

# The Chronicle

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## OGILVIE FLOUR MILLS COMPANY.

Remarkable profits shown by the Ogilvie Flour Mills Company in the annual report for the year ended August 31st last, due to the sale of grain not needed for the milling operations of the Company, at a very large advance over its cost, have enabled the management to create at one stroke a reserve fund of \$1,250,000, available to meet future contingencies. The net profits for the year from milling operations were \$600,781, showing an advance of about \$18,000 over those of last year. Against these there is charged in the accounts, the bond interest (\$141,000), and dividends on the preferred (\$140,000) and common stock (\$200,000) together absorbing \$481,000. The special profits amounted to \$1,059,813 and the whole amount of these, together with the balance of the year's profits on the ordinary trading account are transferred to a contingent account made up to a round figure of \$1,250,000 by the transfer of some \$70,000 from the surplus previously accumulated, which is reduced by this amount to \$512,060.

The circumstances which enabled the Company to obtain these exceptional results were explained by Mr. W. A. Black (vice-president and managing director) at the annual meeting. Towards the end of April, the Dominion Government limited the export of flour to only two possible importing countries, Great Britain and France. Additionally, the British and French Governments purchased large quantities of wheat, which they resold to home millers below current values, the effect of these arrangements being that the export flour business of the Company practically ceased. Domestic business was also at a minimum. In these circumstances, a large quantity of the grain which the Company had provided for its normal requirements was not needed, and fortunately was sold at a very large advance over its cost to the Company, resulting in the exceedingly handsome financial results detailed above.

### AN IMPROVED POSITION.

The effect of these special profits is naturally to strengthen further very materially the financial position of the Company. Last year's accounts showed liabilities to the Bank of Montreal amounting to \$863,885. These have been wiped out altogether. Aside from provision for bond interest to date amounting to \$120,250, the Company's current liabilities are only \$718,130, as against \$1,687,252

a year ago. On the other hand, current assets at \$3,146,451 show but a trifling decrease from the figures of last year. Cash is \$667,820, compared with \$54,685 a year ago. Bills and accounts receivable are \$1,514,889 against \$1,618,414, while stocks of wheat, etc., on hand are only \$694,452 against \$1,234,379.

Following is the profit and loss statement in comparison with the three previous years:—

	1915.	1914.	1913.	1912.
Profits.....	*\$1,660,594	\$581,943	\$576,734	\$521,431
Bond interest.....	141,000	132,000	105,000	105,000
	\$1,519,594	\$449,943	\$471,734	\$416,431
Preferred Div.....	140,000	140,000	140,000	140,000
Available for Com.†	\$1,379,594	\$309,943	\$331,734	\$276,431
Percentage.....	55.18	12.39	13.27	11.06
Common Dividend	200,000	200,000	200,000	200,000

\*Including special profits of \$1,059,813.

† \$1,250,000 placed to contingent account.

The comparison of current assets with previous years is as follows:—

	1915.	1914.	1913.	1912.
Cash.....	\$ 667,820	\$ 54,685	\$ 3,949	\$ 51,249
Bills and accounts receivable.....	1,514,889	1,618,414	1,474,541	1,350,600
Wheat, etc., on hand.....	694,452	1,234,379	1,280,847	1,086,147
Investments, stable plant, etc.....	269,290	246,520	229,988	208,487
	\$3,146,451	\$3,153,998	\$2,989,484	\$3,340,058

### STEADY DEVELOPMENT OF NORMAL BUSINESS.

The normal activities of the Company are being steadily broadened. In addition to flour milling, the Company operates oatmeal mills at Winnipeg and corn and barley products mills at Montreal. Its elevator facilities are very extensive. The terminal elevator at Fort William has been increased by an addition with a capacity of 750,000 bushels. The company now has a storage capacity of 7,250,000 bushels at Fort William and West, and of 1,800,000 bushels East of Fort William. In all there are 147 elevators in the company's system through the Canadian Northwest alone. The recent removal of many of the recent restrictions affecting the Company's export business affords broader markets, while in Mr. Black's opinion the general outlook for business is most encouraging. In regard to the longer outlook, it may be said that prospects for shareholders as a result of the satisfactory results achieved last year are decidedly promising. The conservative treatment of the special profits places the Company in an exceedingly strong financial position, and that in a business in which wide fluctuations in the results accruing are inevitable. This cannot but be satisfactory to shareholders, who will derive marked benefit in the future from last year's achievements.

Sterling exchange in New York yesterday sold down to \$4.66½ demand, the lowest price made in the last five weeks and about six cents below the maximum reached on the rise following the conclusion of the negotiations for the Anglo-French loan. The break is thought to be due to a lessening of foreign sales of American securities, and to the sentimental effect caused by the publication of record-breaking figures of exports from the United States in September.