

securities, etc., and when we add these to the actual cash, our reserves are shown to be 54 per cent.—also satisfactory.

PROFITS.

"The profits for the year \$1,379,318.38, have been computed after a most thorough examination of the assets of the Bank by our own officials and the auditors, and after making what we believe to be full allowances for depreciation, possible loss and contingencies; but we must always remember that business is at present conducted upon inflated values, and that even with the utmost care in selection of loans, we cannot expect to escape without some losses during the period of deflation.

LOANS AND DISCOUNTS.

"In addition to direct assistance by way of advances to the Imperial and Dominion Governments we have made considerable individual advances to enable subscribers to take care of their allotments of Victory Bonds. These advances are largely responsible for the increases in call loans, which you will note have grown from \$4,866,595 a year ago to \$5,739,096 on date of our last balance sheet. We have also given assistance to our ordinary farming and commercial customers, advances to whom have grown from \$48,544,711 a year ago to \$60,452,932 to-day, a considerable

portion of the increase being, as the President has already advised you, in the form of advances in connection with agriculture.

NEW BRANCHES.

"There has been considerable activity in the opening of new branches by all the Canadian Banks since the close of the war, and the fact that we have added 76—42 of the number during the past year—is proof that we have had our share in this activity; but we have only opened at points where we saw a fair prospect of reasonable returns for our expenditure, and I am happy to assure you that satisfactory results are being obtained.

THE STAFF.

"During the past twelve months the staff has been hard worked, possibly due to our enterprise in opening so many new offices, but these openings were, to some extent, due to our anxiety to absorb over 500 of our men who returned from overseas service, most of whom, we are happy to say, returned ready to re-establish themselves in civil life.

"In closing, I would only like to remind you that this is your Bank, and that you are vitally interested in its success, and I trust you will help us in the future as in the past to make it one of the most successful of Canadian institutions."

ACCIDENT PREVENTION IN NOVA SCOTIA

Employers coming under the Nova Scotia Workmen's Compensation Act have organized an Accident Prevention Association, as provided for by the Act. One year's work has now been completed, and the first annual meeting was held on March 25th. The president, C. D. Dennis, of Rhodes, Curry, Ltd., Amherst, was in the chair, and all the large industries of the province had representatives present. In his address Mr. Dennis reviewed the work of the organization since its inception in April, 1919, and outlined some of the difficulties that had been encountered. Addresses were also delivered by F. E. Lucas, Dominion Steel Corporation, chairman of the Metal Trades Section; F. W. Armstrong, vice-chairman of the Workmen's Compensation Board, and John McKeigan, chief auditor of that body. Several members present took advantage of the opportunity to ask questions regarding various phases of the application of the Compensation Act. The election of the officers and general executive committee resulted as follows: President, G. D. Macdougall, Nova Scotia Steel and Coal Co.; first vice-president, F. E. Lucas, Dominion Steel Corporation; second vice-president, J. E. McLurg, Halifax Shipyards, Ltd.; secretary-treasurer, H. R. Thompson, Canadian Manufacturers' Association.

SOME ACTIVITY IN REAL ESTATE

"There is a little activity now showing in business property," said Richard Loney, of Richard Loney and Co., Moose Jaw, in an interview with *The Monetary Times*. "Not much, it is true, chiefly on account of the high cost of building. Prices on improved properties in the residential districts are gradually increasing. Here again the activity in vacant property is checked on account of the cost of construction.

"However, in spite of the extra high cost of material and labor, there is a considerable amount of construction in sight, among the chief items being a new station and round-house extensions for the Canadian Pacific Railway. These alone, it is estimated, will cost nearly a million dollars. The Robin Hood Mills are building another large elevator and making other improvements which will run close to \$250,000. There are also several other projects in sight which will have a tendency to make 1920 building figures the largest since 1912."

FAVORS INSURANCE AGENTS' EXAMINATIONS

It is to the interest of the insured, the insurance company and the agent himself that the latter should be required to pass a test of fitness before a license is granted, said Andrew McBeth, manager of the Mutual Life in Regina, in addressing the Life Underwriters' Association in that city on May 8th. In reference to the companies, he said that it would eliminate the misrepresentation of policies which often happened through ignorance on the part of the agent, and that this would help the company, as every company wants to live up to its obligations, and misrepresented policies are a detriment. Referring to the public, he said, it is to the interest of the company to protect the public, and, consequently, create public confidence, and this requires knowledge of the policy. We must stop the work of some agents who try to present policies to the public with the idea that the public are to receive something for nothing. That system is past, and to-day any agent with a knowledge of his business need not stretch the truth to sell a policy, as the insurance business can stand on its own merits.

In conclusion, he dealt with the agent's viewpoint, and mentioned that there was no reason why insurance agents should not have some test. The profession, he went on, is not less inferior to that of any other profession, and there is no reason why there should not be some standard examination.

PROBABLE COURSE OF BOND PRICES

"Statistics, based upon past experience, show that when commodity prices were at a high level interest rates on prime securities, such as municipal bonds, were giving a high return, and when commodity prices were low, interest returns were correspondingly low," say C. H. Burgess and Co., of Toronto, in discussing the outlook for interest rates. For some time past commodity prices have been increasing, until they are now at a high peak, and interest rates also have steadily advanced.

"The price reduction of 20 per cent. by one of the largest departmental stores on the continent and similar steps by other retailers are an important sign. This is probably the first move in the direction of price deflation, and from now on the general trend of commodity prices should be down. With lower commodity prices will come lower interest rates, which mean higher prices for bonds. Bonds of our well-established municipalities, purchased now, should show considerable profit to the holder during the next few years."