price of flour at the present time. Nevertheless, the net revenue from such profits per barrel have been sufficient to pile up immense surplus profit accounts, redeem bonds and pay dividends either larger than had hiterto been paid or on stock which received no dividends previous to the last few years."

In the report calculation of net investment has been made in the following way: Total capital, consisting of preferred and common shares, minus good will account, is taken and the amount standing to the credit of the surplus profits account at the beginning of the year is added. In each case, the extent of the goodwill accont is shown.

Ogilvie's Profits

A series of special summaries outline the operations of the large milling companies. Of the Ogilvie Flour Mills Company, the report says:—

"The net profits from 1913 to 1917 were approximately: $470,000 in 1913, $450,000 in 1914, $1,500,000 in 1915, $1,150,000 in 1916, before deducting the war tax, and $2,100,000 in 1917, before deducting war tax.

"Out of the profits for 1916 and 1917 a total reserve for the two years of about $1,130,000 was set aside for war tax and a new depreciation account in addition amounting in 1917 to a total of about $360,000 was opened up in 1916. The surplus profits account increased from approximately $473,000 in 1913 to $2,690,000 in 1917. Of these huge profits about $1,700,000 was contributed by gains made from dealings in wheat in 1916 and 1917."

Validate "Watered" Stock

Respecting the Lake of the Woods Milling Company, the report states that the total net profits for each year, before deducting $50,000 to validate "watered" stock and before deducting war tax in 1916 and 1917, were approximately $385,000 in 1913, $344,000 in 1914, $525,000 in 1915, $545,000 in 1916, and $700,000 in 1917. Of these profits $42,000 was set aside for war tax in 1916 and $32,000 in 1917. Net profits on total investment calculated on the above figures were: 10.1 per cent. in 1913, 9.3 per cent. in 1914, 13 per cent. in 1915, 14 per cent. in 1916 and 18 per cent. in 1917.

"After all dividends were paid and all charges made," adds the report, "the surplus profits were increased from 1913 to 1917 by more than $1,000,000, although $800,000 of these surplus profits went for redemption of bonds and goodwill account."

Western Canada Company's Profits

Of the Western Canada Flour Mills Company, the report says:—

"The profit per barrel of flour has not greatly increased since 1914. Production has increased. Sixteen cents a barrel profit in 1914 paid ample dividends, a sinking fund and a very satisfactory reserve to the surplus profits account. Fifteen cents a barrel profit in 1916 enabled this company to pay not only a sinking fund, a sufficient depreciation reserve, a war tax of $35,000, but also a reserve to the surplus profits account larger than that of any previous year."

Maple Leaf Increase

The total stock of the Maple Leaf Milling Company is given as $5,000,000, $2,500,000 preferred, and $2,500,000 common. Of this amount, states the report, $3,770,000 has been paid in assets, the rest, approximately $1,250,000, is good will.

The company's surplus profits account increased from $241,844 in 1913 to $1,402,332 in 1917. The contingent account increased from $10,038 in 1913 to $361,007 in 1917. Thus the total surplus profits account amounted in 1917 to $1,763,339, or an increase of about $1,500,000.

"This tremendous increase in the surplus profits account," declares the report, "should rightly be decreased by $100,000 a year for depreciation up to 1917, which would leave about $1,100,000. But even after making that reduction, the increase in the account would still be very large indeed. The source of such abnormal profits was the huge revenue from dealings in wheat in 1915 and a substantial profit from the same source in 1917."

The Robin Hood Milling Company is