

THE MOLSONS BANK.

The Annual Meeting of the Molsons Bank having been held in the midst of a time of nervous anxiety in regard to stocks naturally called out a caution from the president, Mr. William Molson Macpherson. He said: "While we are to-day enabled to look upon the past year with feelings of satisfaction, we must view the present and future with feelings of extreme caution. The channels which the increasing loans have gone into are, we apprehend, in many cases surrounded by a speculative element other than of a *bona fide* business character." Caution is the banker's sheet anchor, and the record of The Molsons Bank shows that from the day of launching it has held the institution from drifting into unsafe waters.

The report and statement presented to the shareholders show the past year's business to have been growing in extent and profitability. During the year there was \$356,000 added to the capital paid up which now stands at \$2,856,420. The net profits were \$439,092, a sum which equals 15.37 per cent. of the paid-up capital. Doubtless, a higher percentage was earned as the additional capital was not available throughout the entire year, but 15.37 per cent. was high enough to indicate a high degree of earning power, an avoidance of bad business, and generally very successful management upon which gratifying result the board and general manager are entitled to congratulations.

As compared with two years ago the main items in the statement shows as follows:

	1903.	1901.	Increases
	\$	\$	\$
Capital paid up	2,856,420	2,500,000	356,420
Reserve fund.....	2,720,778	2,150,000	570,778
Deposits not bearing interest.....	2,801,460	2,792,448	9,012
Deposits bearing interest.....	14,804,137	12,546,736	2,257,401
Total deposits.....	17,605,597	15,339,184	2,266,413
Securities.....	2,790,511	2,311,447	479,064
Immediately available assets.....	8,668,938	7,370,598	1,298,340
Call and short loans	1,898,009	1,215,112	682,897
Discounts and loans.....	17,753,376	15,227,958	2,525,318
Net profits.....	439,092	353,890	85,202

Since the meeting in 1902 the total deposits have increased to extent of \$508,317, the call and short loans decreased by \$910,947 and the discounts and current loans have been enlarged to extent of \$2,404,424, and the next profits last year were \$87,719 in excess of those in the previous year.

The expansion of the bank's business has been mainly in the direction of mercantile discounts, which is sufficient to account for the increased profits. The profits were appropriated as follows:

Balance brought from 1902.....		\$ 26,905
Net profits last year.....		439,092
		\$465,997
Dividends, 9 per cent	235,586	
Taxes.....	8,752	
Outlay on bank premises.....	35,908	
Officers' Pension Fund.....	10,000	
Added to rest.....	150,000	
		440,241
Balance carried forward.....		\$ 25,756

The president stated that a bonus had been given to the staff in recognition of their excellent services in the past year. In a staff of over 270 no irregularity had occurred. He referred in very hopeful terms to the progress made by and the prospects of Canada. He made feeling allusion to the death of Mr. Samuel Finley and spoke of his successor in the Board, Mr. William C. McIntyre, as being a valuable acquisition to the bank.

THE STOCK MARKET SITUATION.

When the financial record of the past twelve months and the present time come to be written at a later period the narrator can hardly fail to point out how striking was the contrast between the general financial conditions of this country and the United States and the conditions prevailing in the stock market. At no previous period were such favourable conditions enjoyed in the financial sphere on this continent as those existing throughout the years 1902 and 1903. Two harvests were reaped of exceptional productiveness and value on the market. The demand for manufactures for home consumption and export exceeded all previous years. The insolvencies were exceptionally small in number and the aggregate liabilities below the average. The railways were earning far more from passengers and freights than ever before; the deposits in the banks, trust companies and loan companies were flowing in to an extent beyond all precedent. The political conditions were exceptionally favourable for developing confidence. The United States and Great Britain were on such terms of amity as had never existed since the Declaration of Independence. Yet, in spite of such a remarkable combination of conditions favourable to and naturally productive of unruffled confidence in the financial sphere, there was developed a tremor, a disquietude, a distrust which had all the features of a panic. Indeed, had trade not been prosperous, and had the harvests been deficient there can be no doubt that a panic would have occurred with the usual disastrous effects. The disturbance, however, has been confined to the stock market, where no slight mischief has been done to those who, without due consideration, allowed themselves to be flurried and rushed into most needless alarm by circumstances that, when fully understood, did not justify the general anxiety and distrust which were developed. A more reasonable spirit is gradually being shown, but there is still a nervousness prevalent which is causing many to be the victims of their own lack of consideration and study of the facts of the situation and the outlook.

Surely it must have occurred to all who observe the existing conditions of our industrial enterprises, our railways, and other corporate industries, that they have been enjoying unusual prosperity, and, in most cases, have devoted a considerable portion of the earnings to bettering and repairing their plants.