

THE MOLSONS BANK REPORT

The statement of the results of the business of the Molsons Bank for the year ending September 30th, 1920, shows net profits of \$822,718 as compared with \$818,802 in the preceding year.

The General Manager, Mr. Edward C. Pratt, gave a few words of explanation with regard to the Annual Statement, during which he said:

The most striking change this year is the large decrease in Dominion and Municipal securities, over \$11,000,000, and on the other side the decrease of over \$5,000,000 in the amount owing to the Dominion Government. Last year's figures were exceptionally large, owing to the Government requirements just prior to the issue of the last Victory Loan and the reduction is mainly due to the paying off of Dominion and British Government loans. We may look for a further reduction in the same item in the coming year.

The great demand for commercial loans in Canada is reflected in the increase of \$7,800,000 in our loans and discounts. Our deposits show reasonable growth, a little over \$3,000,000.

There is an increase in Bank Premises of \$325,000. This covers expenditure that we found it absolutely necessary to make either in buying, building or improving our properties. We can assure you that the Bank now is very well equipped at practically all its offices.

With a total of assets and liabilities of about the same amount as last year we have returned practically the same profits although the expense of conducting the business has largely increased.

THE BANKS AND BUSINESS

Much of the present widespread criticism of our banks, on the part of industrial and agricultural interests grown out of a misunderstanding, or more accurately perhaps, out of a lack of complete understanding of the normal relationship of the banks to business. The funds of a bank are in a sense a public trust and should be employed in such a way as to render the greatest real service to the business community.

Co-operation of banks with business is of a twofold nature: First, a direct service through the extension of credits and, second—and in no way of less importance—the indirect service of maintaining the integrity of the general business situation. Common sense should make it clear that the second or indirect service is as truly in the nature of a service to the business community as is the first. This is not meant as a statement that the bank is in any sense an eleemosynary institution, for such, of course, is not the fact. In fact, the interests of the bank itself as a permanent profit making institution demand that it perform both of these services. Any impairment of the integrity of the

general business situation is, accordingly, a danger to the soundness of the bank. On the other hand, a material embarrassment of the bank is little short of disastrous to business. The bank, therefore, owes it to the business community as well as to itself to keep its position sound at all times.

There still exists just as truly and just as definitely as ever a limit to the ability of banks to lend. The position of our banking system is at present not such as would warrant any talk of bank difficulty or the like, but the facts of the situation should lead any intelligent and unbiased mind to feel that further credit extension would be unwise.

INDUSTRIAL UNREST

The war has left many by-products, but none more disturbing to the public mind than that of industrial unrest. This condition is the culminating result of changing industrial and political conditions which have been in progress for many years, and the war has simply accelerated these forces and brought some of the problems to a more acute state.

We witness vast and numerous experiments in the world with new industrial and social organizations. Many fear that we in this country are to have similar changes in our industrial society. But in our country there is doubtless unnecessary alarm in this respect. This is yet a land of opportunity with wide distribution of private property. Our Constitution provides easy and adequate means for its change and there is no excuse for violence, nor need we fear the fullest liberty of speech and press.

The enormous increase in the cost of living has greatly aggravated the industrial unrest, but with a prospective decrease in prices, and increase in disposition on the part of industrial and labor leaders to recognize their mutual obligations and duties, both to each other and the public, we may reasonably look forward, without alarm, to better adjustment of the forces of labor and capital.

Labor by fomenting strikes, encouraging disagreement with employers, is, in fact, striking at the heart of its own future progress, and impairing the prosperity of the country. Capital should recognize the results of the toilers, and improve working conditions and wages in ratio to the production and investment. Every man should be free to work out his own salvation and not be bound by the shackles of organizations, to his detriment.

Three factors are concerned in all these misunderstandings: labor leaders, industrial leaders, and the more often disregarded public. The latter's interests usually suffer most because of the rules under which the contest is held. The welfare of the general public is most important. In the settlement of disputes, consideration should be given to the effect upon the public, and full responsibility placed.