

# City Dairy

## MILK QUALITY

### The City Dairy Company, Limited.

Excerpts From Report of Annual Meeting of Shareholders Held at the Company's Building, Spadina Crescent, Toronto, on Monday, March 27th, 1905.

The President, Mr. S. J. Moore, took the chair, and the General Manager, Mr. Chas. Ed. Potter, was appointed Secretary of the meeting.

A large number of shareholders were present.

The Secretary read the notice calling the meeting, and also the report of the Directors, which was as follows:

"The Directors have pleasure in presenting the balance sheet and Profit and Loss Statements for the year ending December 31st, 1904.

"The result of the year's operations, after providing for all charges, including advertising expense and interest on borrowed money, is a net profit of \$18,651.24. This is in excess of 7 per cent. on paid-up Preferred Stock.

"The growth of the business during 1904 has been steady and of a satisfactory character, while the service which the Company is rendering the citizens of Toronto is being appreciated in increasing measure as it becomes better understood.

"The Shareholders will be asked to approve a by-law for the cancellation of \$35,000 of the Common Stock of the Company, which is available for this purpose, and the balance sheet as now submitted has been prepared on the assumption that this authority would be given by the Shareholders to-day."

"Respectfully submitted,

"S. J. MOORE, President."

The President moved the adoption of the report of the Directors, speaking, in part, as follows:

"It has been my duty to move the adoption of all the reports which have been presented to the annual meetings of Shareholders, but for the first time, I am able to-day to say that it is my pleasure to make such a motion. The reports submitted at former meetings of the Company have only been encouraging in so far as they have shown substantial progress made in the efforts to establish the business on a profitable basis; but that which is now presented for your consideration not only shows that these efforts have been successful, but that the time is now close at hand when the Shareholders, who have waited perhaps longer than they expected for returns upon their investment, will be in receipt of such returns.

"The opinion was expressed at the last annual meeting that the business had 'turned the corner.' This opinion is proven to have been correct, for since November of 1903, every month has shown net profits, and the statements which have now been read indicate that the net profits for the year 1904 reached the substantial sum of \$18,651.24.

"The significance of this improvement is strengthened by the statement that the months which have already passed in 1905 have shown a large increase in net profit over the corresponding months of 1904.

"One of the causes which has tended to delay the accomplishment of the commercial success of the Company has been the high standard set by its far-seeing and public-spirited promoters, chief among whom was its first President, the late Mr. Walter Massey. From time to time, and apparently with some show of reason, it has been advocated by some that this standard should be lowered in order that the commercial prosperity of the enterprise might be the more quickly realized. The temptation, however, to lower the standard has been loyally resisted, and I am sure that the Shareholders to-day will endorse the judgment, not to say courage, with which these high standards have been maintained, for not only has success been achieved, but it has been accomplished in a way that ensures its permanence. It will, I believe, be a matter of considerable satisfaction to the Shareholders who have stood by the Company in the years of its early difficulties to know that they have contributed to the establishment of an enterprise which is benefiting more largely than is generally supposed the health of the city in which we live.

"In working out the plans formed at the inception of the Company, not only was it necessary to overcome a large measure of ignorance, an immense amount of prejudice and innumerable unforeseen difficulties, but it was also necessary to acquire experience by actual dealing with conditions that were entirely novel. In no other city, as far as I know, had there been established, or even attempted, an enterprise of so high class a character for the purpose of supplying to the citizens generally the milk and cream used alike in the homes of the rich and poor. Dairies of a high class had been in operation under such hygienic conditions as made it possible to supply, at a high price, milk and cream of a comparatively pure quality, but by reason of the expensiveness of these methods, the price charged for the products made it a luxury which only the wealthy were able to enjoy. Through the establishment of the City Dairy Company, however, it is now within the power of substantially every home in the City of Toronto to obtain so important an article of diet as milk under conditions that reduce to a minimum the disease germs which so often prove fatal.

"The shareholders will naturally be interested in the question of the date at which the Company will begin the payment of dividends. This matter has received the very careful consideration of the Directors. If negotiations which are at present in progress are successful, the increase of the Preferred Capital by \$25,000 (which has already been arranged for at par) will put the Company in such financial condition that it will be proper to begin the regular payment of dividends on the Preferred Stock at the full rate of 7 per cent."

The motion to adopt the report was seconded by the Vice-President, Mr. A. E. Ames.

The President called upon the General Manager to address the meeting, and Mr. Potter spoke in part as follows:—

"I am present for the second time at the annual meeting—the first time to tell you what we hoped to do, which was naturally received with some measure of incredulity, to-day to tell you what we have done, which we hope you will receive with smiles of satisfaction.

"I am not going to dwell on the conditions of the Company when the management was turned over to me, other than to consider its effect on public opinion. The venture had not proved a success financially, although the public had been benefited more than they will ever realize through the elevation of the dairy standard throughout the entire city, as well as in the improvement of conditions at the dairy farms within a radius of 50 miles, where the city's supply was produced, and while a majority of the farmers are conscientiously striving to produce a first-class milk in every way, the proverbial 'black sheep' is not missing. Inside of a month we have been obliged to cancel the contracts of several farmers who were sending an article that would not receive the approval of the Medical Health Officer, and through no fault of the cow. If farmers, knowing that we are constantly testing their milk, will take such chances with us, I am afraid the other city dealers, who have not our facilities, are coming off only second best.

"It was necessary to get the confidence of the housewife. Ninety-nine persons in every hundred think they know a great deal about milk. Why, they say to our drivers, 'Don't try to tell me anything about milk; wasn't I born on a farm? I know just exactly how you do at the dairy, you fill the bottles with skim milk and then pour a little cream on the top,' and she closes the argument by slamming the door in his face. Such was the condition of public opinion several months ago. But to-day, by dint of much letter-writing, judicious advertising, and the co-operation of the best corps of drivers in the city, backed up by a first-class uniform product, conditions have been completely reversed, as the following sample incident shows: On a recent Saturday a customer told her driver that she would not conform to the Dairy's recent 'cash rule,' and that he need not serve her any more. The following Tuesday morning, as he was driving past the house, he heard a call, 'Milkman! Milkman!' He went back, and the same lady very testily said, 'Give me some milk; the whole family is on strike for City Dairy Milk.'

"We are gaining ground steadily. Nine out of every ten customers who leave us for whatever cause are back again inside of a month. The high standard set by the organizer of the business, the late W. E. H. Massey, has been more than maintained; we have kept abreast of the times in the matter of improved dairy machinery; our building and equipment is without doubt the finest on the North American Continent, and is open to the public for inspection at all times. Our business is carried on with the strictest integrity, both as regards producers and consumers. We practise no deception—not even the so-called harmless ones of adding a little coloring to the milk and 'thickener' to the cream. In fact, we use nothing and do nothing but what we would be glad to have every citizen of Toronto know, because knowing would convince them that we are conducting the business on lines of strictest integrity, with the health and well-being of our customers always and foremost in our mind.

"The outlook for the future was never brighter. We are doing to-day more business than ever before, and the expenses are not increasing in proportion to the increased business.

"You will get some idea of the enormous detail, and the efficiency with which the work is done, when I state that during 1904, the number of bottles that we washed, inspected, filled with milk, cream or buttermilk, capped, delivered and collected, amounted to nearly 3,500,000, with less than one complaint in 70,000 regarding either bottle or product. Besides, we sold nearly 240,000 pounds of butter, and 320,000 gallons of milk and cream to hotels, restaurants, etc., and enough ice cream to serve 1,200,000 people each with a good-sized dish.

"Just about a year ago I submitted to you a forecast for 1904, based upon the preceding four months' business, in which hope was held out that we might show a net profit of about \$14,000.00 after paying interest on borrowed money. To-day I am happy to say that the business for 1904 actually shows \$4,600.00 better; or, after paying interest, advertising and all other charges, a net profit of \$18,651.24, and if the months of January and February are any criterion, the showing for 1905 should be several thousand better than 1904.

"In closing, I wish to say that this showing is due largely to the efficient, hearty and loyal co-operation of the employees in every department of the business, without exception."

Mr. Chester D. Massey and Mr. George Weston, two of the Directors of the Company, spoke briefly and expressed the indebtedness of the Company to the President and General Manager for the present prosperous condition.

After a general discussion, during which the Directors were congratulated upon the improvement shown, the report was unanimously adopted.

Scrutineers having been appointed the following Directors were elected, viz., S. J. Moore, A. E. Ames, C. D. Massey, Geo. Weston, J. L. Spink, J. F. McLaughlin, James Carruthers, C. E. Potter, T. E. Robertson.

At a subsequent meeting of the Board the following officers were re-elected: President, S. J. Moore; Vice-President, A. E. Ames.

CITY DAIRY COMPANY, Limited,

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