

2,000,000 barrels was reached at a profit, after paying war-tax, of 14½ cents per barrel. In 1917, there were 2,100,000 barrels produced at a profit, after paying war-tax, of 20 cents a barrel. After paying all charges, and making the same reserve each year to the surplus profits account except in 1917 when the latter was unusually large, the above-mentioned profits per barrel of flour, exclusive of other sources of revenue would pay the following dividends on common stock: 1913, 7 per cent; 1914, 5.7 per cent; 1915, 12.5 per cent; 10.3 per cent in 1916, 13 per cent in 1917. Fifteen cents a barrel profit was sufficient to pay seven per cent dividends on common stock before the war with ample reserves; 14.5 cents a barrel profit in 1916 was sufficient to pay all charges including war-tax and make an unusually large surplus profits reserve and distribute 10.3 per cent on common stock. Still the profit increased in 1917 to 20 cents a barrel.

WESTERN CANADA FLOUR MILLS COMPANY.

The Western Canada Flour Mills Company, the Maple Leaf Milling Company and the St. Lawrence Flour Mills Company do not show separately the revenue from the dealings in wheat and the revenue from the manufacture of flour. This does not seriously affect the calculations of the yearly profit per barrel of flour except when the dealings in wheat become so distinct from the buying of wheat for the manufacture of flour that they considerably affect the yearly dividends. During the period covered by this report, the Ogilvie Flour Mills Company shows the revenue from the dealings in wheat quite distinct from the other sources of revenue. The Lake of the Woods Milling Company's dealings in wheat in the year 1917 greatly increased the profits. The profit of this company from such dealings in previous years was not considerable.

Profits per barrel of flour, as shown by the Western Canada Flour Mills Company are somewhat higher than they would be were the profit from option trading in wheat shown separately. There were no spectacular deals in wheat by this company. Although there was a considerable amount of option trading, yet the profits or losses from such trading bore so strictly on the actual cost of wheat for flour manufacture that the fact of the revenue from flour and the revenue from wheat dealings not being shown separately does not affect seriously the accuracy of the return made by the company. The net result is that the profit per barrel of flour as shown in its statement is somewhat higher than it would be had the profits from other sources been segregated. The difference so caused would not amount to more than two cents per barrel for any of these years. Figures submitted by this company showing profits per barrel of flour per annum were incorrect in that the bond interest was not deducted. The necessary correction has been made.

CAPITALIZATION.

	Authorized.	Issued.	Fully paid
Preferred shares	None.		
Common shares	\$2,500,000	\$2,124,700	\$2,124,700
		(Until 1914, \$1,500,000)	
Bonds and debentures	\$2,500,000	\$1,845,000	\$1,845,000
The capitalization of this company is made up:—			
Common shares issued for cash			\$1,246,745
" " " good-will			182,955
" " " assets			695,000
			\$2,124,700
Bonds issued for cash			\$1,695,675

Dividends: Common stock, 8 per cent throughout. The amounts are: \$120,000 in 1913, \$157,482 in 1914, and \$169,976 for each succeeding year.