

Corp.

**CANADA
STEAMSHIP
LINES
LIMITED**

**ANNUAL REPORT
1944**

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JAN 18 1946

MCGILL UNIVERSITY

CANADA STEAMSHIP LINES LIMITED

DIRECTORS

W. H. COVERDALE, ESQ.
ARTHUR CROSS, ESQ.
KENNETH T. DAWES, ESQ.
SIR JAMES DUNN, BART.
HARRY C. HATCH, ESQ.
FRANK J. HUMPHREY, ESQ.
COL. K. R. MARSHALL
GEORGE H. MONTGOMERY, ESQ., K.C.
PAUL J. MYLER, ESQ.
A. C. PICARD, ESQ.
JOSEPH M. PIGOTT, ESQ.
JOSEPH A. SIMARD, ESQ.
PAUL F. SISE, ESQ.
SIDNEY T. SMITH, ESQ.
C. E. TASCHEREAU, ESQ.



EXECUTIVE OFFICERS

W. H. COVERDALE
President
GEORGE H. MONTGOMERY, K.C.
Vice-President
R. B. THOMSON
Secretary
H. A. CRESSWELL
Treasurer

CANADA STEAMSHIP LINES LIMITED

To the Stockholders:

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

The total revenue for 1944 amounted to \$17,206,164.61, an increase of \$1,673,256.88 above the previous year, due largely to a record Passenger season.

After all charges, provision for depreciation, et cetera, there was a net profit before income and excess profits taxes of \$1,722,688.47. Operating costs again increased substantially, without compensation under the price ceiling.

After making provisions for Dominion Income and Excess Profits taxes in amount of \$750,000.00 the net income for the year was \$972,688.47, an improvement of \$42,316.45 over the previous year.

During the year the regular dividend was paid on the Company's preference stock, as well as a dividend of one dollar per share on its common stock.

A special contribution of \$100,000 was made to the Employees' Pension Fund.

Cash and Government securities on hand on December 31, 1944, amounted to \$5,672,167.81. The Company also held in its treasury \$2,825,000 of its First Mortgage Bonds.

The Company's First Mortgage Bonds were reduced by \$315,000 through sinking fund operations to \$10,185,000 outstanding as at December 31, 1944.

Kingston Elevator Company's First Mortgage Bonds were reduced by \$24,500 through sinking fund operations to \$1,076,500 outstanding as at December 31, 1944.

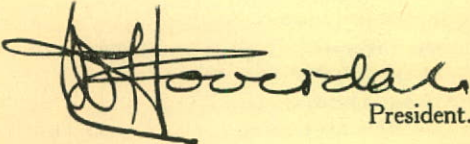
The Company's property has been maintained in sound physical condition. During the year, net additions to property amounted to \$979,675.49 including new terminals at Montreal and Kingston; additional freight handling equipment; improvements at the Davie shipyard, and the acquisition of the Thousand Island Club, Inc., situated on Wellesley Island, N.Y., one of the Thousand Islands.

The fleet consists of seventy-one steamships, of which fifty-nine are freight vessels and twelve are passenger. Plans for a new passenger steamship to operate on Lake Ontario are in the course of preparation, and its construction will be commenced as soon as materials and shipyard facilities are available. Other additions to the fleet and properties are being carefully studied.

Shortly after the turn of the year, the Company sold, effective March 15, 1945, an issue of \$8,500,000 First Mortgage Bonds—3½% Series A. \$4,000,000 are Serial Bonds, of which \$400,000 mature on the 15th March each year from 1946 to 1955 inclusive, and \$4,500,000 are Twelve-year Bonds maturing on 15th March, 1957. These Bonds were sold at a price of 99 and the proceeds have been used or set aside to retire all of the Company's 5% First Mortgage Bonds due 1957, outstanding in the hands of the Public in amount of \$7,360,000 called for redemption March 15, 1945, at a price of 103 and accrued interest, and to retire the Kingston Elevator Bonds (payable in New York funds) due 1950, outstanding in amount of \$1,076,500, called for redemption May 1, 1945, at 102 and accrued interest. The new issue of 3½% Bonds will be the only outstanding funded debt of the Company and its subsidiaries. The interest requirements will amount to \$297,500 in the first year as compared with interest requirements on the issues which have been retired of \$439,694 (including premium on U.S. exchange).

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

Respectfully submitted,


President.

Montreal, Que.
March 15, 1945.

CANADA STEAMSHIP LINES, LIMITED

CONSOLIDATED

As of Decem

ASSETS

Fixed Assets, on the basis of the reduced valuation made by the Management as of December 31, 1936, and approved by the Board of Directors, with subsequent additions at Cost:		
Vessels, Real Estate, Buildings, Docks and Wharves, Plant and Equipment and Miscellaneous.....		\$44,542,617.10
Less Reserve for Depreciation.....		25,348,283.27
		<hr/>
		\$19,194,333.83
Current Assets:		
Cash in Banks and on Hand.....	\$ 1,806,855.31	
Dominion of Canada Bonds at Cost (of which \$340,000 are deposited in guarantee of Ship-building Contracts).....	2,865,312.50	
Guaranteed Deposit.....	1,000,000.00	
Accounts Receivable, less Reserve.....	5,022,312.97	
Adjusted Losses due by Underwriters.....	344,993.48	
Insurance and Other Claims, estimated amount recoverable.....	284,142.63	
Interest Receivable Accrued.....	15,927.73	
Inventories of Stores and Supplies and Shipyard Work in Progress, at the lower of Cost or Market (as determined by responsible Officials on the basis of physical inventories).....	8,958,795.25	
	<hr/>	
	\$20,298,339.87	
Less Progress Payments on Uncompleted Contracts	11,500,000.00	
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		8,798,339.87
Prepaid Expenses.....		262,797.96
Refundable Portion of Excess Profits Tax—Estimated.....		190,000.00
Investments at Book Value (including \$2,825,000.00 par value of 5% First Mortgage Bonds of the Company).....		2,742,949.59
Account Receivable in respect of vessel taken over by Dominion Government, payable to Trustees.....		185,000.00
Deposits with Trustees for Mortgage Bonds:		
Cash on Hand.....	3,936.29	
Cash and Dominion Bonds held for replacement of Assets lost and sold.....	314,944.07	
	<hr/>	
		318,880.36
		<hr/>
		\$31,692,301.61
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D, AND ITS SUBSIDIARY COMPANIES

BALANCE SHEET

December 31, 1944

LIABILITIES

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	
		<u>\$14,854,000.00</u>

Funded Debt:

5% First Mortgage Bonds—Series "A" due January 2, 1957	\$10,185,000.00	
6% Twenty Year First Mortgage Gold Bonds of Kingston Elevator Co. Limited	1,076,500.00	
		<u>11,261,500.00</u>

Current Liabilities:

Accounts Payable	\$ 1,585,755.31	
Reserve for Taxes—Estimated	560,226.11	
Bond Interest Accrued	10,765.00	
Other Accrued Charges	1,955.27	
		<u>2,158,701.69</u>

Reserves:

For Freight Claims	35,000.00	
" Insurance Losses and Repairs	325,000.00	
		<u>360,000.00</u>

Earned Surplus	3,058,099.92	
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Signed on behalf of the Board:

W. H. COVERDALE
GEO. H. MONTGOMERY } Directors.

\$31,692,301.61

CANADA STEAMSHIP LINES, LIMITED

AND ITS SUBSIDIARY COMPANIES

STATEMENT OF PROFIT AND LOSS

For the Year ended December 31, 1944

Operating Revenue:	
Vessels.....	\$14,469,935.72
Docks and Wharves.....	489,000.48
Miscellaneous Operating Revenue—Net.....	1,980,990.16
	\$16,939,926.36
Other Revenue (including Income from Investments, \$184,544.59)...	266,238.25
	\$17,206,164.61
Expenses (including Salaries of Executive Officers, \$78,000.00; Directors' Fees, \$16,060.00; and Legal Fees, \$11,082.35).....	13,437,420.79
	3,768,743.82
From which deduct:	
Interest on 5% Mortgage Bonds.....	\$ 509,250.00
Interest on 6% Mortgage Bonds of Kingston Elevator Company Limited.....	65,242.32
	\$ 574,492.32
Provision for Depreciation.....	1,471,563.03
	2,046,055.35
Net Profit.....	\$ 1,722,688.47
Provision for Income and Excess Profits Taxes—Estimated.....	750,000.00
	\$ 972,688.47

STATEMENT OF EARNED SURPLUS

Amount at December 31, 1943.....	\$ 2,958,536.45
Add Net Income for year ended December 31, 1944.....	972,688.47
	\$ 3,931,224.92
Deduct Dividends Paid:	
To Preference Shareholders.....	\$ 573,125.00
" Common Shareholders.....	300,000.00
	873,125.00
Amount at December 31, 1944.....	\$ 3,058,099.92

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accounts of Canada Steamship Lines, Limited and its Subsidiary Companies for the year ended December 31, 1944, and, in accordance with the provisions of the Companies Act (Dominion), we have to report that we have obtained all the information and explanations we have required and, in our opinion, the appended Consolidated Balance Sheet as of December 31, 1944, is properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, on a consolidated basis, as of December 31, 1944, according to the best of our information and the explanations given to us, and as shown by the books of the Companies.

PEAT, MARWICK, MITCHELL & CO.,

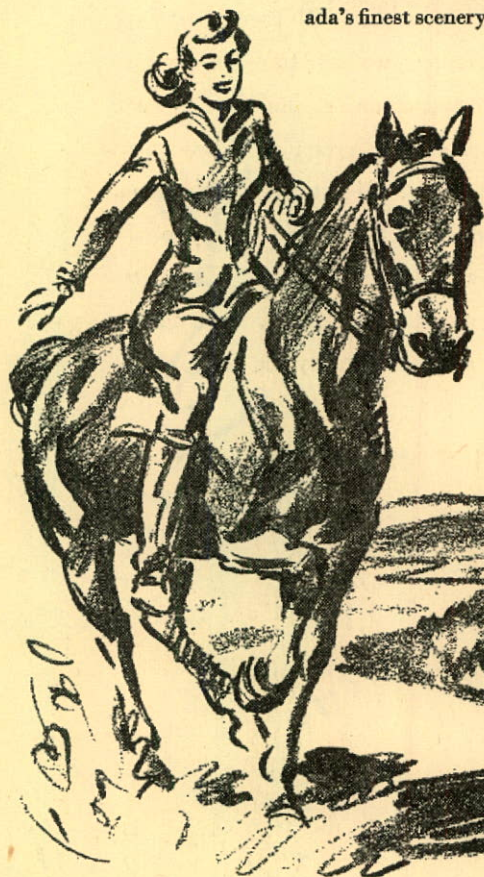
Auditors.

March 12, 1945.



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For information as to rates, etc.,
apply any C.S.L. office or write
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715 Victoria Square, Montreal.

Hotel Tadoussac
Tadoussac P.Q.





FOR A COMPLETE
Rest

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CANADA STEAMSHIP LINES
HEAD OFFICE: 715 VICTORIA SQUARE, MONTREAL.

