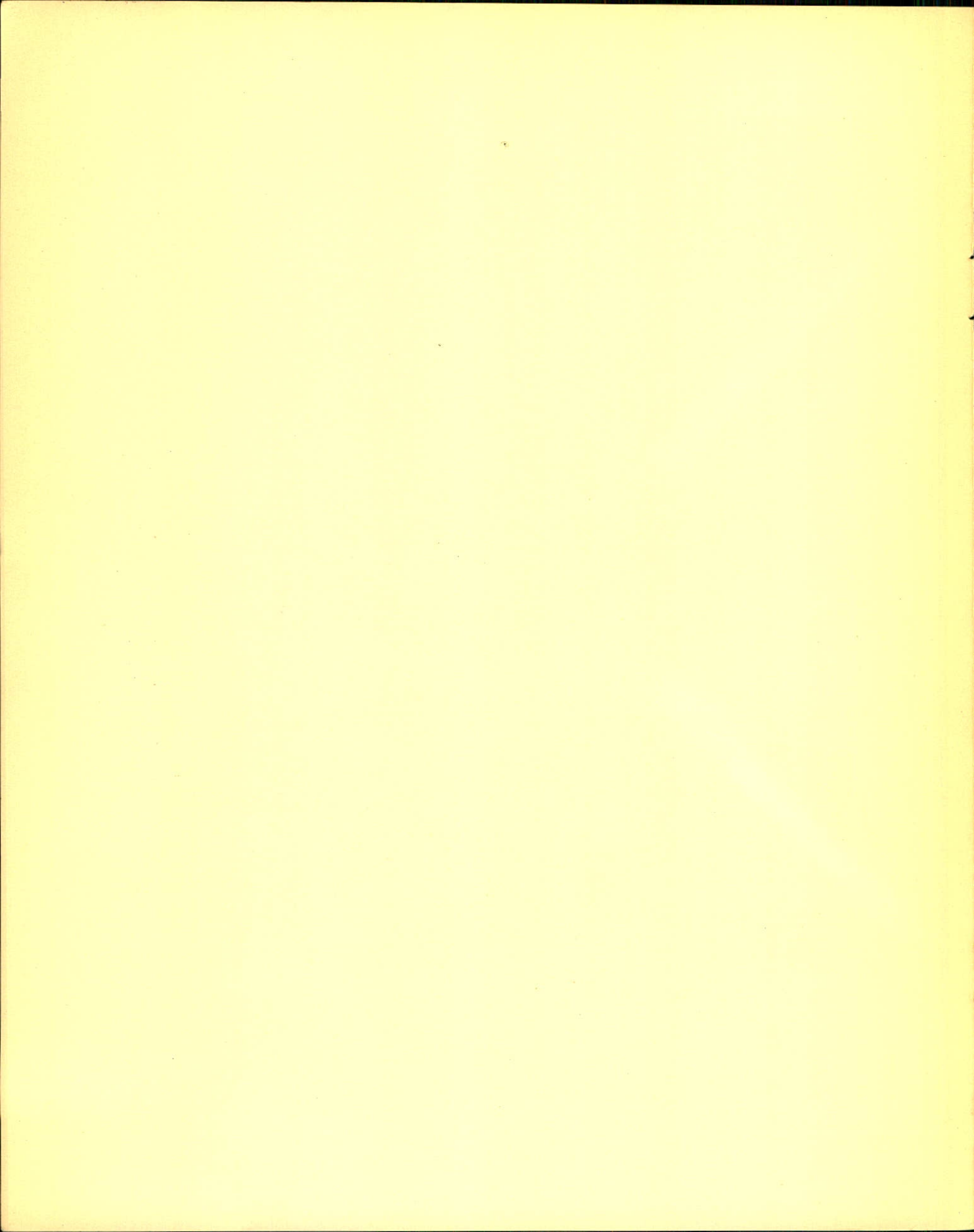
1949

AND

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS



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CANADIAN WESTERN LUMBER COMPANY LIMITED

(Incorporated under the laws of the Dominion of Canada)

HEAD OFFICE

355 BURRARD STREET
VANCOUVER, B. C.

MILLS AND FACTORIES

FRASER MILLS,
B. C.

BOARD OF DIRECTORS

H. J. MACKIN	- VANCOUVER, B. C.	J. F. LASH, K.C.	- TORONTO, ONT.
R. J. FILBERG, O.B.E.	- COMOX, B. C.	C. L. BURTON, C.B.E.	- TORONTO, ONT.
M. F. RYAN	- FRASER MILLS, B. C.	COL. K. R. MARSHALL,	
W. A. WALKER	- TORONTO, ONT.	C.M.G., D.S.O.	- TORONTO, ONT.

OFFICERS

H. J. MACKIN	- President	- VANCOUVER, B. C.
R. J. FILBERG	- First Vice-President	- COMOX, B. C.
M. F. RYAN	- Second Vice-President and - Managing Director	- FRASER MILLS, B. C.
W. A. WALKER	- Secretary	- TORONTO, ONT.
T. A. FRASER, C.A.	- Treasurer	- FRASER MILLS, B. C.
W. J. MACKIN	- Assistant Manager and - General Sales Manager	- FRASER MILLS, B. C.
R. GALLAHER	- Assistant Treasurer	- FRASER MILLS, B. C.
D. E. STAFFORD	- Assistant Secretary	- FRASER MILLS, B. C.

SUPERVISORY AND SALES OFFICIALS, FRASER MILLS, B. C.

A. C. EWART	- Production Superintendent	D. HOUSSER	- Assistant Sales Manager
J. HOYEM	- Mechanical Superintendent	J. MACKENZIE	- Shingle and Door Sales
H. C. CRANDELL	- Chief Engineer	R. C. McMILLAN	- Plywood Sales

TRANSFER AGENTS AND REGISTRAR FOR SHARES

NATIONAL TRUST COMPANY, LIMITED	- - - - -	VANCOUVER, B. C., TORONTO, ONT., MONTREAL, P.Q.
THE BRITISH EMPIRE TRUST COMPANY, LIMITED	- - -	LONDON, ENGLAND

SECRETARY IN ENGLAND

THE BRITISH EMPIRE TRUST COMPANY, LIMITED, 52-60 BISHOPSGATE, LONDON, E.C.2.

AUDITORS

HELLIWELL, MACLACHLAN & Co., VANCOUVER, B. C.

SUBSIDIARY COMPANIES

CANADIAN WESTERN TIMBER COMPANY LIMITED, VANCOUVER, B. C.

H. J. MACKIN	- <i>President and Managing Director</i>	- VANCOUVER, B. C.
R. J. FILBERG	- <i>First Vice-President</i>	- COMOX, B. C.
M. F. RYAN	- <i>Second Vice-President</i>	- FRASER MILLS, B. C.
T. A. FRASER	- <i>Treasurer</i>	- FRASER MILLS, B. C.
W. A. WALKER	- <i>Secretary</i>	- TORONTO, ONT.

COMOX LOGGING AND RAILWAY COMPANY, LADYSMITH, B. C.

J. G. McQUINN	- <i>Superintendent</i>	- HEADQUARTERS, B. C.
J. C. SHEASGREEN	- <i>Superintendent</i>	- LADYSMITH, B. C.

FRASER MILLS SASH, DOOR AND SHINGLE CO. LIMITED, FRASER MILLS, B. C.

E. F. JORDAN	- - - - - <i>Manager Plywood and Door Divisions</i>	
D. E. McLEOD	- - - - - <i>Superintendent Shingle Mill</i>	

CANADIAN TUGBOAT COMPANY LIMITED, FRASER MILLS, B. C.

S. H. CLIFFE	- - - - -	- <i>Manager</i>
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COAST LUMBER YARDS LIMITED, WINNIPEG, MAN.

A. COOPER	- - - - -	- <i>Manager</i>
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CROWN LUMBER COMPANY LIMITED, CALGARY, ALTA.

E. T. CHRITCHLEY	- - - - -	- <i>Manager</i>
R. J. McLEAN	- - - - -	- <i>Treasurer</i>

SECURITY LUMBER COMPANY LIMITED, MOOSE JAW, SASK.

J. W. HAMILTON	- - - - -	- <i>Manager</i>
C. K. FRIEL	- - - - -	- <i>Treasurer</i>

CANADIAN WESTERN LUMBER COMPANY LIMITED

Notice of Annual Meeting

To the Shareholders of

CANADIAN WESTERN LUMBER COMPANY, LIMITED

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of CANADIAN WESTERN LUMBER COMPANY, LIMITED will be held in Salon "D", Hotel Vancouver, in the City of Vancouver, B.C., Canada, at the hour of 12 o'clock noon, on Thursday, the 20th day of April, 1950, to receive and consider the Annual Report of the Directors for the year ended December 31, 1949, the Financial Statements of the Company and the Report of the Auditors; to elect Directors; to appoint Auditors; and to transact such other business as may properly be brought before the Meeting.

By Order of the Board of Directors,

W. A. WALKER,
Secretary.

VANCOUVER, B. C., MARCH 14, 1950.

CANADIAN WESTERN LUMBER COMPANY LIMITED

and its Subsidiary Companies

FORTIETH ANNUAL REPORT OF THE DIRECTORS

To be submitted at the Annual Meeting to be held in Vancouver on Thursday,
the 20th day of April, 1950, at 12 o'clock noon.

To the Shareholders of

CANADIAN WESTERN LUMBER COMPANY, LIMITED

The Consolidated Balance Sheet and Consolidated General Statement of Income and Expenditure and Earned Surplus for the year ended December 31, 1949, are submitted herewith by your Directors.

The Net Operating Profit together with Income from other sources amounted to \$5,028,466.09

from which there has been deducted:

Interest on First Mortgage Serial and Sinking Fund Bonds	\$ 165,833.35	
Depletion of Timber Limits	460,666.76	
Provision for Depreciation of Buildings and Equipment	702,482.74	
Provision for Income Taxes	1,290,000.00	
	<u>2,618,982.85</u>	

resulting in Net Profit for the year of \$2,409,483.24

to which is added:

Earned Surplus as at December 31, 1948		6,848,544.74
Provisions for Depreciation in prior years in excess of allowances by Dominion Income Tax Department		320,106.58
		<u>9,578,134.56</u>

and from which is deducted:

Quarterly Dividends declared December 5, 1949, payable 10 cents per share on January 16, April 15, July 15 and October 16, 1950		1,229,200.00
		<u>1,229,200.00</u>

leaving Earned Surplus as at December 31, 1949, as per Consolidated Balance Sheet \$8,348,934.56

The operation and the profits realized for the year 1949 were broadly in line with the pattern of the larger producers of forest products at the Coast of British Columbia. The output of our mills and factories increased in quantity over the previous year. Reduced returns, brought about by lower prices, which began in the early Spring of the year and continued until the early Fall, resulted in lesser earnings than for the previous year.

The United Kingdom and other Sterling countries, owing to shortage of dollars, were unable to purchase more than a relatively small quantity of British Columbia Lumber. Since early in May no Fir Plywood has been sold in the United Kingdom which in recent years absorbed some 50% of the British Columbia production. As a result of lower prices and intensified sales efforts, the Canadian market has taken about 95% of the Plywood productive capacity. Shipments of lumber and shingles to the United States of America have in a large measure offset the loss of normal export trade with the Sterling areas. The United States of America duty of 40% ad valorem on Plywood is an effective barrier against shipments to that country.

Our wholly owned retail subsidiaries, operating at ninety-five points in the Prairie Provinces, again transacted a substantial amount of profitable business.

Seaboard Lumber Sales Company Limited and its affiliate, Seaboard Shipping Company Limited, in both of which your Company has a substantial interest, again, as a result of efficient management of Head Office and Branch Offices located in foreign markets, and particularly in New York City and other large ports in the New England area of the United States of America, made a satisfactory contribution to the Company's earnings.

The plan for modernizing the manufacturing plants at Fraser Mills, referred to in last year's report, was practically completed in 1949 and the Properties Account reflects expenditures made during the year for this purpose.

In addition to standing timber now owned, the Company has an arrangement which permits of securing large stands of timber adjacent to our present holdings and some of this is now in the process of being surveyed. It is expected that some acquisitions will be made in 1950.

It is with sincere regret that your Directors record the passing on October 5, 1949, of Mr. Gordon G. Stewart who had been in the employ of the Company since its inception in 1910. At the date of his death, Mr. Stewart was a Director and Second Vice-President of the Company. The Board takes this opportunity of expressing its appreciation of the valued services rendered by the deceased and the deep sense of loss sustained in the passing of this respected colleague.

The vacancy on the Board was filled by the appointment as a Director of Mr. Maurice F. Ryan who was also made a Vice-President and the Managing Director of the Company. Mr. Ryan has been associated with the Company for more than twenty-five years and recently has been Manager of the Company's operations at Fraser Mills.

The pent-up demand for forest products in Sterling areas continues but this cannot be satisfied until Exchange difficulties are overcome. The large scale demand on this continent for forest products for housing and other uses has not abated and, at least for the first half of 1950, will likely exceed the productive capacity of the industry in British Columbia. Your Company, owing to its long established and aggressive connections, coupled with the excellent quality and diversified nature of its products, is in a favourable position to participate in the market.

Your Directors again record appreciation of the loyal and efficient services of the employees of the Company and its Subsidiaries.

For the Directors,

H. J. MACKIN,
President.

Vancouver, B. C.,
March 8, 1950.

CANADIAN WESTERN LU

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CONSOLIDATED BALANCE SH

ASSETS

CURRENT ASSETS:

Logs, lumber and supplies, as per physical inventories (at cost, less reserve)	\$ 5,562,682.89
Bills and accounts receivable (less reserve)	1,438,981.76
Dominion of Canada bonds, market value \$1,791,125.00 (at cost)	1,808,250.00
Cash in bank and on hand	1,016,637.53
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	\$ 9,826,552.18

REFUNDABLE PORTION OF EXCESS PROFITS TAX less \$142,295.88 due 1950 included in accounts receivable above	55,304.98
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INVESTMENTS:

Mortgages, real estate, miscellaneous shares, etc., (at book value, less reserve)	137,659.20
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PROPERTIES:

Real estate, sawmills, buildings, plant, equipment, logging con- struction, tugboats, etc., (at cost)	13,097,102.45
Timber limits (Company valuations as at December 31, 1932, as per directors' report for that year plus additions at cost less disposals and timber cut since December 31, 1932)	2,891,470.48
	<hr/>
	15,988,572.93

DEFERRED CHARGES:

Insurance, logging construction, etc.	754,168.63
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	\$26,762,257.92
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Signed on behalf of the Board:

H. J. MACKIN }
M. F. RYAN } *Directors.*

VANCOUVER, British Columbia,
March 8, 1950.

WILSON LUMBER COMPANY LIMITED

and its Subsidiary Companies

Balance Sheet AS AT DECEMBER 31, 1949

LIABILITIES

CURRENT LIABILITIES:

First mortgage serial bonds maturing August 1, 1950	\$ 400,000.00
Interest accrued on funded debt	66,666.65
Accounts payable	1,012,423.56
Reserve for taxes	854,812.83
Dividends payable	1,229,200.00
	<u> </u>
	\$ 3,563,103.04

FUNDED DEBT:

First mortgage serial and sinking fund bonds—	
Authorized	\$7,500,000.00
Issued—	
First mortgage serial	2,800,000.00
Deduct—Retired	\$1,600,000.00
Included under current liabilities ...	400,000.00
	<u> </u>
	2,000,000.00
2¾% maturing August 1, 1951 and 1952	800,000.00
First mortgage sinking fund 4% maturing August 1, 1962 ...	3,200,000.00
	<u> </u>
	4,000,000.00

RESERVES:

For Depreciation of buildings and equipment	5,918,451.38
For General purposes and contingencies	1,858,768.94
	<u> </u>
	7,777,220.32

SHARE CAPITAL:

Authorized, fully-paid and outstanding—	
3,073,000 shares without nominal or par value	3,073,000.00

EARNED SURPLUS	8,348,934.56
	<u> </u>
	11,421,934.56
	<u> </u>
	\$26,762,257.92

Auditors' Report to the Shareholders

We report that we have audited the Books and Accounts of CANADIAN WESTERN LUMBER COMPANY, LIMITED and its Subsidiary Companies for the year ended December 31, 1949, and that we have obtained all the information and explanations we have required.

We are of the opinion that the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the combined state of the affairs of Canadian Western Lumber Company, Limited and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the respective Companies.

HELLIWELL, MACLACHLAN & CO.,
Chartered Accountants.

VANCOUVER, British Columbia,
February 16, 1950.

CANADIAN WESTERN LUMBER COMPANY LIMITED

and its Subsidiary Companies

CONSOLIDATED GENERAL STATEMENT OF INCOME AND EXPENDITURE AND EARNED SURPLUS

For the year ended December 31, 1949.

Net operating profit after deducting remuneration of executive officers including managing director \$144,252.00, directors' fees \$7,000.00, legal remuneration and costs \$5,153.53.....	\$4,935,986.59
Reserve for investments provided in prior years not now required.....	9,432.44
Income from investments and interest earned.....	83,047.06
	5,028,466.09
<i>Deduct:</i>	
Interest on first mortgage serial and sinking fund bonds	\$ 165,833.35
Depletion of timber limits	460,666.76
Provision for depreciation of buildings and equipment	702,482.74
Provision for income taxes.....	1,290,000.00
	2,618,982.85
Net Profit for the year.....	\$2,409,483.24
<i>Add:</i>	
Earned surplus at December 31, 1948.....	6,848,544.74
Provisions for depreciation in prior years in excess of allowances by Dominion Income Tax Department.....	320,106.58
	9,578,134.56
<i>Deduct:</i>	
Quarterly dividends declared December 5, 1949, payable 10 cents per share on January 16, April 15, July 15 and October 16, 1950	1,229,200.00
Earned surplus at December 31, 1949, as per Consolidated Balance Sheet	\$8,348,934.56

