

ANNUAL REPORT 1957

Operations of Canadian National (West Indies) Steamships, Limited were curtailed during 1957 by a strike called by the Seafarers International Union effective July 4. As a result of the strike, which remained unsettled at the year end, the number of voyages made by company vessels was reduced to 33 from 54 in the previous year. The year's operations produced a deficit of \$648,850, compared with a surplus of \$23,281 in 1956.

The company's financial results are summarized in the following comparative table:

	1957	1956
Operating revenues	\$4,012,162	\$6,125,470
Operating expenses	4,617,526	6,052,570
Net operating <i>deficit</i> or surplus	605,364	72,900
Interest charges	43,486	49,619
<i>Deficit</i> or surplus	\$ 648,850	\$ 23,281

Traffic and Revenues

Operating revenues amounting to \$4,012,162 showed a decline of 34.6%. Freight and charter revenues of \$3,887,740 showed a reduction of similar proportions, while passenger revenues totalled \$99,054, a drop of \$45,269. Miscellaneous revenues decreased by over \$5,000 to \$25,368.

During the six-month period when the ships were in service, the company benefited to some extent from higher rates on cargoes. The rates for south-bound and inter-island traffic increased by approximately 10% and 20% respectively while the rate for sugar showed an average improvement of about 12%. Sugar formed slightly more than half the total tonnage carried on all services.

Operating Expenses

Operating expenses were down \$1,435,044 or 23.7%. The fleet was maintained throughout the strike on a basis which would permit resumption of services on reasonably short notice and as a result considerable expense was incurred without any corresponding revenues. These expenses, which consisted of officers' wages, port and shore expenses and the cost of insurance, fuel and provisions, are recorded as "Lay-up expenses" and amount to \$602,556.

Labour Dispute

The events which culminated in a strike at mid-year began with the submission in September 1956 of demands by the S.I.U. for increases in basic wage and overtime rates, and for certain changes in working conditions. The ensuing negotiations having failed to produce agreement, a federal conciliation officer was appointed, and subsequently a Board of Conciliation and Investigation. The Board's report, issued late in March 1957, was accepted by the Company but rejected by the union as a basis for settlement.

Following the withdrawal from service of all the unlicensed personnel the Company offered a wage increase substantially higher than that recommended by the Conciliation Board. This offer was not accepted within the the specified period.

At the time of submission of this report the service had not been restored.

Capital Expenditures

Capital expenditures of \$64,019 were made during the year to provide additional refrigeration on the five smaller vessels. Installation of this equipment had not been completed at year end.

The Balance Sheet and Income Statement for the year will be found on pages 6 to 8.