

### BIG WAR PROFITS OF FLOUR MILLS

Report Issued by Minister of Labor Shows Large Increases.

### TO REACH COMPANIES

Only Way is to Increase Tax on Net Profits on Investment.

Ottawa, May 27.—A story of big war-time profits by large Canadian milling companies is revealed in a report issued today by the minister of labor. The report, prepared by Miss B. J. McKenna (Mrs. George Hamilton), formerly of the cost of living branch, labor department, made an advance on the part of Hon. Mr. Crothers, the report is based on investigations covering the period between 1913 and 1917 and, therefore for purposes of comparison, includes a previous year. It shows that in 1917, as compared with 1913, large milling companies heavily increased their net profits even after allowance had been made for war tax. It indicates that the limitation of profits to 25 cents per barrel of flour does not affect the purpose for which it was intended in that "with increased production even were the profit per barrel of flour limited to say, fifteen cents, still ample dividends might be paid to the stockholders."

"It is clear," the report concludes, "that the only way to reach the profits of the milling companies is to increase the tax on their net profits on total investment for the year."

The report covers over sixty separate companies. It aims to show in detail how profits have been earned and disposed, what proportion of a company's capitalization is represented by actual investment, what the profits per barrel of flour and what dividends were derived from option trading in wheat before the price of wheat was fixed. Increased profits, the report indicates, are due largely to increased production and increase in turnover which, in 1917, was two to three times that of the previous year. In most cases, there was an increase in the profits per barrel of flour.

**Large Net Profits.**

While dealing more specifically with the larger companies, the report, however, states that smaller companies, producing less than 100,000 barrels a year would find difficulty in surviving on a profit of twenty-five cents per barrel. Companies producing between 100,000 and 500,000 barrels a year would probably make a moderate profit. The report states that the large companies would make an average profit. Large companies, proceeds the report, have on less than twenty-five cents per barrel, made net profits of unprecedented amounts. Therefore the only equitable way of reaching all classes of milling companies is by tax on the net profits for the year.

"The increased profits," the report continues, "have been disposed in various ways. In some cases, with the Maple Leaf Milling Company, dividends have been paid on common stock for the first time. In other cases, already substantial dividends have been increased as the case of the Ogilvie Flour Mills Company. The regular dividends on common stock of this company up to 1917 were eight per cent. In 1918 they were increased to twelve per cent. and in 1917 to twenty-five per cent."

**Surplus Profits Account.**

"The surplus profits account has been greatly increased. In 1915 the surplus profits account of the Maple Leaf Milling Company was about \$260,000. In 1917 it was over \$1,700,000. The surplus profits account of the Western Canada Flour Mills Company was approximately \$446,000 in 1913. In 1917 it was \$4,450,000. The letter is in addition to a sinking fund."

The surplus profits account of the St. Lawrence Flour Mills Company, the report proceeds, increased from a debit of \$42,000 in 1913 to a credit of \$138,000 in 1917, in addition to a sinking fund. The surplus profits account of the Robin Hood Mills in 1913 was \$127,000. In 1917 it was \$2,100,000, in addition to an accumulated reserve for war tax of \$163,000, and very substantial dividends during the period.

The surplus profits account of the Ogilvie Flour Mills Company in 1913 was approximately \$473,000. In 1917 it had increased to \$2,590,000, in addition to the income reserve of \$330,000 for war tax in 1918 and of \$750,000 for war tax in 1917.

The surplus profits account of the Lake of the Woods Company, which has materially increased. In 1913 this account was \$852,000; in 1917 it was \$4,810,000, plus \$392,000 at the credit of the surplus profits account of the Lake of the Woods Company, which the Lake of the Woods Company, which has materially increased. In 1913 this account was \$852,000; in 1917 it was \$4,810,000, plus \$392,000 at the credit of the surplus profits account of the Lake of the Woods Company, which has materially increased.

The report continues that in the years 1915 and 1917, substantial war tax reserves were set aside by the companies making the largest profits. Contingent accounts have been opened up. Depreciation accounts of unprecedented amounts were set aside in 1917, also, the report points out, increased production in 1918 and 1917 entailed a larger reserve for depreciation.

**Flour Production.**

Dealing with flour production, the report says that the Ogilvie Flour Mills Company produced in 1917 about one-fourth of the total amount produced by the nine largest companies. The production for 1917 was about one and one-half times greater than that of its largest competitor and the receipts from sales in 1917 were about twice as large as those of any other company. Source of increased profits is given as: (a) increase in sales; (b) increase in profit per barrel; (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," the report proceeds. "In nearly every case it has been doubled, and in some cases tripled. 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

### The Safest Matches in the World

Also the Cheapest

### ARE EDDY'S

### "SILENT 500'S"

**SAFEST** because they are impregnated with a chemical solution which renders the stick "dead" immediately the match is extinguished.

**CHEAPEST** because there are more perfect matches to the single box than in any other box on the market.

**WORTHY** because of their own good sense will urge the necessity of buying none but EDDY'S MATCHES.

**THE E. B. EDDY COMPANY LIMITED**  
HULL, CANADA

various companies between 1914 and 1917 did increase."

**Profit Per Barrel Small.**

"Contrary to the general belief," adds the report, "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 in view of the high price of flour at the present time. Nevertheless, the net revenue from such profits per barrel has been sufficient to pile up immense surplus profits accounts, redeem bonds and pay dividends either larger than had hitherto 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 flour mill 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 food-will account is shown.

**The Larger Companies.**

A series of special summaries outlining the operations of the large milling companies. Of the Ogilvie Flour Mills Co., the report says: "The net profits from 1913 to 1917 were approximately: \$470,000 in 1913; \$460,000 in 1914; \$1,500,000 in 1915; \$1,150,000 in 1916, before deducting war tax; and \$2,100,000 in 1917, before deducting war tax. Out of the profits for 1917, a total reserve for the year 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 \$850,000 was opened up in 1918. The surplus profits account increased from approximately \$473,000 in 1913 to \$2,590,000 in 1917. Of these huge profits about \$1,700,000 were contributed by the made from dealings in wheat in 1915 and in 1917."

**A Big Increase.**

Respecting the Lake of the Woods Milling Co., the report states that the total net profits each year, before deducting \$50,000 to validate "wasted" flour and before deducting war tax in 1916 and 1917, was approximately \$388,000 in 1913; \$344,000 in 1914; \$925,000 in 1915; \$645,000 in 1916; and \$700,000 in 1917. Of these large profits about \$1,700,000 were contributed by the made from dealings in wheat in 1915 and in 1917."

**St. Lawrence Flour Mills.**

According to the report, the surplus profits account of the St. Lawrence Flour Mills Company has increased from a debit of \$63,000 in 1913 to a credit of \$138,000 in 1917; and the amount standing to the credit of the surplus profits account is not abnormal. "The capital of this company," the report adds, "consists of preferred shares amounting to \$375,000 and common shares amounting to \$1,200,000. Practically all the former has been paid for in cash. Of the latter \$150,000 was paid for the assets. The remainder, \$1,050,000, is good will. Up to the end of the fiscal year 1917 no dividends had been paid on the common stock. Should a dividend be declared on the stock in 1917 it is obvious that it would be paid not on bona fide but on "watered" stock."

**Profits Abnormal.**

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, \$2,000,000 has been paid in assets. The rest, approximately \$1,500,000 is good will. The company's surplus profits account increased from \$241,844 in 1913 to \$4,810,000 in 1917. This total surplus profits account amounted in 1917 to \$5,351,839, or an increase of about \$1,500,000.

"This tremendous increase in the surplus profits account," declares the report, "shows that nearly every year by \$100,000 a year has been decreased 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

### PARKS ARE SOURCE OF GREAT DANGER

Strong Plea to Committee for More Lights Meets With Response.

### We Know Our Business

While she was both, she said, to tell exactly just what terrible social evils really existed in Toronto's parks after night fall, Mrs. Franklin Johnston representing the Working Girls Patriotic League, evidently satisfied the members of the civic property committee yesterday afternoon that conditions were a long way from being ideal and on her plea, the lights, which were discontinued at the request of the Ontario Power Commission, were restored.

When Mrs. Johnston there appeared Mrs. A. B. Ormsby and Captain H. R. Smith. When it was a matter of protecting the morals of the city, the question of expense should not be considered, said Mrs. Johnston. As a matter of fact only \$300 a year was saved by the city by cutting the lights off. "We cut the lights off at the request of the Ontario Power Commission," interjected Chairman O'Brien, "and the question of cost did not enter into the matter."

On the authority of Dr. Bates Mrs. Johnston declared that 21 cases of infection had been traced to Queen's Park and 11 to Riverdale Park. Other parks were equally as bad. Under present conditions the parks were made one of the greatest sources of danger to the health of the city. The chief of police was fully aware of what was going on, but he had not a force of men to patrol the parks. "We are the way they should be," said Mrs. Johnston, "and every light in the parks is a nucleus of a policeman and I believe him."

### ORIGINAL FIRSTS HAVE A NEW CLUB

Hold Enthusiastic Meeting and Elect Sgt.-Major Proctor President.

Men of the "originals" banded themselves together last night and formed what will be known as "The Originals' Club," an enthusiastic meeting held at the Victoria Hotel, Queen and Berrill streets. There was a large audience composed of the veterans who saw active service in 1914, and they became a nucleus of what promises to become a strong and powerful organization.

The unanimous choice for president was Sgt.-Major J. P. Proctor, who the other officers having previously been elected. A constitution was drafted while Sgt. D. Hunter occupied the chair, and in a many minutes the club was organized. The club will have to provide a substitute for military service from among the men who had been granted exemption because of their military service. The club will have to provide a substitute for military service from among the men who had been granted exemption because of their military service.

### TWO YOUNG LIEUTENANTS GIVEN MILITARY BURIAL

With full military honors the funerals took place in Toronto yesterday afternoon of two Toronto flight-lieutenants, whose remains had been brought back from the scenes of their deaths in England and were interred in the city.

The funerals were held in St. Paul's Anglican Church, preceded by a service at the residence of Mr. and Mrs. W. Booth, 125 Waverley street, where the remains of the two young officers were held. The service was held in St. Paul's Anglican Church, preceded by a service at the residence of Mr. and Mrs. W. Booth, 125 Waverley street, where the remains of the two young officers were held.

### RECOMMENDS BETTER POLICE PROTECTION

In the presentment made by the sessions grand jury to Judge Winchester yesterday, it was stated that thirteen indictments had been presented to them, and true bills had been returned in twelve cases, and one "no bill."

The only significant statement made was as follows: "We believe that on account of the foreign element in and about Toronto, more adequate police protection should be provided for that section. We think that more severe measures should be taken against party or parties stealing automobiles."

### LAD IS RUN DOWN

Seven-year-old Richard Fleming, 311 Euclid avenue, was run down by a motor car driven by C. S. Boothby, 48 Colborne road, when he was taken to the Western Hospital, where he was found to be suffering from injuries to the head and body.

The Robins Hood Milling Company is asked by the report to be underwritten in 1915 and a net investment are given as: 1913, 18 per cent; 1914, about 13.2 per cent; 1915, about 10.2-3 per cent; 1916, about 9.1-5 per cent, and 1917, about 13 per cent.

### The Toronto Morning World Has Resumed Delivery at Toronto Island

Order your copy by telephone or through the carrier. Prompt and efficient service is guaranteed. The Sunday World is for sale by the carrier every Saturday night, at five cents per copy.

### NEW HIGH RECORD AT THE TRIBUNALS

Two Hundred and Twelve Applications for Exemption Are Considered.

A new high record for the number of cases dealt with in one day during the present series of exemption tribunals was made in Toronto yesterday by four courts presided over by Sir William Mulock, Mr. Justice Kelly, Judge Middleton and Justice Alderson. Two hundred and twelve applications for exemption from military service came up for decision. One hundred and fifty-four of the applications were refused and 58 were granted. The tribunals were notified by the Ontario registrar that all medical category B men of 20 to 22 years of age were to be continued on the exemption list. Two employees of the Hydro-Electric were granted exemptions as long as they remain in their present positions. One was stated to be absolutely indispensable. The other was doing very dangerous work and would be very hard to replace. A number of farmers were granted exemptions until the fall.

### LET US GIVE ESTIMATES ON WORK RESIDENCES - PUBLIC BUILDINGS - OFFICES

SHANNON THE PLUMBER Phone Park 738-739

### THIRTY-FOUR PER CENT. RAISED IN CATEGORY

Thirty-four per cent. of the class one men under the Draft Act who have been ordered up for re-examination by the medical board of review, have, as a result of these re-examinations, been raised to higher categories, reports the Ontario registrar. This will be re-examination in the Toronto military board proceedings.

An additional traveling medical board of review for the Toronto district has been appointed, with Dr. J. J. Macdonald, 241 Dundas street, as president and surgeon; Dr. J. J. Macdonald, 241 Dundas street, as president and surgeon; Dr. J. J. Macdonald, 241 Dundas street, as president and surgeon.

It is announced that class one men who seek passports to visit the United States will be placed in category two, if raised in category, the new category will be held by the authorities as the one under which they will be placed. The provisions of the Military Service Act. Bank employees who had been refused exemption by Justice Duff on the claim by the banks on behalf of the men, are to be granted a rehearing by a local tribunal if they have filed a claim for exemption on personal grounds. If the claim on personal grounds be granted, then the bankers will have to provide a substitute for military service from among the men who had been granted exemption because of their military service.

### WANT REPAIRS DONE

Street Railway Company After Part of Next Rail Shipment.

R. J. Fleming, manager of the Toronto Railway Co., has written to the Ontario Railway and Municipal Board objecting to the proposal that the next rail to come after the construction of the Bloor street viaduct be held absolutely for the Pape avenue line.

### WANT REPAIRS DONE

Street Railway Company After Part of Next Rail Shipment.

R. J. Fleming, manager of the Toronto Railway Co., has written to the Ontario Railway and Municipal Board objecting to the proposal that the next rail to come after the construction of the Bloor street viaduct be held absolutely for the Pape avenue line.

### WANT REPAIRS DONE

Street Railway Company After Part of Next Rail Shipment.

R. J. Fleming, manager of the Toronto Railway Co., has written to the Ontario Railway and Municipal Board objecting to the proposal that the next rail to come after the construction of the Bloor street viaduct be held absolutely for the Pape avenue line.

### NEW HIGH RECORD AT THE TRIBUNALS

Two Hundred and Twelve Applications for Exemption Are Considered.

A new high record for the number of cases dealt with in one day during the present series of exemption tribunals was made in Toronto yesterday by four courts presided over by Sir William Mulock, Mr. Justice Kelly, Judge Middleton and Justice Alderson. Two hundred and twelve applications for exemption from military service came up for decision. One hundred and fifty-four of the applications were refused and 58 were granted. The tribunals were notified by the Ontario registrar that all medical category B men of 20 to 22 years of age were to be continued on the exemption list. Two employees of the Hydro-Electric were granted exemptions as long as they remain in their present positions. One was stated to be absolutely indispensable. The other was doing very dangerous work and would be very hard to replace. A number of farmers were granted exemptions until the fall.

### LET US GIVE ESTIMATES ON WORK RESIDENCES - PUBLIC BUILDINGS - OFFICES

SHANNON THE PLUMBER Phone Park 738-739

### THIRTY-FOUR PER CENT. RAISED IN CATEGORY

Thirty-four per cent. of the class one men under the Draft Act who have been ordered up for re-examination by the medical board of review, have, as a result of these re-examinations, been raised to higher categories, reports the Ontario registrar. This will be re-examination in the Toronto military board proceedings.

An additional traveling medical board of review for the Toronto district has been appointed, with Dr. J. J. Macdonald, 241 Dundas street, as president and surgeon; Dr. J. J. Macdonald, 241 Dundas street, as president and surgeon; Dr. J. J. Macdonald, 241 Dundas street, as president and surgeon.

It is announced that class one men who seek passports to visit the United States will be placed in category two, if raised in category, the new category will be held by the authorities as the one under which they will be placed. The provisions of the Military Service Act. Bank employees who had been refused exemption by Justice Duff on the claim by the banks on behalf of the men, are to be granted a rehearing by a local tribunal if they have filed a claim for exemption on personal grounds. If the claim on personal grounds be granted, then the bankers will have to provide a substitute for military service from among the men who had been granted exemption because of their military service.

### WANT REPAIRS DONE

Street Railway Company After Part of Next Rail Shipment.

R. J. Fleming, manager of the Toronto Railway Co., has written to the Ontario Railway and Municipal Board objecting to the proposal that the next rail to come after the construction of the Bloor street viaduct be held absolutely for the Pape avenue line.

### WANT REPAIRS DONE

Street Railway Company After Part of Next Rail Shipment.

R. J. Fleming, manager of the Toronto Railway Co., has written to the Ontario Railway and Municipal Board objecting to the proposal that the next rail to come after the construction of the Bloor street viaduct be held absolutely for the Pape avenue line.

### WANT REPAIRS DONE

Street Railway Company After Part of Next Rail Shipment.

R. J. Fleming, manager of the Toronto Railway Co., has written to the Ontario Railway and Municipal Board objecting to the proposal that the next rail to come after the construction of the Bloor street viaduct be held absolutely for the Pape avenue line.

### THE BANK OF CANADA

Opportunity, sooner or later, comes to all who work and save

Full compound interest paid at highest bank rate on Savings Deposits of One Dollar and upwards. Branches and Connections Throughout Canada. HEAD OFFICE & EIGHT BRANCHES IN TORONTO

### MIDDLE OF JUNE FOR BY-ELECTIONS

Northeast Toronto and East York May Be Called Soon.

Indications at present are that nominations in the constituencies of Northeast Toronto and East York will be called about June 15, by-elections being necessary owing to the recent cabinet appointments, when Hon. Dr. Cody was appointed minister of education, succeeding Hon. Dr. Pyne, and Hon. George S. Henry was appointed minister of agriculture, relieving Sir William Hearst of the portfolio.

While an election is not considered probable, the machinery necessary in the event that one is required can be put in operation within the time allowed by the act passed at the last session of the legislature, namely, eight weeks.

There is not the same necessity of calling for by-elections to fill the places now vacant in the legislature, of which there are four, Sir William said yesterday, so that the calling of one will not necessarily mean the calling of the others.

### FOUND NOT GUILTY OF STEALING MONEY

In the county criminal court yesterday afternoon Judge Winchester found Harry W. Sheriff not guilty on a charge of stealing the sum of \$150 from Albert Mendol, a broker, of 231 Brunel street, subject to medical examination; Wilfred Schnarr, 190 University avenue; Ellis Swift, 44 Pearson avenue; Joshua Morrison, 288 Victoria street; Hugh E. Donnelly, 427 Delaware street; J. Humphrey Lewis, 21 Spring Garden; John Thomas O'Hara, Cookstown; Luther St. Louis, 21 Wolesey street; William J. Candy, 34 Abbott avenue; Charles Enfield, 186 Mulock avenue; Harry Tompkins, 75 Vine street; C. E. Tilson, Kettleby, Ont.; L. T. McNaughton, Knox College; Wm. Lester, 705 Dundas street; R. G. Macle, 214 York street; G. W. Robinson, King, Ont.; Francis Reynolds, Schomberg, Ont.; J. A. Snyder, municipal farm; W. G. Phillips, 151 Brunel street; Wm. J. Phillips, 151 Church street; Wm. J. Phillips, 151 Church street; Wm. J. Phillips, 151 Church street.

### MOTOR LICENSE RECIPROcity

Colorado and Nebraska Come Into Agreement With Ontario.

There are now 36 states where reciprocity with Ontario in motor car licenses prevails, the latest to come into the agreement being Colorado and Nebraska. The agreement, which is a reciprocity per car holds good for 30 days. No trouble is being experienced by the authorities in the way of examining the border with paying customs fees, it was stated yesterday, and the arrangements, made for the benefit of the tourists are working out nicely.

### PRISONER ATTACKS GUARD WITH IRON BAR

Leonard Winecus' daring attempt to break out of the Toronto Jail early Sunday morning was frustrated by the presence of mind of Guard Gerald Spanton, who, the dazed from a blow on the back of the head with an iron bar, managed to cling to his prisoner and shout for assistance.

The attempted escape was made shortly after 6 o'clock when the guard came to unlock the cell doors for the breakfast call. Winecus, who was waiting trial on a burglary charge, had twisted open the lock of the cell door, and as soon as Spanton had swung the door, whipped the iron from under his coat and dealt him a blow on the head. Spanton dropped to the floor, but Winecus' leg just as he started down the corridor. He shouted and held the man for just long enough for help to come. Winecus was then locked up in his cell.

### MUST KEEP REGULATIONS. NOT GUILTY OF RECEIVING.

Circular letters warning doctors and druggists of the changes in the Ontario Temperance Act are being sent out by the Ontario License Board to inspectors, who are ordered to prosecute those who fail to come up to the regulations.

### JUST ROAD REPAIR WORK.

Only that road work which is necessary for the safety of traffic is being carried on through the province, says W. A. McLean, deputy minister of highways, yesterday. Because there are more counties in the road works system this year, the total work will aggregate more than last year, although each county is probably doing less than in previous years.

### MISS NEWTON REPEATS RECITAL

Tonight at Jarvis Street Baptist Church Miss Pearl Newton will repeat the recital given by her in the Posters' Hall on May 2, under the auspices of the Jarvis St. Public Society. The proceeds of the recital will be taken will be devoted to the work of the society, in whose cause she has been working for some time. It was a real treat.

### WANT REPAIRS DONE

Street Railway Company After Part of Next Rail Shipment.

R. J. Fleming, manager of the Toronto Railway Co., has written to the Ontario Railway and Municipal Board objecting to the proposal that the next rail to come after the construction of the Bloor street viaduct be held absolutely for the Pape avenue line.

### Public

The unanimous vote in the case, which brings the duty of directors and great railway and street but the direct and the official

The new board administrator the will be called a government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

### THE GREAT TRUNK

In the operation of directors must but the duty will of government of to International and street railways.

**CAT'S PAW CUSHION RUBBER HEELS**

I'm the boy for "pep" and "ginger".  
Make things hum like engine wheels.  
Just chockful of "spring" and "hustle".  
Cause I walk on "Cat's Paw" Heels.

**50¢ A PAIR PUT ON**

"Cat's Paw" Series No. 12—Watch for No. 13.