

C  
stock



CANADIAN WESTERN LUMBER  
COMPANY, LIMITED

43<sup>RD</sup>

ANNUAL REPORT

YEAR

1952

AND

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS





# CANADIAN WESTERN LUMBER COMPANY, LIMITED

(Incorporated under the laws of Canada)

HEAD OFFICE  
355 BURRARD STREET,  
VANCOUVER, B. C.

MILLS AND FACTORIES  
FRASER MILLS,  
B. C.

## BOARD OF DIRECTORS

F. B. BROWN	- VANCOUVER, B. C.	COL. K. R. MARSHALL	
R. J. FILBERG, O.B.E.	- COMOX, B. C.	C.M.G., D.S.O.	- TORONTO, ONT.
H. J. MACKIN	- VANCOUVER, B. C.	M. F. RYAN	- FRASER MILLS, B. C.
W. J. MACKIN	- FRASER MILLS, B. C.	W. A. WALKER	- 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	- Treasurer	- VANCOUVER, B. C.
W. J. MACKIN	- Assistant General Manager	- FRASER MILLS, B. C.
D. HOUSSER	- General Sales Manager	- FRASER MILLS, B. C.
D. E. STAFFORD	- Assistant Secretary	- VANCOUVER, B. C.
A. H. W. YOUNG	- Assistant Treasurer	- FRASER MILLS, B. C.

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

A. C. EWART	- Production Superintendent	E. F. JORDAN	- Manager Plywood and Door Divisions
J. HOYEM	- Mechanical Superintendent	J. MACKENZIE	- Shingle and Door Sales Manager
H. C. CRANDELL	- Chief Engineer	R. C. McMILLAN	- Plywood Sales Manager

## 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.





**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 "A", Hotel Vancouver, in the City of Vancouver, B. C., Canada, at the hour of 12 o'clock noon, on Tuesday, the 14th day of April, 1953, to receive and consider the Annual Report of the Directors for the year ended December 31, 1952, 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., JANUARY 29TH, 1953.

**CANADIAN WESTERN LUMBER COMPANY, LIMITED**  
and its Subsidiary Companies

**FORTY-THIRD ANNUAL REPORT OF THE DIRECTORS**

To be submitted at the Annual Meeting to be held in Vancouver on the  
14th day of April, 1953, at 12 o'clock noon.

To the Shareholders of

CANADIAN WESTERN LUMBER COMPANY, LIMITED

The Consolidated Balance Sheet and Consolidated Statement of Profit and Loss and Earned Surplus for the year ended December 31, 1952, are submitted herewith by your Directors.

The Net Operating Profit together with Income from other sources amounted to ..... \$ 7,746,074

from which have been deducted:

Interest on First Mortgage Serial and Sinking Fund Bonds .....	\$ 187,369	
Depletion of Timber .....	270,000	
Provision for Depreciation of Buildings and Equipment .....	1,229,694	
Provision for Income Taxes .....	3,180,000	
	4,867,063	

resulting in Net Profit for the year of ..... \$ 2,879,011  
to which has been added Earned Surplus as at December 31, 1951 ..... 13,995,042

\$16,874,053

and from which have been deducted:

Three Quarterly Dividends of 12½ cents per share, paid on 120,550 shares issued February 22, 1952 .....	45,206	
A Dividend of 12½ cents per share, declared December 8, 1952, payable January 15, 1953 .....	399,194	
	444,400	

leaving Earned Surplus as at December 31, 1952, as per Consolidated  
Balance Sheet ..... \$16,429,653



The production of our mills and factories and also our sales were adversely affected by reason of an industry wide strike of slightly over six weeks' duration. This stoppage of work came in midsummer, when usually production is, by reason of weather conditions, at its highest peak. Throughout this period, in order to keep our management and supervisory staff intact, employees, other than those for whom the Union is the bargaining agent, were kept on our payroll. This had the effect of increasing costs of operations for the year.

During the year costs of supplies and labour increased, mostly the latter.

Market prices of the various forest products manufactured by the Company declined during the year. However, since mid-December last an upward turn in prices has taken place.

The United States largely absorbed our shingle production. Substantially all of our plywood and door shipments were made to Eastern Canada and the Prairie Provinces.

Seaboard Lumber Sales Company Limited and its affiliate, Seaboard Shipping Company Limited, again made a substantial contribution to our earnings.

Our retail subsidiaries, with branches in some ninety-three cities and towns in the Prairies, continued to operate profitably.

The Company added a substantial amount of timber to its holdings in the past year.

Our investment in Elk Falls Company Limited now stands at \$4,550,000 and that Company is now producing an average of approximately 240 tons of newsprint daily and it is expected, as the machine wears in and the skilled employees reach maximum efficiency, the production capacity will reach a much higher figure. Your Management and Directors are still convinced that this investment will in due course add substantially to the value of our Company.

In order to take care of the expanding demand for our plywood, additional machinery, plant and equipment was installed and increased our production commencing in late December last.

Provided there is no expansion of war, hot or cold, it is expected that the demand for our products will continue. While the Sterling area is not expected to purchase as heavily as in recent years, this loss of trade, we expect, will be compensated for by increased shipments to Canadian and United States markets. Our lumber entering the United States must pay a duty of \$1.00 per M feet B.M. and this, with the present discount on U.S. funds, creates the equivalent of approximately \$4.00 per M disadvantage in competition with producers in the United States.

Our Company, because of its facilities to supply all grades of high quality lumber produced at the Coast of British Columbia, together with doors, plywood and shingles, enjoys a distinct advantage in securing its full share of all the trade available to the industry.

Your Directors again record appreciation of the loyal and efficient services of department heads of the parent and subsidiary companies and employees.

For the Directors

H. J. MACKIN,  
President.

Vancouver, B. C.,  
January 29, 1953.



CANADIAN WESTERN LUMBER COMPANY, LIMITED  
and its Subsidiary Companies

CONSOLIDATED  
STATEMENTS

Year ended December 31st, 1952.

# CANADIAN WESTERN LU

And its Subsidi

## CONSOLIDATED BALANCE SH

### ASSETS

#### CURRENT ASSETS:

Cash on hand and in bank .....	\$ 1,065,523	
Government of Canada bonds (at market value) .....	536,198	
Bills and accounts receivable (less reserve) .....	3,033,787	
Logs, lumber and supplies (physical inventories at cost, less reserve) .....	7,600,183	
		<u>\$12,235,691</u>

#### INVESTMENTS:

Shares of Elk Falls Company Limited (at cost) .....	4,550,000	
Mortgages, real estate, miscellaneous shares, etc. (at book value, less reserve) .....	194,181	
		<u>4,744,181</u>

#### PROPERTIES:

Real estate, sawmills, buildings, plant, equipment, logging construction, tugboats, etc. (at cost) .....	15,656,005	
Less depreciation .....	8,702,776	
	<u>6,953,229</u>	
Timbered lands and 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) .....	4,657,408	
Deposit on purchase of timber .....	1,000,000	
		<u>12,610,637</u>

#### DEFERRED CHARGES:

Insurance, logging construction, etc. ....	830,451	
		<u>\$30,420,960</u>

Signed on behalf of the Board:

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

# WILSON LUMBER COMPANY, LIMITED

and its Subsidiary Companies

STATEMENT AS AT DECEMBER 31, 1952

## LIABILITIES

CURRENT LIABILITIES:	
Accounts payable .....	\$ 1,371,854
Interest accrued on funded debt .....	73,966
Income taxes payable .....	1,677,334
Dividend payable .....	399,194
Sinking fund requirements due June 1, 1953, less bonds redeemed or deposited with the Trustee .....	277,406
	<hr/>
FIRST MORTGAGE 4% SINKING FUND BONDS, SERIES "A" AND "B", MATURING AUGUST 1, 1962:	\$ 3,799,754
Authorized and issued .....	4,700,000
Less sinking fund requirements due June 1, 1953 (including bonds, par value \$262,000, deposited with or redeemed by the Trustee) .....	539,406
	<hr/>
SHARE CAPITAL:	4,160,594
Authorized:	
3,200,000 shares of no par value	
Issued and outstanding:	
3,073,000 shares fully paid .....	3,073,000
120,550 shares issued during 1952 .....	\$ 1,084,950
Less amount uncalled thereon .....	985,496
	<hr/>
	99,454
3,193,550 shares .....	<hr/>
	3,172,454
RESERVE FOR GENERAL PURPOSES AND CONTINGENCIES .....	1,858,505
RESERVE FOR TIMBER ACQUISITIONS .....	1,000,000
EARNED SURPLUS .....	16,429,653
	<hr/>
	22,460,612
	<hr/>
	\$30,420,960

### Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Canadian Western Lumber Company, Limited and its subsidiary companies as at December 31, 1952, and the consolidated statement of profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above consolidated balance sheet and related consolidated statement of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Canadian Western Lumber Company, Limited and its subsidiary companies as at December 31, 1952, and the results of their operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the respective companies.

VANCOUVER, British Columbia,  
February 11, 1953.

HELLIWELL, MACLACHLAN & CO.,

Chartered Accountants.





**CANADIAN WESTERN LUMBER COMPANY, LIMITED**  
and its Subsidiary Companies

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS**

For the year ended December 31, 1952.

Net operating profit after deducting directors' fees \$10,000, salaries of executive officers, and legal fees and costs \$257,098 .....		\$ 7,728,798
Income from investments .....		17,276
		7,746,074
 <i>Deduct:</i>		
Interest on first mortgage serial and sinking fund bonds .....	\$ 187,369	
Depletion of timber .....	270,000	
Provision for depreciation of buildings and equipment .....	1,229,694	
Provision for income taxes .....	3,180,000	
		4,867,063
Net profit for the year .....		\$ 2,879,011
 Add earned surplus at December 31, 1951 .....		13,995,042
		16,874,053
 <i>Deduct:</i>		
Three quarterly dividends of 12½ cents per share, paid on 120,550 shares issued February 22, 1952 .....	45,206	
A dividend of 12½ cents per share declared December 8, 1952, payable January 15, 1953 .....	399,194	
		444,400
Earned surplus as at December 31, 1952, as per consolidated balance sheet .....		\$16,429,653







