TO CORRESPONDENTS.

T. C., Truro; G. H., Ottawa, and R. M. S., Montreal, and others, must pardon the non-appearance this week of a quantity of correspondence and other matter, held over because of an unusual number of company meetings pressing on our space. The Halifax letter was received the day before our last issue, but was then similarly crowded out. We have been compelled likewise to hold over various Board of Trade discussions, letters from New Zealand and Sydney, N.S.W.

"Onward," Winnipeg. Thanks for your reminder.

—The directors of the Dominion Steel and Iron Company held a meeting in Montreal on the 1st inst., and decided to make a new issue of common stock to shareholders to the amount of $10,000,000, as soon as the necessary legislation can be obtained from the Nova Scotia house. Mr. David Baker has been appointed general manager of the company.

—At the monthly dinner of the Canadian Manufacturers, Association, held on the 27th ult., in Montreal, and presided over by Hon. J. D. Rolland, president of the Montreal branch, several speeches were made strongly in favor of protection, including one by Mr. Archibald Campbell, M.P., for West York.

—The annual meeting of the stockholders of the Commercial Bank of Windsor was held in its offices, Windsor, Nova Scotia, on Tuesday, 18th February, 1902. The following gentlemen were re-elected directors: A. P. Shand, Clarence H. Dimock, John Keith, W. S. Blanchard, Charles S. Wilcox. At the meeting of the board, held subsequently, A. P. Shand, Esq., was re-elected president, and John Keith, Esq., vice-president of the bank.

CLEARING HOUSE FIGURES.

The following are the figures of Canadian clearing houses for the week ended with Thursday, March 6, 1902, compared with those of the previous week

Cities	March 6, 1902.	February 27, 1902.
Montreal	$21,344,452	$19,923,855
Toronto	14,257,436	13,163,655
Winnipeg	2,804,418	2,472,627
Halifax	1,666,983	1,665,068
Hamilton	879,507	766,281
St. John	770,836	742,216
Vancouver	767,302	905,072
Victoria	398,137	532,394
Quebec	1,316,912	1,076,897
Ottawa	....	....
	$..........	$..........

Aggregate balances, this week $........; last week $........

MEETINGS.

ADDRESS OF MR. H. C. McLEOD.

GENERAL MANAGER BANK OF NOVA SCOTIA, AT THE ANNUAL MEETING OF SHAREHOLDERS OF THAT BANK HELD AT HALIFAX 19TH FEBRUARY, 1902.

We believe that so long as secrecy regarding transactions with patrons is safeguarded, and the danger of hampering the management in future operations is avoided, shareholders and depositors are entitled to as much information as can be given, for which reason the form of balance sheet was devised to afford as complete information of the affairs of the bank as it is practicable to give in such a document. For some years the custom has been to supplement this information with a verbal statement in the way of explanation.

You will observe that the statement is as strong as usual, the proportion of liquid assets to liabilities being 66 per cent., leaving the bank in an excellent position to undertake desirable business.

Liabilities to the public have increased, but the increase is not exceptional, being in keeping with bank expansion throughout Canada. These liabilities now exceed twenty million dollars, or approximately double the figures of five years ago.

From the assets side of the balance sheet it will be seen that while cash reserves—I speak of specie and legal tenders—are higher than a year ago, the percentage to liabilities is not quite maintained, being 12.85 per cent., as against 14.21 per cent for 1900. However, it is the highest in Canada. For the year the average percentage appears as 12.42. At the end of the year the average for other banks, excluding the Bank of Nova Scotia, was only 7.07 per cent. With thirty-one banks, eight held cash exceeding 9 per cent. of liabilities, and to the credit of Halifax it may be said that four of these have their head offices in this city; fourteen carried from 5 to 9 per cent., and ten less than 5 per cent., some of the latter less than 2 per cent. The governor of the Union Bank of London recently sounded a note of warning on the subject of inadequate cash reserves held in the Metropolis, where straining after profits has not reached the extent indicated by the percentages just mentioned. Five years ago the percentage of cash to bank liabilities in Canada was 9.84 as above stated, it is now a little over 7 per cent. The decline is significant, and the attenuated cash reserves held in many cases brush aside every argument against fixed cash reserves and call for the immediate enactment of appropriate legislation.

Investment is an important and interesting item about which shareholders should be curious to the point of being inquisitive. I have pleasure in assuring you that the securities covered by the figures $3,657,334.94 were purchased for investment. The risks are well divided; we hold bonds of no less than one hundred and fifty-three corporations, municipalities and governments, and, with the exception of British consols and bonds of the province of Nova Scotia, the largest holding of the securities of any one obligant cost the bank less than $110,000. Being treated as investments, a rate of interest a little lower than the average rate derived from the bonds is taken into profits; but for many years the gains from sales of bonds have been applied to the reduction of the aggregate investment therein. As good investment securities generally advance when money is cheap and invariably decline with opposite conditions, no account has been taken in profit and loss account of enhanced values; you will therefore understand that the present market value of the bonds exceeds, to a considerable extent, the figures given in the balance sheet; but, as before explained, the market value will decline with dearer money, for which reason the investment cost, when less than the market value, constitutes the only stable basis of value from year to year. This is the custom with conservative banks in London, the United States and Canada.

The loans are divided under different headings, the object being to exhibit as clearly as possible to those interested in the bank the nature of its business. While it is impracticable to limit risks to the comparatively small figures that apply to bond holdings, the same policy of avoiding putting too many eggs in one basket, no matter how tempting the basket may look, is carefully followed, and is made to apply to the distribution of the bank's assets as well as to risks involved with individual loans. The bank is not under any commitments in the way of loans or otherwise in connection with bonds or stocks not in strict conformity with this policy. Sometimes large amounts are dealt with when making loans to parties of undoubted standing against grain and provisions covered by registered warehouse receipts, but even with this excellent security loans are not made of such magnitude that the total loss of any one of them would very seriously impede the bank's progress. These loans are keenly competed for, on account of the security afforded, and therefore return a comparatively small rate of interest.

To shareholders the profit and loss account is a most interesting part of a bank statement. A net profit of $368,927.01, or 18.86 per cent. on the average capital is shown for the year, in addition to appropriations on account of bank premises amounting to $25,894.99, as well as provision against bad debts. On the same line on which this profit is stated there appear the words: "Losses by bad debts estimated and provided for." By scrutinizing the assets as shown, these words will appear almost meaningless unless they signify more than that the notes and bills overdue have been provided for, and they are intended and expected to be understood as having a deeper meaning. Doubtless those who have perused the history of this institution, issued a few months since, will have observed that progress has not been steady, even during the past thirty years. Good times and bad times succeed each other. The period from 1875 to 1885, with its lack of progress and struggle to earn dividends, though under excellent management, will long be remembered. Although it was a bad period for profits, it was fruitful of experience, costly experience; the most valuable lesson being that to make appropriations for losses after they are ascertained is unreliable and incorrect. From the record you will see one year in which an actual loss is shown, more than the regular profits for the year having been required to pay losses on assets that a few months before were good in the opinion of most capable bankers, who have since attained marked distinction in their calling. The simple fact is, experience shows that by taking a long period of time, a certain percentage of the total loans made must be provided for as bad, with the natural conclusion that the scientific method is to provide that percentage each year, thus ensuring comparatively steady progress. This plan is in agreement with the acknowledged fact that losses creep in during good times, to be detected later when credits are more carefully administered. For life insurance companies, actuaries readily calculate with mathematical precision the loss