

## THE MERCHANTS BANK OF CANADA—Continued

Our field of operations is very large, extending from the Atlantic to the Pacific, and there are many other banks in the field, besides ourselves, some of them being very great and powerful institutions, with enormous capital and highly efficient management and organization. So it is a comfort to feel that we have a good staff, and that they are right on the job. (Applause.)

I beg to move the adoption of the report, seconded by Mr. Thomas Long.

### MR. THOMAS LONG

In seconding the adoption of the Report, Mr. Thomas Long then said:

It is a great pleasure to me to be invited to second the adoption of the Annual Report, which has been presented by the Vice-President. I am sure that as stock-holders we are all pleased and delighted to see the substantial growth that has taken place within the past few years in the volume of business transacted by this Bank. That this progress is still continuing is apparent by the report we have just heard, so that we may look forward to the future with both hope and confidence. (Applause.)

The Annual Report was then unanimously adopted, on motion of the Chairman, seconded by Mr. Thomas Long.

### THE MANAGING DIRECTOR'S ADDRESS

MR. E. F. HEBDEN:—It was hoped, when we met a year ago, that before we came together again the great war would be drawing to a close. In this expectation the world has been disappointed. Certainly these are anxious days.

Meanwhile, the affairs of your bank continue to prosper, stimulated by favourable economic conditions certainly, but also because a hard-working and reasonably efficient organization, notwithstanding seriously increasing staff difficulties, has known how to turn the situation to the best account. In this your capable General Manager has been the main-spring. Notwithstanding possessing a staff, male and female, animated by great enthusiasm, owing to its serious depletion, the work, which is the work of the country, is greatly hampered and hindered with, I am sorry to say, the prospect of great and greater difficulties in this respect ahead. In our Dominion there is no more important part of the civil arm than the chartered Banks. I say it without the possibility of the statement being gainsaid that the chartered banks of Canada have been a pile-driving influence from Confederation on—notwithstanding some setbacks to themselves—in the development of Canada's material resources in every field of enterprise. No informed economist would attempt to deny that assertion. The banks of Canada, year by year, have played a great role herein and never greater than since the great war broke out, when competent well organized financial machinery was almost the breath of life of the nation—the life-line! Why am I at this meeting making this statement? Because it is too often forgotten when it should ever be remembered. It has been charged that banking profits have been excessive. The proprietary of the banks, a large part female, have never been made aware of this in any convincing way. As a matter of fact, the return to the investor, even at present prices, can reckon on six per cent. hardly more. No doubt the six per cent. is pretty sure. The business of banking cannot be carried on without some measure of risk. The profits of the banks must provide for losses, which are as inevitable as the sparks fly upward, and the bank that "lays out" to make absolutely no losses will make no profits and will sooner or later succumb to dry-rot. And so a proper and reasonable enterprise is the irreducible minimum in the operating of our great banking institutions.

The chartered banks of this country are working today for the civil and military interest under the highest pressure. Nevertheless, I greatly regret to state a further depletion of its trained staff is pending. The function of the banks extends to taking care of the savings of the people and also their current funds and their safe and profitable use. This heavy and weighty responsibility demands highly developed organization. The best interests of the country cannot be served by inadequacy or slackness herein. Banking is not a profession—it is science. It is also a highly specialized service. There are many departments. To allow the working machinery of the banks to run down under present and prospective conditions would be a policy of supreme folly and unwise in my view. It would be like throwing a hammer into the revolving wheels of the country's industries. Political sagacity could scarcely recede further than to withhold from the banks the necessary protection to insure them against confusion and disruption of their carefully adjusted and balanced organizations, never forgetting that the banks are continually engaged forwarding and promoting war work, as well as in advancing and facilitating the general commerce and trade of the Dominion, with its increasing swing and growing stride. Our native industries must never be forgotten or suffer neglect, especially in view of after-war problems looming larger and larger in our Canadian horoscope. There can be no higher or better statesmanship than to protect the chartered banks in their responsible and weighty work for the Dominion, equally against the time to come. Any other policy I believe to be reactionary, serving to keep heavily taxed executives busy working out problems inadequately, under most arduous conditions to the great hindering of the solid interest of the country at a time too when the banks will need to be worked to the last notch of efficiency.

We all realize how the country is growing in material wealth. In every direction it is expanding by leaps and bounds, economically. In agriculture, in manufacturing, in mining and the fisheries, in lumber and yet others—all have contributed their quota toward making Canada rich and great. All these great sources of wealth have vast interlocking interests with the banks and in increasing measure. But while the multitude and volume of the transactions is daily growing, the view would seem to be entertained that fewer, not more, trained assistants are needed to handle the increasing flood. Fifty per cent., or over 650 men, of the Merchants Bank have already taken up arms in the great war, and other banks have contributed in no less proportion, and, alas, all have suffered heavily. The chartered banks in Canada have given in man-power equal to ten regiments of one thousand each to the prosecution of the war.

May we respectfully urge on those in authority that the banks besides being charged with the public's savings and securities of every kind and description are also dispensers of credit in many forms. In all these grave and weighty responsibilities, experienced and trained judgment are a sine qua non. Bank branches cannot be managed with a rubber stamp. Let us trust the authorities will reconsider and leave us to struggle on with our already depleted and crippled organizations, for surely only along this line lies the path of prudence and safety.