

THE MOLSONS BANK STATEMENT

The Molsons Bank, in the fiscal year ended 30th September last, enjoyed twelve months of prosperity, and satisfactory expansion. The operating field of the bank was extended by the opening of twelve new branches, as indicating the progressive policy of the management.

The profits for the year amount to \$822,718, as compared with \$818,802 in the preceding year. With the balance \$275,435, brought forward from the previous year, there was available for distribution \$1,098,153, which has been appropriated as follows:—Dividends \$480,000, Dominion Government taxes \$70,000, Officers Pension Fund \$25,061 and Charity Fund \$5,000. These allocations having been met, a balance of Profit and Loss is carried forward of no less than \$518,092.66. The Assets of the Molsons Bank stand at \$93,210,954 as compared with \$94,513,102, a decrease of about \$1,300,000, which is no doubt due to the Banks position to meet the present changing conditions following the abnormal state of affairs, which prevailed during the war. It may be noted, however, that the assets are about \$16,000,000 greater than those recorded two years ago. Non interest bearing deposits at \$11,707,237 are about the same as the preceding year. Interest earning deposits show a substantial increase of nearly \$4,000,000 and amount to \$55,037,581. On the Assets side of the account, holdings of specie and legals stand at \$6,791,740 and the deposit in the Central Gold Reserves is reported at \$2,000,000.

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.

Call and short loans in Canada amount to \$7,839,278, other current loans and discounts in Canada total \$51,636,475. These two amounts combined indicate an increase of well over \$8,000,000.

The excellent statement is a great tribute to the general manager's able direction of the affairs of an institution that for so many years has taken a prominent share in the task of providing for the financial requirements of Canada's commercial community.

The President, Mr. Wm. Molson Macpherson in the course of his address to the shareholders said:—

"The deposits of the Canadian public in the chartered banks of Canada show an increase for the year of \$70,000,000, but the bank loans in Canada have increased by \$360,000,000. This justifies the banks in their present policy in restricting loans

You are doubtless aware that for the past four or five years the Canadian banks have supplied their customers with the necessary funds to conduct their business with little, if any, increase in discount rates, and our customers at the present time are discounting their bills at lower rates than can be obtained in Great Britain or the United States. We are sure that the Canadian public must value the steady money market they have enjoyed all through these troublesome times.

The period of falling prices has begun and provided the drop is gradual and not violent our people should be able to meet the changing conditions without difficulty. Most of our manufacturing and trading firms have prospered so well during the past few years that they are in a good financial condition to meet a period of readjustment without embarrassment.

While the farmer may have to be content with a smaller price for his produce this year, the very bountiful crops all over the country should give him as great a return in money as last year. The extraordinary advance in the markets of the world in the price of pulp and paper is altogether to the advantage of Canada.

Exchange on New York still runs heavily against Canada and exchange on London greatly against Great Britain. As England has been in the past the largest market for our exports, the fall in the value of the pound sterling as represented in Canadian dollars has made it more difficult to sell in England. The balance of trade, which a year ago was running in our favor, has now turned against Canada, the year ending 30th September showing \$80,000,000 excess imports over exports as against \$383,000,000 excess exports over imports last year. Until there is a better balance between imports and exports exchange rates will be abnormal.

Canada needs more population, most of which must come through immigration. This should be carefully selected and no better means of getting a good class of immigrants can be found than the recommendation of those who know the country and advise their friends and acquaintances to move here. In this connection the visits of the British Press Congress and of the Chambers of Commerce of the Empire should be most helpful. Our visitors during the year included leaders of industry, commerce and letters in Great Britain, India, Australia and the other colonies, many of whom visited points all over Canada. All the speakers expressed their pleasure at the wonderful development seen throughout the country and we feel sure on returning home will speak well of its prospects.

The Government very wisely has increased taxation until it is apparently now sufficient to meet the national outlay without necessitating the issue of new loans.