pany in Canada, the Ogilvie Flour Mills Company, produced in 1914 about one-quarter of the total amount produced by these companies, and, in 1917 its production still held about the same proportion to the total produced by these nine companies. But the Ogilvie Flour Mills Company is not, by any means, in a position to monopolize the manufacture of flour, as there are three other companies of the first rank producing over one million barrels of flour per year, and five companies, of the second rank, producing between 500,000 and 1,000,000 barrels of flour per year. Nevertheless, the annual increase in production by this company has been so much greater than that of any other company that it holds a towering position among its rivals. Its production for 1917 was about one and one-half times greater than that of its largest competitor, and the receipts from sales in dollars were about twice as large as those of any other company.

III.

The source of increased profits made by the various companies is due to the following causes: (*a*) Increase in sales, (*b*) increase in profit per barrel of flour; and (*c*) large revenues from dealings in wheat in the years 1915, 1916, and 1917.

The increase in total receipts from sales annually is very striking. In nearly every case it has been doubled, and in some cases trebled. The increase in the number of barrels sold is also considerable, and the price of flour has almost doubled since 1914. The profit per barrel of flour made by the various companies between 1914 and 1917 did increase. It will be observed above that the profits per barrel of flour in 1914 were as follows: Ogilvie Flour Mills Company, 15 cents; Lake of the Woods Milling Company, 13 cents; St. Lawrence Flour Mills Company, 15 cents; Western Canada Flour Mills Company, 16 cents; Maple Leaf Milling Company, 11 cents; Robin Hood Milling Company, 22 cents. In 1917, the profits per barrel were: Ogilvie Flour Mills Company, 20 cents; Lake of the Woods Milling Company, 20 cents; St. Lawrence Flour Mills Company, 17 cents; Western Canada Flour Mills Company, 19 cents; Maple Leaf Milling Company, 30 cents; Robin Hood Milling Company made a loss of 1 cent per barrel of flour. The Robin Hood Milling Company netted on all its operations a profit of 25 cents per barrel in 1917, but the sources of this profit were wheat dealings, elevator earnings, etc., and were not from flour. The increased profit of the Maple Leaf Milling Company was due largely to dealings in wheat.

IV.

Contrary to general belief, the profit per barrel of flour made by the various milling companies is comparatively very small. Eighteen to twenty cents per barrel seems an extremely small amount for milling companies to make, considering the high price of flour at the present time. Nevertheless, the net revenues from such profits per barrel have been sufficient to pile up immense surplus profit accounts, redeem bonds, and pay dividends either larger than have hitherto been paid, or on stock which received no dividends previous to the last few years.

V.

The above report abundantly shows that it has not been possible to reach the profit of the milling companies by setting a limit on the profit of flour per barrel. With increased production, even were the profits per barrel of flour limited to, say, fifteen cents, still ample dividends might be paid and reserves set aside. With the fixing of the price of wheat, the source of revenue from wheat dealings, which largely contributed to the dividends of the milling companies in 1915 and 1917, particularly, will be cut off.