

The Merchants Bank of Canada

Proceedings at the Fifty-fourth Annual Meeting of Shareholders on June 6th, 1917

The fifty-fourth Annual Meeting of the Shareholders of the Merchants Bank of Canada was held Wednesday, June 6th, in the Board Room at the head offices of the Bank at Montreal. The meeting was called to order at twelve o'clock noon.

Among those in attendance were: Messrs. K. W. Blackwell, Thomas Long, Andrew A. Allan, A. J. Dawes, F. Howard Wilson, Farquhar Robertson, Geo. L. Cains, Alfred B. Evans, E. F. Hebden, Lt.-Col. James R. Moodie, D. C. Macarow, Arthur Browning, Vivian Harcourt, John Baillie, A. Piddington, Edward Fiske, T. E. Merrett, A. B. Patterson, R. S. White, A. D. Fraser, John Patterson, Dr. A. McDiarmid, Frederick Hague, C. E. Sprague, R. Shaw, D. Kinghorn, J. D. G. Kippen, W. J. Finucan, W. B. Harshaw, R. H. Arkell, J. G. Muir, H. B. Loucks, W. A. Meldrum and J. M. Kilbourn.

On the motion of Mr. John Patterson, the vice-president, Mr. K. W. Blackwell, in the absence of the President (Sir H. Montagu Allan), was asked to take the chair.

Mr. J. M. Kilbourn was appointed secretary of the meeting.

The minutes of the last annual meeting were taken as read.

The Chairman, Mr. K. W. Blackwell, then presented the Annual Report as follows:

THE ANNUAL REPORT.

I have pleasure in submitting for your approval the Fifty-fourth Annual Statement of the Merchants' Bank of Canada as at the close of business on the evening of April 30th, 1917, the last day of the Bank's fiscal year. I also beg to submit a statement of the Profits covering the same period.

You will observe that the profits on this occasion are larger by \$169,595.42. Our important expansion in deposits (about twenty millions) has enabled us to very substantially increase our commercial and industrial advances to the material improvement of our earning power, and, at the same time, to keep properly strong. A study of the Balance Sheet will, I am sure, satisfy you in the latter respect.

During the past year we have opened Branches at: Almonte, Pembroke, New Toronto, Niagara Falls, Collingwood, Barry's Bay, Manitowaning, Ont.; Grand Mere, Notre Dame St., Lachine; Notre Dame de Grace, Que.; Sydney, C.B.; Forestburg, Nobleford, Monarch, Irma, Chipman, Alta.; Prussia, Prelate, Meacham, Sask.; and sub-offices at Mount Pleasant, Mimico, Breslau, Douglas, Ont.; Millicent, Peubold, Huxley, Galahad, Grainger, Alta.; Senlac, Sask.;

We have closed the following offices, as unremunerative: Battleford, Sask.; Lorraine (sub.), Alta.

All the various offices have been inspected during the past twelve months. The usual Auditors' Certificate is appended.

All of which is respectfully submitted.

K. W. BLACKWELL,
Vice-President.

The Financial Statement

Statement of the Result of the Business of the Bank for the Year ended 30th April, 1917.

Thet Net Profits of the year, after payment of charges, rebate on discounts, interest on deposits, and making full provision for bad and doubtful debts, have amounted to	\$1,120,308.84
The balance brought forward from 29th April, 1916, was	250,984.12
Making a total of	\$1,371,292.06

This has been disposed of as follows:

Dividend No. 116, at the rate of 10 per cent. per annum \$175,000.00	
Dividend No. 117, at the rate of 10 per cent. per annum 175,000.00	
Dividend No. 118, at the rate of 10 per cent. per annum 175,000.00	
Dividend No. 119, at the rate of 10 per cent. per annum 175,000.00	
	\$ 700,000.00
Donations to Canadian Patriotic and Red Cross Funds	30,000.00
Government War Tax on Note Circulation	70,000.00
Written off Bank Premises Account	100,000.00
Contribution to Officers' Pension Fund	50,000.00
Balance carried forward	421,292.96
	\$1,371,292.06

K. W. BLACKWELL, E. F. HEBDEN, D. C. MACAROW,
Vice-President. Managing Director. General Manager.

STATEMENT OF LIABILITIES AND ASSETS AT 30th APRIL, 1917.

LIABILITIES.		1917	1916
1—To the Shareholders			
Capital Stock paid in	\$ 7,000,000.00	\$ 7,000,000.00	\$ 7,000,000.00
Rest or Reserve Fund	7,000,000.00	7,000,000.00	7,000,000.00
Dividends declared and unpaid	178,365.00	175,542.50	
Balance of Profits as per Profit and Loss Account submitted herewith	421,292.96	250,984.12	
	\$14,599,657.96	\$14,426,526.62	
2—To the Public			
Notes of the Bank in Circulation	9,483,468.00	7,486,906.00	
Deposits not bearing interest	27,101,587.86	17,181,959.18	
Deposits bearing interest (including interest accrued to date of statement)	65,000,484.42	54,995,069.97	
Deposits due to other Banks in Canada	628,863.08	363,799.39	
Deposits due to Banks and Banking Correspondents in the United Kingdom and foreign countries	3,904,690.72	877,399.91	
Bills payable	411,806.78	1,029,702.00	
Acceptances under Letters of Credit			
Liabilities not included in the foregoing			
	\$121,130,558.82	\$96,361,363.07	

ASSETS.

Current Coin	\$ 4,766,438.82	\$ 3,681,854.13
Deposit in the Central Gold Reserves	3,500,000.00	1,000,000.00
Dominion Notes	7,650,790.50	8,106,240.25
Notes of other Banks	793,367.00	702,006.50
Cheques on other Banks	5,674,828.67	2,754,968.88
Deposits due by other Banks in Canada	2,635.33	2,836.92
Deposits due by Banks and Banking Correspondents in the United Kingdom	61,225.79	207,226.65
Deposits due by Banks and Banking Correspondents elsewhere than in Canada, and the United Kingdom	2,413,100.10	3,892,026.83

Dominion and Provincial Government securities not exceeding market value	3,862,507.19	2,480,446.72
Railway and other Bonds, Debentures and Stocks, not exceeding market value	3,964,251.24	5,055,106.27
Canadian Municipal securities and British, Foreign and Colonial public securities, other than Canadian	11,263,196.20	5,251,321.38
Call Loans in Canada on Bonds, Debentures and Stocks	4,627,863.57	5,175,048.49
Call Loans elsewhere than in Canada	3,461,420.47	2,651,404.32
	\$ 52,041,624.88	\$40,960,486.84
Current Loans and Discounts in Canada (less Rebate of Interest)	62,737,958.74	48,835,565.38
Current Loans and Discounts elsewhere than in Canada (less Rebate of Interest)	377,582.42	203,125.72
Liabilities of customers under Letters of Credit as per contra	411,806.78	1,029,702.00
Real Estate other than Bank Premises	294,107.07	177,186.29
Overdue debts, estimated loss provided for	149,039.68	164,363.18
Bank Premises, at not more than cost, less amounts written off	4,617,400.23	4,507,782.34
Deposit with the Minister for the purposes of the Circulation Fund	375,000.00	345,000.00
Other Assets not included in the foregoing	125,949.92	138,151.32
	\$121,130,558.82	\$96,361,363.07

K. W. BLACKWELL, E. F. HEBDEN, D. C. MACAROW,
Vice-President. Managing Director. General Manager.

Report of the Auditor to the Shareholders of the Merchants Bank of Canada.

In accordance with the provisions of Sub-Section 19 and 20 of Section 56 of the Bank Act, I report to the Shareholders as follows:—

I have examined the above Balance Sheet with the Books of Account and other records of the Bank at the Chief Office and with the signed returns from the Branches and Agencies.

I have checked the cash and verified the securities of the Bank at the Chief Office against the entries in regard thereto in the books of the Bank as on 30th April, 1917, and at a different time during the year and found them to agree with such entries. I have also attended at some of the Branches during the year and checked the cash and verified the securities held at the dates of my attendances and found them to agree with the entries in the books of the Bank with regard thereto.

I have obtained all the information and explanations I have required. In my opinion, the transactions of the Bank which have come under my notice have been within the powers of the Bank, and the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of my information and the explanations given to me, and as shown by the books of the Bank.

VIVIAN HARCOURT,
(of Deloitte, Plender, Griffiths & Co.),
Auditor.

Montreal, 21st May, 1917.

The Chairman moved the adoption of the report, seconded by Mr. Thomas Long, and it was unanimously adopted. The Chairman then reviewed the Bank's position and the general business situation, making reference to the loss the Board had sustained in the death of their late co-director, Mr. Alexander Barnett, and mentioning that Lt.-Col. James R. Moodie would be proposed for election to a place upon the Directorate.

The Managing Director (Mr. E. F. Hebden) then reviewed the business of the year and the industrial situation, pointing out the necessity for keeping the Bank's position liquid. Mr. Hebden pointed out that the Chartered Banks of Canada were the bulwark and stay of Canada's industrial life, yet even the Banks required a breathing spell at times, and that the prevailing high cost of material and labor might, unless a policy of moderation were generally adopted by borrowers, bring about a situation which would bid fair to become strained.

The General Manager confined his remarks to the staff, and said: "There is one hidden yet dominant factor to which it is perhaps pertinent and proper I should make some special reference. I refer to that all-important portion of your assets, the Staff."

"It will be a matter of interest to you—and of pride, I have no doubt—to know that from a total of 874 male members of the Staff of military age at the beginning of the war, 520, or 59 per cent., have enlisted for Active Service and are now overseas. (Great applause.) Of these, be it said, with feelings of the deepest and most reverent sorrow, 28, or one in every 19, will never return. Some 60 have been wounded, and by many, high honors have been won for valorous deeds in the field. To these gallant young men, actuated by the highest of patriotic motives, every possible tribute of praise, admiration and gratitude is extended. But we must not forget their fellows, who, out of necessity, have remained behind, and who have been compelled, in the circumstances, to assume extra duties and heavier responsibilities. These additional burdens, I gratefully testify, have been cheerfully shouldered, and thus have they been doing, unostentatiously but effectively, their important share towards keeping 'the home fires burning,' against the great to-morrow, when Canada will be rejoicing at the victorious return of her gallant sons from the Front. Let us hope the dawn of that momentous day may be in the not distant future." (Applause.)

Mr. Patterson expressed the appreciation of the stockholders for the efforts of the staff, and had no doubt recognition of a tangible nature was being given by the management.

On the motion of Messrs. John Patterson and Alfred Piddington, Messrs. Vivian Harcourt and Gordon A. Tansley, of Deloitte, Plender, Griffiths and Co., were appointed auditors of the Bank, to hold office until the next annual general meeting.

On the motion of Messrs. A. D. Fraser and John Baillie, Messrs. John Patterson and F. Hague were appointed scrutineers for the election of directors.

It was then moved by Mr. John Patterson, seconded by Dr. Alfred McDiarmid, that the scrutineers should cast one ballot in favor of the following persons as directors: Sir H. Montagu Allan, and Messrs. K. W. Blackwell, Thomas Long, F. Orr-Lewis, Andrew A. Allan, Lieut.-Col. C. C. Ballantyne, A. J. Dawes, F. Howard Wilson, Farquhar Robertson, Geo. L. Cains, Alfred B. Evans, E. F. Hebden, T. Ahearn and Lt.-Col. Jas. R. Moodie. This motion was carried unanimously, and the scrutineers declared these gentlemen to be elected as Directors.

This concluded the business of the meeting, which then adjourned. At a subsequent special meeting of the Directors, Sir H. Montagu Allan was re-elected President, Mr. K. W. Blackwell, Vice-President.