

AMONG THE COMPANIES

OGILVIE FLOUR MILLS CO., LTD.

The financial statement presented to the shareholders of the Ogilvie Flour Mills Co., Limited, covering the year ended August 31st last, was a decidedly satisfactory showing of the year's business. After payment of bond interest and preferred stock dividend and making provision for the Dominion Business Profits Tax for a two year period earnings are shown at the rate of 25.4 per cent. on the common stock. What the actual profits for the year were is not shown as the amount put aside to meet the Profits Tax for the two years, while known to be considerable, is unstated.

A year ago two sets of profits were shown, from "flour account", and from "other sources", the latter amounting to \$1,059,813, while profits available for common stock dividends amounted to \$1,379,594. Such comparisons as can be made of the profit and loss figures of the past three years are presented in the following table:

	1916.	1915.	1914.
Trad. profits	\$ 600,780	\$581,943	
Other profits	1,059,813		
Total profits	\$1,660,594	\$581,943	
Bond interests	141,000	132,000	
Net profits	\$774,270	\$1,519,594	\$449,943
Preferred dividends ..	140,000	140,000	140,000
Balance	\$634,270	\$1,379,594	\$309,943
Common dividends ..	300,000	200,000	200,000
Surplus	\$334,270	\$1,179,594	\$109,943
Prev. surplus	512,060	582,466	472,523
Total surplus	\$846,330	\$1,762,060	\$582,466
Contingent account ..	1,250,000		
Net surplus	\$846,330	\$ 512,060	\$582,466

(*)—After making provision for the war tax for two years to August 31st, 1916.

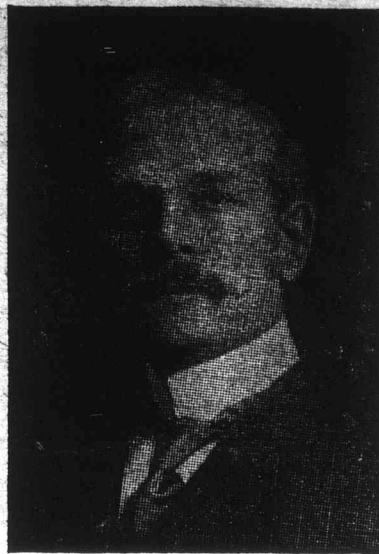
Accumulated Capital.

In commenting on the year's returns, Mr. W. A. Black, vice-president and managing director, pointed out that, while the earnings were about 25 per cent. on the common stock, "it must be remembered that our reserves represented by contingent account, 1,250,000, and profit and loss balance as on August 31st, \$512,060, are also capital, and taking this into consideration, it makes the return about 18 per cent." In further explanation, Mr. Black added:

"While we were not as fortunate in having as large an amount of wheat to sell at much enhanced prices, as happened last year, we were more fortunate than in average years in our purchases. We also profited largely in the increase in returns which we received from our investments in business other than flour milling. Our interest charges for borrowed money have been much less owing, of course, to the large capital now invested in our business which has been accumulating for some years past out of surplus earnings."

As to earnings outside of the flour business, some statistics given by the president, Mr. C. R. Hosmer, in the directors' report, are significant. Mr. Hosmer notes that twenty-one buildings had been added during the year to the company's system of country elevators, making a total of 163 elevators, with a storage capacity of 5,385,000 bushels. Including terminal elevators the company's total wheat storage capacity now amounts to 10,335,000 bushels. With the demand for storage facilities as keen as it was last year, the company's investment in this elevator system must have yielded very satisfactory returns.

The balance sheet of the company, while showing less spectacular changes than a year ago, is a very strong document. Current assets at \$4,238,878 compare with current liabilities of \$1,848,861, leaving a surplus as working capital of \$2,440,017. Last year current assets were \$3,146,451 and liabilities \$838,379, leaving a surplus of \$2,308,072. Cash on hand is somewhat less than a year ago, but large at \$486,406; investments are more than double at \$593,904. The chief increase, however, is in inventories which are up from \$694,452 to \$1,460,872. These, says a note in the auditors' report, are "valued on a safe and conservative basis, taking into consideration the unusually high price of wheat and the contingencies of the markets." On the side of liabilities there is an increase from \$718,129 to \$1,628,611 in accounts pay-



MR. W. A. BLACK,
Vice-President and Managing Director, Ogilvie Flour
Mills Company, Limited.

able, a natural corollary to part of the increase in current assets.

Comparisons of leading figures of the balance sheets of the past two years follow:

	1916.	1915.
Liabilities.		
Accounts payable	\$1,628,611	\$ 718,129
Accr. interest and dividends	220,250	120,250
Pension fund	115,000	100,000
Bonds	2,350,000	2,350,000
Preferred	2,000,000	2,000,000
Common stock	2,500,000	2,500,000
Contingent account	1,250,000	1,250,000
Surplus	846,330	512,060
Totals	\$10,910,192	\$9,550,440
Assets.		
Cash	\$ 486,406	\$ 667,820
Bills receivable	429,217	335,285
Accounts receivable	1,291,101	1,179,603
Inventories	1,460,872	694,452
Equipment	27,375	45,265
Investments	593,904	224,025
Do. Pension Fund	94,560	70,086
Plants, etc.	8,526,752	6,333,901
Goodwill, etc.	1	1
Totals	\$10,910,192	\$9,550,440

LAKE SUPERIOR CORPORATION.

In response to a strong request from the Directors and leading Shareholders, Mr. J. Frater Taylor has temporarily rejoined the Board of the Lake Superior Corporation and has again accepted the Presidency. Mr. Taylor joined in time to preside at the annual meeting held last week in Camden, N. J. Asked as to the President's views on re-organization the Secretary stated that, as there appeared to be some misconception, he would quote Mr. Taylor who said—"My own opinion is that a re-organization of The Lake Superior Corporation, possibly by a reduction of the capital stock, may be desirable sooner or later. You will have noted the large sum of \$47,974,556 which still appears unreduced in the balance sheet. We must deal with this drastically." The Algoma Steel Corporation, the principal subsidiary of the Lake Superior Corporation, is stated to be doing well.

Developments at the Copper Mountain property of the Canada Copper Company are understood to be proceeding satisfactorily. At Greenwood, B. C., the smelter has been in continuous operation during the entire year, and up to September there were produced 3,455,578 pounds of copper, 8,555 ounces of gold and 33,096 ounces of silver. At the present price of copper, operations are said to be netting a satisfactory profit. With the exception of a few small payments, not due until the end of the year, the entire Copper Mountain property is owned outright by the company.

LAURENTIDE POWER COMPANY.

Final arrangements have been completed for the operation of the new Laurentide Power Company, a subsidiary formed by the Laurentide Paper Company. The new company will be operated by the Shawinigan Water & Power Company.

The Laurentide Power Company has a capitalization of \$7,500,000 par value of 5 per cent. first (closed) mortgage bonds due 1946 and \$10,500,000 of common shares. The ultimate capacity will be approximately 180,000 horsepower.

Among the contracts already closed is one of the Laurentide Paper Company. This contract is a 50-year one and calls for delivery of 25,000 horsepower and an option under the same contract to take an additional 12,500 horsepower any time before July 1, 1918; the Shawinigan Water & Power Company has entered into a 50-year contract for the purchase of 50,000 horsepower, of which it has now taken 25,000 horsepower, and is required to take the remaining 25,000 horsepower as to 15,000 horsepower on or before July 1, 1917, and as to 10,000 horsepower on or before July 1, 1918. The Shawinigan Company has an option to July 1, 1918, on an additional 37,500 horsepower and a further option on 12,500 horsepower is given to the Laurentide Paper Co. if not exercised by it.

BRITISH COLUMBIA PAPER ENTERPRISES.

The Colonial Pulp and Paper Mills (Ltd.) has acquired control of pulp properties at Quatsino Sound on Vancouver Island and is proceeding with the erection of a large plant, the first unit of which will have a capacity of 60 tons a day. Seventy-five men are now engaged at Quatsino, clearing land for the building sites and constructing wharves, etc. Plans are completed for the plant and are now in the hands of the company, as are also the plans for a large number of dwellings for the workmen who will be engaged in the industry. The mills, docks, wharves, and dwellings at the town site will combine to make a completely organized and modern industry. When the Quatsino property reaches a capacity of 120 tons per day the plant will employ 600 men. On the first unit, which will be completed within 14 months, between 300 and 400 men will be employed.

The Empire Pulp and Paper Mills (Ltd.), capitalized at \$2,500,000, has taken over the old Swanson Bay pulp-wood manufacturing company, where a few years ago a pulp mill was started and operated for a short time. At Swanson Bay the overhauling of the plant is now under way. It is proposed that the plant shall be brought up to a capacity of 30 tons of sulphite fiber daily. This amount of product will employ 300 men.

RAILROAD EARNINGS.

Gross earnings of the three principal Canadian railroads for the first week of October are the largest reported for any seven days of the current year, but comparisons suffer from the fact that this time a year ago earnings were expanding very rapidly. There is still a gain of \$360,164, or 7.5 in the aggregate, as compared with the first week of October, 1915. Grand Trunk makes the chief contribution to the gain. Comparisons follow:

	1916.	Increase.	P.C.
C.P.R.	\$2,966,000	\$ 51,000	1.7
G.T.R.	1,319,090	299,264	29.3
C.N.R.	857,400	9,900	1.2
Totals	\$5,142,490	\$360,164	7.5

DOMINION POWER AND TRANSMISSION COMPANY.

Gross earnings of the Dominion Power and Transmission Co., Ltd., for the month of August amounted to \$238,530, an increase of \$29,755 over the same month last year; net of \$112,080, an increase of \$19,525; and a balance after charges and reserve appropriations of \$65,715, an increase of \$17,818.

In the eight months of August 31st the company has earned as a surplus balance after charges and reserve appropriations, the sum of \$443,458, against \$303,474 in the same period of 1915, an increase of \$139,984, or 46 per cent.