

Fifty-Eighth Annual Meeting of The Merchants Bank of Canada

Sir H. Montagu Allan, the President, Draws Attention to the Principal Features of Bank's Progress During Year of Expansion—Bank Now Has 400 Branches and 2,997 Shareholders.

D. C. Macarow, General Manager, States That a Certain Optimism is Not Only Warrantable and Desirable, But Even Essential—Reports Gain of \$7,000,000 in Interest Bearing Deposit For Year.

The fifty-eighth Annual Meeting of the Shareholders of The Merchants Bank of Canada marked the close of a satisfactory year for the Bank. The annual report indicated that business had been well maintained during the period of readjustment.

Sir H. Montagu Allan, the President, in his address on behalf of the Board of Directors, dealt particularly with the main features of the progress of the Bank during the past year and pointed out that there were now 400 branches. In addition, there was a steady increase in the number of shareholders of the Bank, the total number now being 2,997, as against 2,622 a year ago, an increase during the year of 375.

D. C. Macarow, the General Manager, in a constructive address, took the view that at this stage of Canada's development a certain optimism was not only warrantable and desirable, but, indeed, essential, for it begets that stimulating measure of constructive effort energy and courage through the application of which the obstacles, the country now has to face would in due course be more surely and readily overcome.

Mr. Macarow also referred to the general business of the Bank and pointed out the large measure of assistance which was given to the Industries of the country, including support in full measure, to our largest individual source of production and wealth—agriculture. This is reflected by total current loans and discounts of \$1,09,183,000.

At the moment special reports of the Bank indicated that crop conditions throughout the country were at the present exceptionally promising.

Report of Board of Directors

The President, Sir H. Montagu Allan, in presenting the Annual Report, spoke as follows:—

I beg to submit the Fifty-eighth Annual Report and Statement of The Merchants Bank of Canada for the year ending the 30th April, 1921, together with the statement of the Profits for the same period.

The general depression in business which has been felt to a greater or lesser degree in every country in the world for some months past has affected the business of the Bank to some extent, but we hope the low point of the depression has been passed, and that there will soon be a change for the better. In the meantime, although we do not feel there is any cause for anxiety in regard to the future prosperity of this country, we feel called upon to advise our customers to be very cautious before undertaking new commitments. The coal strike in England, which will no doubt result in the loss of a great deal of trade, and the unrest and discontent which seems to prevail in nearly all the countries of Europe, give rise to serious financial problems, which have got to be reckoned with, but no man in this country, who is strong and healthy, can afford to be a pessimist for any length of time. The known and undeveloped resources are sufficient to insure future prosperity.

It is gratifying to be able to tell you that our London Office, which was referred to last year as a new venture, is now well established and is building up a valuable and profitable connection.

In New York we have acquired an excellent building in the heart of the financial district, No. 38 Wall Street, and our Agency was established there on the 28th March last. The building has been remodelled to suit our requirements, and as a result of the change, we anticipate increased business and added prestige for the Bank.

We moved into our new office on King Street, Toronto, early in May, and we are satisfied it will be appreciated by our customers and all those who are interested in the Bank, and we hope when any of the Shareholders are visiting Toronto they will not fail to see it. The building as well as the location, is a great improvement over our former premises, and we confidently expect corresponding results. We were fortunate in having let the contract before the advent of the very high prices for labor and material.

Bank Has 400 Branches

During the year we opened 12 new Branches and established 11 sub-Agencies on regular Branch basis. Three Branches were closed, while 12 sub-Agencies were opened and 8 closed. Our total number of Branches is now 400.

In order to provide for our growing business in the uptown district of Montreal and to prepare for future requirements, it was deemed advisable to acquire another uptown site on St. Catherine Street, and we have accordingly purchased the northeast corner of St. Catherine and Drummond streets, a site probably unequalled in point of location. It is the intention to erect thereon a suitable building that will afford every modern banking facility for that busy district.

As mentioned in last year's report, a further issue of \$2,100,000 of new stock was made, making the paid-up capital of the Bank \$10,500,000 and by the transfer of the premium on the new stock to the Rest Account, the Rest now stands at \$9,450,000.

The Shareholders of the Bank now number 2,997, as against 2,622 in 1920, being an increase of 375 during the year.

We have to record with deep regret the loss by death of three of our Directors, two of whom were Vice-Presidents, Mr. K. W. Blackwell, Mr. Andrew J. Dawes, and Mr. Thomas Long. Mr. Blackwell had been a Director and then Vice-President of the Bank for some years, and was a man of very high character and a most lovable disposition. He acted in my place during the four years I was absent in the affairs of the Bank, and his loss was very greatly felt by all of us. Mr. Andrew J. Dawes was appointed Vice-President in his place, and during the few months he occupied that position his good judgment was of great assistance on many occasions, and his death was very deeply regretted. Mr. Thomas Long had been a Director and our Ontario representative for many years. Our business in that Province has shown satisfactory progress, which in no small measure was due to Mr. Long's exertions on our behalf.

New Members on Added to the Board

The position of Vice-President was filled by the appointment of Mr. F. Howard Wilson, and the vacancies on the Board were filled by the appointment of Mr. John Baillie, Mr. Ross H. McMaster, and Mr. Norman J. Dawes. These gentlemen are all well known business men of high character and standing in our community, and I am sure their advice and assistance will prove very valuable in the management of the affairs of the Bank.

We, in Common with the Directors of the other Banks in Montreal, subscribed on behalf of the Bank to the Fund raised for McGill University by the campaign last autumn. We felt called upon to do this, as we are greatly indebted to the University for the course of lectures on Banking and for the lectures in the School of Commerce. This School has developed into an important part of the Faculty of Arts. We consider the work done by the University in educating our men in all branches, including Applied Science, has a large bearing on the business of the Bank from the fact that the prosperity of the Bank is bound up in the prosperity of Canada, and it is only by the education of the young men that the progress of the country can be maintained in competition with the other nations of the world. We hope our action will receive your unanimous approval.

The Directors have pleasure in stating that the unanimous members of the staff, as a whole, have performed their duties in a satisfactory manner, and they recognize that the success of the institution is largely due to their loyalty and co-operation.

All the various offices of the Bank have been inspected as usual during the past twelve months.