plus, that might properly be distributed to the shareholders, but that will instead be expended on capital account in additions and improvements to your property.

Referring to the crop question, Sir Thomas stated that in Western Canada there is the prospect that the grain crops will be larger than was estimated and of particularly good quality. While the movement of grain to the markets will crowd the facilities of the transportation lines between this time and the close of lake navigation, it is hoped to escape anything in the nature of serious congestion. By the end of 1914, a double track should be completed and in use between Fort William and Calgary, 1,256 miles, and no unnecessary time is to be lost in the extension of the second track from Calgary to Revelstoke.

LAKE OF THE WOODS MILLING COMPANY.

The annual report of the Lake of the Woods Milling Company, published on Wednesday, shows a considerable improvement over last year; when, it will be remembered, particularly unfavorable conditions surrounded the milling industry. These unfavorable conditions continued into the early months of the present year, so that the Lake of the Woods figures, now presented may, taking circumstances into consideration be considered to be entirely favorable in character. Profits at $457,011 show an advance of about $45,000 upon those of last year and after meeting bond interest and paying the preferred dividend the amount available for common stock is $251,871 or 11.99 per cent. against $202,153 or 9.63 per cent. last year. The common dividend absorbs as before $168,000. The surplus account is, however, further reduced somewhat. There has been written off goodwill and trademarks, $100,000 and other charges made against the account so that it stands at $817,457, about $40,000 less than last year.

Comparative details of the profit and loss account are as follows:—

	1912.	1911.	1910.
Profits	$457,011	$412,153	$475,226
Bond interest	*100,140	*105,000	*105,000
	$356,871	$307,153	$370,226
Preferred dividend	105,000	105,000	105,000
	$251,871	$202,153	$265,226
Percentage	11.99	9.63	12.63
Common stock dividend	168,000	168,000	‡136,500

*The Company guarantees $750,000 6 p.c. Keewatin Flour Mills Coy's bonds.

‡And bonus on common stock at 5 p.c. absorbing $105,000. Dividend advanced from 6 p. c. to 8 p. c. per annum last quarter of fiscal year.

Assets of the company total $6,129,073 against $5,615,107 in 1911. The comparative statement of liquid assets is as follows:—

	1912.	1911.	1910.
Cash	$ 42,521	$ 30,789	$ 82,199
Bills and accounts receivable	556,224	433,914	404,444
Wheat, etc., on hand	1,163,402	699,133	780,527
	$1,762,147	$1,163,836	$1,267,170

It may be noted that last year $100,000 6 p.c. bonds were redeemed. In view of the improvement in the profits of the past year, which reflect no doubt improved conditions, the outlook for Lake of the Woods would appear to be distinctly encouraging.

THE MIDLAND AND TEXTILE INSURANCE COMPANY.

The fact that the Midland and Textile Insurance Company, of London, England, acquired, a short time ago, the whole of the shares of the London Mutual Fire Insurance Company of Canada, together with its subsidiary, the Imperial Fire of Ontario, lends interest to its annual report, a summary of and comment upon which appears in the London Post Magazine. The Midland and Textile was only founded in 1908, but appears to have been pushed along at a tremendous pace. Aided by the Canadian transactions referred to above, and the purchase of the goodwill of another company located in Yorkshire, the total net premiums during the year ended March 31 last, advanced by £117,458 during twelve months or from £75,582 to £193,040 as against the modest sums of £15,571 and £5,805 recorded in 1910 and 1909 respectively.

The rise in fire premiums was from £62,635 to £176,366. "Despite this long stride in income," observes the Post Magazine, "the loss ratio comes out much higher than formerly, claim payments and provisions taking £106,566, or 60.4 per cent. (as against 45.5 per cent. in 1911), this being, moreover, exclusive of £3,627 for losses intimated since the end of March. Upon commission and management the expenditure was £72,327, or 41 per cent., the year's outgo consequently exceeding the revenue by £2,527. As the result, however, of reserves of £61,765 taken over with the acquired businesses, the provision for unexpired risks has been increased from 23 to 35 per cent. of the premiums, the adverse balance wiped off, and £8,312 released for transfer to what is described as an 'appropriation account.' This does not, of course, represent the entire effect of the recent purchases, which have left in the balance sheet a book-keeping asset of £21,126, as against £815 previously, to be written off out of the future profits which it is hoped to realize."

The Midland and Textile also transacts various casualty lines. Employers' liability business, the Post Magazine points out, brought premiums of just over £6,000, and claims of 29.8 per cent., and a transfer of £412 from the appropriation account enabled an unexpired risk reserve of 40 per cent. to be set up. Personal accident insurance contributed £1,921 in premiums, against which claims paid and outstanding required £1,266, or 65.9 per cent. An adjustment of the unexpired risk reserve, raising it from 24.4 to 35 per cent. of the premiums, left £76 for transfer to appropriation account. General accident transactions proved unprofitable, for, whereas the premiums declined from £10,499 to £8,742, claims made an increased demand at £6,368, or 72.8 per cent., while expenses and commission, at £4,097, or 46.8 per cent., were burdensome. To equip the department with a 35 per cent. risk reserve, the appropriation account had to be drawn upon to the extent of £2,221.

Commenting upon the statement, the Post Magazine observes:—"A satisfactory feature of the balance sheet is the increase from 25 to 38 per cent. in the proportion of the total assets represented by interest-bearing investments, and with the £18,750 derivable from the second instalment of the 5s. call (made to increase the paid-up capital) further progress in this direction should be facilitated. Retrenchment in the matter of expenditure should also be easier now that so substantial a nucleus of busi-