

THE MERCHANTS BANK REPORT.

Considerable interest having been excited in regard to the address of the General Manager of the Merchants Bank by our short review of it in the last issue of THE CHRONICLE, we re-publish it and the Director's Report in this number. One portion of Mr. Hague's valuable address was an elaborate survey of the somewhat vexed question of advances upon warehouse receipts. This portion of the address we hold over for next issue, with the intention of giving it additional prominence. We are assured that to our subscribers, and many other readers who are looking more and more to THE CHRONICLE as the leading financial organ of Canada, the publication of this address, and the very able one of Mr. B. E. Walker, General Manager of the Bank of Commerce, which appeared in full in our issue of the 1st June, will be welcomed with much appreciation.

THE RELATION OF BANKERS TO THE FINANCIAL PRESS.

There are few public institutions, we believe none, that can truthfully claim to be independent of all other institutions. Just as science teaches that every object in nature has relations more or less intimate with all other objects, so in the world of human interests there runs a bond by which they are co-related. The banks and the financial Press each occupy positions which, on a superficial view, seem to be independent one of the other, but their relations are really most intimate, and when properly adjusted and recognized, are mutually most serviceable. The banks are all creatures born of and sustained by credit. Public confidence is as vital a necessity to a banker in his business as air is to his body. If confidence is withdrawn he is like one shut up in an air tight room, death is certain if the condition continues. The financial Press stands in an analogous position, for its vitality is dependant upon confidence. When a publication is distrusted, its funeral is at hand. There is, however, this distinction between the two: while no banker by discharging any function, or exercising any power as a banker, could do any serious injury to a financial organ, the financial Press has the power, as an organ of public opinion, of inflicting very serious injury upon a banking institution. No journal worthy of notice, worthy indeed of anything but contempt, ever allows one line to appear in its columns which is tainted by blackmail, or by revenge for favors asked being refused. Beyond irritation a banker has ordinarily little to fear from the attacks of a newspaper which are inspired by base motives, for base motives are an infallible indication of insignificance and of deficient ability. The writer who knows himself to be strong, who is conscious of possessing fullness of knowledge with the art of literary expression, is under no temptation to entertain base motives, his taste is above garbage or carrion. But, to use a familiar illustration, any fool can throw tacks on the road which will damage the costliest wheel, and so even the least reputable member of the Press can circulate rumours in critical

times which are liable to be highly injurious to a bank. This may be done without any sinister intention, it may be the mere outcome of ignorance, of some such blundering misinterpretation of a bank's statement as persons are liable to fall into whose competency for financial criticism is mere individual conceit. When a bank is so menaced, where can it turn for effectual defence except to the more reputable, well-informed, and influential financial Press? When, too, the whole banking interests of the country are jeopardized, as they have been several times in recent years, notably by the U.S. panic of 1893, the banks found those interests most effectively safeguarded by what an eminent banker acknowledged to be the most judicious, timely, and valuable services of the financial Press. There was no talk then of banks being independent of the Press. They stood in conscious danger behind the wind-break which the Press raised, and being thus protected the panic storm passed over them without leaving a mark of its severity. At a later period, it was known to a few of those responsible for the policy of the financial Press that a most serious crisis existed in banking circles owing to affairs in the U.S. money market. The public at large were unaware of what was going on. To have discussed such a situation at the time would have excited dangerous alarm in Canada. Silence was safety to all, and the crisis went by without even its existence being made known by the financial Press, which, for the second time in less than three years, rendered invaluable services to the banks by, in one case, their judicious comments and explanations, and in the next by an equally judicious course in keeping their own counsel. For years the watch dog may be ignored, but let his warning once prevent a burglarious attack, he is ever afterwards liable to be a spoilt dog. The financial Press of Canada has done yeoman service to the banks for years by educating the public upon banking matters more thoroughly than has been done in any other country. We know we are speaking "by the book" in affirming that no other people in the world are as well informed in regard to their banking institutions, nor view them with such intelligence as the people of this Dominion. Hence nowhere is there such universal confidence felt in banks as in this country, which is shown by events being allowed to pass without excitement which elsewhere brought numerous banks to ruin. The remarkable immunity of our banks from dangerous and disagreeable runs is chiefly owing to the wholesome influence exercised for many years by the financial Press, which stands sentinel-like ever on guard to protect the banks and those interested in their welfare from mischief, be it direct assault, or insidious attacks, or those dangers which arise from international monetary connections.

At present the bankers of the States are exceedingly anxious over a danger threatening their interests and those of the mercantile community generally. Appeals are being made to the Press to educate the voters on the silver question. Should that danger disappear, it will be owing to the influence of the financial Press which is rendering splendid service to banking interests.