

# Grain Growers Prosper

President T. A. Crerar, in annual address declares last year the best in the Company's business. The following are only the important parts of a lengthy and interesting Address

The year which we closed on the 31st of August last has been in almost all respects the most successful in the company's history. Considerable extension has taken place in some of the departments of the business which had only been in operation a short time previous to our last annual meeting.

The profit for the year on the Manitoba country elevators is \$7,390.95 as against \$4,317.29 for the previous year. This is a better result financially than we at one time expected. Our elevators in Manitoba are operated against a much keener competition than exists in the neighboring provinces. This arises particularly from the milling companies, who, in a season with a crop yield below the average such as we had last year, are particularly keen buyers of grain. Since a large portion of the grain they buy thru their country elevators is ground into flour at their mills, they are in a position to very frequently offer a better grade to the farmer delivering grain at his local point than he can get if he ships it himself and sell on the Winnipeg inspection. The reason for this is that very often there is but a very slight difference between the milling value of say No. 1 and No. 2 Northern wheat. If we buy upon the same basis we take the chance of getting the lower inspection at Winnipeg and consequently have to sell at a



T. A. CRERAR  
President, The Grain Growers' Grain Co.

lower price. In the matter of dockage on grain also the milling companies have an advantage, as they have facilities for utilizing all the screenings coming out of grain to get the most profitable result and consequently frequently can allow a lighter dockage to the farmer delivering his grain at their elevators than their competitors can give.

#### May Buy Manitoba Elevators

While your directors recognize that the competition in this business in Manitoba is keen, they think it is advisable for the company to continue to operate these elevators, because when combined with the other farmers' companies in Saskatchewan and Alberta it increases the amount of elevator storage controlled by the farmers and to that extent increases their power as a factor in the grain trade of the country.

We understand that the new government for Manitoba is desirous of making some final disposition of these elevators that will do away with the method of leasing from year to year. This will be much more satisfactory to the company, therefore, I think it likely that in the next few months negotiations may take place between the government and the company, looking to the latter securing permanent control of these houses, either

#### PROFIT AND LOSS ACCOUNT FOR YEAR ENDING 31st AUGUST, 1915

1915		
Aug. 31. By Grain and Merchandise Accounts		\$781,864.42
Commissions, Elevation, Storage, Screenings, Twine, Machinery, etc.		
" Dividends on Stocks and Shares		98,571.60
To Salaries and Wages	\$262,925.30	
Wages at Line and Terminal Elevators, Office Salaries, Buyers' Salaries and Expenses, Travellers' Salaries, etc., etc.		
" Rent and Power at Elevators Manitoba and Terminal Elevators.	166,744.60	
" General Expenses Inclusive of Line and Terminal Elevator Expense.	180,590.49	
" Interest	27,644.11	
" Depreciation	7,422.32	
" Bad Debts	5,322.28	
	\$650,649.10	
" Balance Carried Down	229,786.92	
	\$880,436.02	\$880,436.02

1915		
Aug. 31. By Balance brought down		\$229,786.92
From which has to be deducted:		
Premiums on Stock Sold .. \$ 27,700.00		
Less Organization Expenses 18,953.27		
	\$ 8,746.73	
Amount carried forward at credit of Profit and Loss Account at 31st Aug., 1914 \$ 8,615.73		
Deduct Sundry amounts chargeable thereto, including \$8,000.00 of Grants to Associations	20,186.30	
	11,570.57	
		2,823.84
		\$226,963.08

#### BALANCE SHEET AS AT 31st AUGUST, 1915

Assets		
Investments		\$1,148,537.25
Stocks and Shares and Grain Exchange Seats	\$ 537,335.26	
Real Estate—City Property	362,687.51	
Elevator Buildings, Machinery, Equipment, etc.	248,514.48	
	\$1,148,537.25	
Advances on Bills of Lading and Other Debts due to the Company		365,767.12
After making provision for Bad and Doubtful Debts.		
Stocks of Grain, Machinery, etc.		59,802.44
In terms of approved Inventories.		
Miscellaneous Supplies and Accruals		22,337.10
Funds in Bank and on Hand		2,956.28
Furniture and Fixtures, etc.		19,942.08
Liabilities		
Accounts and Bills Payable		\$ 324,763.45
Capital Stock		867,422.09
Amount Subscribed	\$1,199,400.00	
Less Amount Unpaid	331,977.91	
	\$ 867,422.09	
Dividend Account		80,000.00
Provision for dividend at the rate of 10% per annum.		
Reserve Account		340,000.00
Profit and Loss Account		7,156.73
Amount at credit thereof, as per separate statement	\$ 226,963.08	
Disposed of:		
In providing Dividend for the year at the rate of 10% per annum	\$ 80,000.00	
In transferring to Reserve	139,806.35	
	219,806.35	
	\$ 7,156.73	
	\$1,619,342.27	\$1,619,342.27

Winnipeg, 13th October, 1915.

We beg to report to the Shareholders that we have audited the Books and Accounts of The Grain Growers' Grain Company Limited, for the year ending 31st August, 1915, and that, in our opinion, the above Balance Sheet as at that date is properly drawn up so as to exhibit in condensed form a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given us, and as shown by the Books of the Company. We have examined the Securities for the Investments and found them in order.

JOHN SCOTT, C.A. Auditors.  
W. H. BEWELL

by purchase at a fair price or by long term lease. This would enable us to more intelligently plan our work and give better assurance to the men we have employed in the elevators of the permanency of their position so long as their work was satisfactory.

The total cost of running these elevators for the past year, including rent, repairs, all expenses of operating, also administration expenses in the office, exclusive of interest on the money employed in this department and including the depreciation on the nine country elevators the company now own, amounted to \$242,457.81.

#### Terminal Elevators

The results in this department of the business have also been, considering everything, very satisfactory on the year's operations. While we handled in the large terminal elevator, which we have leased from the Canadian Pacific Railway, only about eleven million bushels as against sixteen and a half million bushels for the previous year, the results in the way of profit have been slightly in excess of the previous year. This has been brought about partially by economy in operation and partially from increased revenue in storage and also from the increased price secured for the surplus in this elevator at the end of the season.

In respect to elevator "H," which as you will recall was purchased by the company a few years ago in Fort William, the results have also been very satisfactory. You will recall that a year ago the operation of this elevator, after charging up interest, taxes and depreciation, showed a considerable loss which was met out of the revenue of last year. For the year just closed, after charging up the same items against operation and after charging up interest on the total amount invested in the enterprise, there was a profit remaining of over \$7,700, and in the year that we are entering upon we hope to have equally or even more satisfactory results.

#### Fixed Charges Heavy

I would draw the attention of the shareholders to the fact that the fixed charges against these elevators amount to a very considerable sum. Rent alone, for instance, on the elevator we have leased from the Canadian Pacific Railway amounts to over \$70,000 a year, and this with taxes, power and repairs that have to be taken care of from year to year, bring the fixed charges of this elevator alone to almost \$90,000.

It may be of interest to our shareholders to know that the total expenses of all kinds, including the items I have just mentioned, on this one elevator amount to \$183,437.59 for the past year, and on elevator "H" the total expenses of operating, including fixed charges and interest on investment, amount to \$42,354. It is likely the expense in both these departments will be considerably heavier during the present year, owing to the increased volume of grain to be handled.

The expenses in operation and administration of handling all our elevators, interior and terminal, amount to \$468,249.40. Of this about \$168,000 is of the nature of fixed charges. These, let me point out again, do not vary no matter what the volume of business handled may be.

#### Co-operative Business

This department, as you are aware, has charge of supplying in carload lots and in many cases in less than carload lots such commodities as coal, apples, lumber, fence posts, flour, fence wire of all kinds, binder twine, building supplies and machinery of various kinds to our shareholders and other farmers who may wish to avail themselves of it. The term "co-operative" is perhaps not the most descriptive term we could get to describe the work done in this department. However, I think the term is clearly understood by all our shareholders and patrons.

I wish to refer to the work of this department under two heads:—

(1) That relating to general supplies