

THE MERCHANTS BANK OF CANADA—Continued.

THE VICE-PRESIDENT'S ADDRESS.

In moving the adoption of the Report, the Chairman said:—
A year ago I told you that, in view of our stronger position and the gradual clearing of the financial horizon, that we were ready as Bankers to consider legitimate propositions for the support of industrial undertakings in need of funds.

We had then substantial increases in deposits over the previous year which in the ordinary and natural course sought and found profitable employment.

During the year, as you will observe from the statements, we have been able to keep pace with commercial developments and requirements, thereby assisting and accelerating the productive power of the country, while at the same time subscribing to substantial amounts of various Dominion Government War Loans, and furthermore, acting in concert with other Banks, have extended our share of support to the Imperial Government with munitions loans.

In view, however, of the strain now thrust upon Banking resources generally, due in a large measure to the soaring cost of labor and of commodities, our policy must henceforth be one of special care and conservation, serving in the meantime our clientele to the best of our ability consistent with mutual safety and keeping always in view the uncertainties which surround this trying period through which we are now passing.

Late in the Bank's year the Board lost a very valuable colleague and friend in the person of the late Mr. Alex. Barnett. In Mr. Barnett's death a very successful and honorable business career was closed and we shall always miss his friendly co-operation and valuable advice. In Mr. Barnett's place the Directors have elected Mr. Thos. Ahearn, of Ottawa, to be a Member of the Board of the Bank. Mr. Ahearn occupies a leading place in the business life of the Capital City, and we count ourselves fortunate in numbering him among the Bank's advisors. (Applause.)

We are asking today for your election of a very prominent Member of the industrial field in the Hamilton and Niagara District in the person of Lieut.-Col. Moodie, as a director, Colonel Moodie's advice and co-operation will be a substantial gain to us, and we shall be very glad to have him associated with us in the direction of the important affairs of the Bank.

Mr. Patterson expressed his satisfaction at the statement presented, which feeling he was sure would be shared by the stockholders generally. He also expressed satisfaction at seeing Mr. Macarow in the position he now occupies, and at having Mr. Hebden among the directors, expressing the hope that the Bank would be fortunate enough to have his advice and co-operation for many years to come. (Applause.)

In seconding the adoption of the report, Mr. Long said: "Mr. Chairman and Gentlemen:—It is a great pleasure to me personally to be with you today, and I am very much pleased, indeed, to see so many of the stockholders of the Bank present at this meeting. I think we have every reason to congratulate ourselves that we have had during the past year such good business as is shown by this very satisfactory financial statement laid before us. (Applause.) Looking back for several years in the past, I think we all recollect that the statement from year to year has been improved as time went on. Possibly, we may have expected at the time the war broke out, that we would have rather a gloomy business time of it during the existence of the war, but fortunately, so far as the commerce of the country and the financial condition of Canada is concerned, we have not suffered as much as we might have expected we would. It is to be hoped that we have suffered as much as we are going to suffer. (Applause.)

"I think, gentlemen, that, as stockholders, we have just reason to feel satisfied with the statement, and to feel that it is very creditable to the gentlemen, who have been largely the cause of enabling the whole staff of the Bank to produce such a statement. I am sure, gentlemen, we all regret the absence from amongst us today of the President of the Bank, Sir Montagu Allan. During his absence, I think the vice-president has filled the gap, and played his part as vice-president creditably to himself and profitably to the Bank. (Hear, hear.)

"Now, we also notice certain changes in the staff. By promoting Mr. Hebden from the position of General Manager to the position of Managing Director—which is considered to be an advanced position from that of General Manager—

we have given a much-merited advancement. (Applause.) I am sure we all have the highest respect for Mr. Hebden, and I hope that in the position as Managing Director, which he now fills so creditably, he will be at a good many annual meetings to come. I think, gentlemen, we are all satisfied with the change made in this way, and in the elevation of Mr. Macarow, to fill the position of General Manager thus left vacant by Mr. Hebden. (Applause.) I think you will agree with me, gentlemen, that these are two desirable changes. I believe the stockholders will heartily approve of them. (Hear, hear.)

"I think you all agree with me that the statement laid before us today is a very good one, and from what I can understand every weed and every undesirable thing which might have been brought into the statement have all been taken out before the statement came to us. Of course, this policy of keeping a clean sheet, and a clean inside condition of the bank from year to year, has, no doubt, its effect on our confidence in the Bank, and in the management of it. I take very much pleasure in seconding the statement and the remarks that were made by the Vice-President, Mr. Blackwell."

The annual report was then unanimously adopted.

THE MANAGING DIRECTOR'S ADDRESS.

Mr. Hebden: "First of all, may I thank Mr. Long for the kind references to myself. The Board was kind enough to make me a Director, and, in doing so, they satisfied the ambition of a life-time. I consider it a high honor, indeed, to be a Director of the Merchants Bank of Canada. (Applause.)

"We have this year an unusually interesting and satisfactory statement to discuss reflecting a better tide in the affairs of the Bank.

"A year ago we had ten millions increase in deposits to record. Times, while then brightening, were such that no additional commercial business had been sought. On the contrary our policy was to keep liquid and the funds available went mainly into cash and high class bonds, Government and Municipal. During the Bank's fiscal year just closed a great change for the better, economically, came over the whole country, notwithstanding the war. Confidence returned, born of a great and rich increase in natural resources throughout Canada, associated with greatly increased prices for everything that we had to export and synchronizing with vast expenditures throughout the country on munitions account. Under the stimulus of this conjunction of favorable factors, money began to flow into the banks whose aggregate deposits have increased within the twelve months by the very large sum of \$20,000,000. The increase in deposits which has fallen to the share of the Bank represents double that of last year, namely, \$20,000,000. Month by month our deposits have grown, distributed pretty generally over the whole of our far-flung chain of branches enabling the Bank to extend its loaning and discounting business by many millions, automatically placing the earning power of the Bank upon a much improved plane. Within the twelve months past, we have done a great deal in the direction of assisting and facilitating industrial and agricultural enterprise, in addition to which, together with other banks, we have undertaken our full proportion of Dominion Government and Imperial Munition loans. We are now carrying over ten millions in Dominion and Imperial war obligations.

"The Merchants Bank of Canada has now moved well up into the plane of hundred million institutions, and when it is borne in mind that we have not amalgamated with any other bank, I think it will be admitted that your own has done fairly well.

"I am not going into statistics with you, seeing that the financial journals have been keeping the country so fully informed. I give you, however, a few figures showing the position of the Dominion of Canada in respect to imports and exports (domestic) just before the war and since, which I am sure you will agree with me, are surprising. The total imports—for consumption—for the fiscal year 1914 (end of March) were \$633,692,000 and in 1917 (just closed) \$845,331,000, or an increase of \$211,639,000. The exports (domestic) for 1914 were \$431,588,000 and in 1917 (just closed) they were \$1,151,376,000, or an increase of \$719,788,000. The net debt of Canada in 1914, just before the

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