

MONTREAL COTTON CO.

Home \$2,500.

ELLAMS DUPLICATOR CO.

Hartford, \$500; Home, \$1,000; Northern, \$1,000; Phoenix of Hartford, \$1,000; Queen, \$500; Scottish Union, \$500; Western, \$1,000; Rochester-German, \$2,500. Total, \$8,000.

STEPHENS' BUILDING.

London Assurance, \$40,000; Western, \$15,000; Anglo-American, \$2,000; Equity, \$5,000; Ottawa, \$5,000. Total, \$85,000.

BUILDINGS 377 TO 427 ST JAMES.

London Assurance, \$35,333; Anglo-American, \$17,665. Total, \$53,000.

Making a grand total, \$387,000.

In addition to the above The Gorham Mfg. Co. and the Smith, Patterson Co. had stock insured in the United States. The total insurance loss is estimated to amount to about \$450,000.

MILLING COMPANIES COMPARED.

A very large proportion of the flour milling business of the Northwest, and indeed of the whole Dominion is in the hands of the two big milling companies—Ogilvie's and Lake of the Woods. It will not be out of place to make a comparison of their respective positions as shown by their annual reports for the year ended 31st August last. The business of the two concerns is identical in nature, their operations cover practically the same field; it seems, therefore, that they can be compared without unfairness to either, and without making all kinds of allowances for peculiarities of circumstances. The balance sheets, as at 31st August, 1906, compare as follows:

<i>Liabilities.</i>	<i>Lake of Woods.</i>	<i>Ogilvie.</i>
Common Stock Outstanding.....	\$2,000,000	\$1,150,000
Preferred Stock.....	1,500,000	2,000,000
Reserve Account.....		1,011,000
Profit and Loss Account.....	528,003	198,371
	<u>\$4,028,003</u>	<u>\$4,459,371</u>
Bonds.....	1,000,000	1,000,000
Bank Loans and Advances.....	202,133	1,200,427
Bills Payable and Sundry Creditors.....	398,240	106,411
Interest and Dividends Accrued.....	15,000	50,000
Reserve Accounts.....		12,189
	<u>\$5,643,376</u>	<u>\$6,888,401</u>
Indirect Liabilities.....	\$ 133,083	\$ 333,602
<i>Assets.</i>		
Property Account.....	\$2,948,073	\$3,395,123
Keewatin Flour Mills Co.....	221,394	
Good-will.....	993,355	1,250,000
Wheat, Flour, etc., on hand.....	1,053,638	1,089,781
Cash and Bills Receivable.....	4,726	53,019
Accounts Receivable.....	355,573	1,935,619
Stable, Furniture, etc.....	66,617	31,900
Other Assets.....		32,968
	<u>\$5,643,376</u>	<u>\$6,888,401</u>

It should be observed that in the case of the Lake of the Woods Co. the item \$993,355 among the assets is said to contain "Trade marks, etc., as well as "goodwill," whereas the \$1,250,000 in the Ogilvie accounts consists altogether of "goodwill," the "patent rights, etc.," being included in the "property account."

From the exhibit it is seen that stockholders' interest in the companies is about the same—the Ogilvie Co. has some four hundred thousand more in the aggregate, but of it a quarter of a million less draws dividends. Lake of the Woods shows practically no change from last year—an item of "\$200,000 Property Reserve" has disappeared (having been used to write down the book value of the property) but the profit and loss balance is nearly \$140,000 higher. Ogilvie's on the other hand shows a decrease of about \$100,000 as compared with last year. And, as the preferred stock is \$200,000 greater than a year ago, the real decrease in stockholders' funds amounts to \$300,000. This was caused mainly by the unfortunate accident to the Fort William elevator. An appropriation of \$250,000 was necessary to cover the loss. Then, fixed charges and dividends took \$287,500 while the year's profits were but \$235,262, thus accounting for the other \$50,000.

In funded debts both stand alike at \$1,000,000.

In current liabilities Lake of the Woods has \$615,000 covered by \$1,414,000 of quick assets, while Ogilvie's has \$1,416,000 covered by \$2,178,000 of quick assets. Both, therefore, are fairly well supplied with working capital.

One item that figures prominently in the assets of both companies—good will—is not seen very frequently in the balance sheets of Canadian corporations. It owes its existence in both of these cases to the re-capitalization that took place a couple of years ago. Until the last few years both concerns were close private corporations. A few wealthy capitalists owned the whole of the stock. They prosecuted the business successfully for a long time. The financing was of a very conservative kind and profits went, to quite a considerable extent, towards writing down book-values and making constant improvements to plant and equipment. When it was finally decided to admit the public into partnership through making public issues of bonds and stock, it was reasonable enough for the owners to take out that part of what they had put in which had made no showing in the balance sheets. The way this is generally done is to re-value the property and to place a figure upon the good-will. An interesting instance of what good-will sometimes amounts to was provided during the recent banking flurry.

Though the Ontario Bank was face to face with apparent disaster the Bank of Montreal was quite