

did results that had been achieved by the management during the past year. The only question that he would moot would be that of the new stock to be issued. He would like to know the opinion of the board, as to the terms upon which they wished to issue it. Some conversation had taken place pretty generally among the shareholders and the public about the matter. If the stock was generally understood, he supposed that it must be so; but he had so much confidence in the board that he would not think of dividing the meeting upon it. At the same time, the shareholders had been connected with the bank for a very long time, and he thought that if there was any little advantage to be given, it should be given to the shareholders by issuing the stock on fair terms. The reserve now considerably exceeded 75 per cent. He was sure that, if the issue were made in the way he had intimated, it would be a very popular thing among the shareholders, and it would be a very nice way of recognizing those who had been connected with the bank for many years. On these grounds he would like to have an expression from the board as to what they intended to do and on what terms they intended to issue the stock.

Mr. John Crawford considered that the report and financial statement were such that there was no one present who would not raise his hands in commendation of them. They were the most satisfactory that had been received for many years. Speaking of the proposed issue of new stock, he said that it was of very great importance to him to know whether it would be issued at a high premium, a low premium, or no premium at all. He would like to have an expression of opinion from the directors on this point, in order to enable the shareholders to vote discreetly and wisely. He had listened to a great many opinions on the street and elsewhere, and the opinion seemed to be almost unanimous that it should be issued at not above 50 per cent. premium; but Mr. Wolferstan Thomas, on behalf of the board, had very strong feelings that there should be as large a premium as possible. He had very great esteem for Mr. Thomas, and under these circumstances he would be willing to vote up to the extent of, say, 60 per cent. premium.

Mr. A. F. Gault considered that Mr. Crawford's remarks were not in order; it should be left to the Board of Directors as to the rate at which the stock should be issued.

Mr. Crawford said that if the stock was issued at par it would give a rest of 65 per cent.; issued at 50 per cent. it would give a rest of about 73 per cent.; and issued at 75 per cent. it would give a rest of 78. It was generally considered that 50 per cent. was ample for any bank for a rest, and he was of opinion that the Molsons was able to get along with as small a rest as any bank.

The President: We are very pleased to hear the views of the shareholders. That is the chief reason why we purpose now submitting the by-law for the increased capital. We thought that the best time to submit it was at the annual meeting, when you would be anxious to be present. It really would be assuming a great deal on our part to state that we had decided at what price to issue the new stock, because we have not decided. I cannot say we have not discussed it, but we have not made up our minds. We are pleased to hear your views, and I have no doubt we shall be largely guided by what you have said, and what we shall subsequently hear. The by-law will be proposed, and if there is anything further from the shareholders, we shall be glad to hear it. Meanwhile, the motion for the adoption of the report is before you.

Mr. John Crawford suggested that as the directors had not made up their minds yet as to whether the stock should be issued

at 50 or 100 per cent. premium, it might be desirable to postpone the consideration of the subject for three months—there was really no hurry—and by that time they would have come to a conclusion as to what the price should be.

The president: After you vote for increasing the capital, it has to be submitted to the Treasury Board, and it will take fully a month or more before we can do anything. I don't think it is necessary to postpone the vote on the by-law until then. The motion for the adoption of the directors' report was then carried unanimously, after which Mr. A. F. Gault moved the following:

"Resolved, that the following by-law of the bank be adopted:

"By-law (a). Whereas it is expedient that the capital stock of the bank should be increased, be it therefore enacted by the shareholders of the Molsons Bank assembled at the annual general meeting of the said bank:

"1. That the capital stock of the Molsons Bank be, and the same is, hereby, increased by the sum of \$500,000, divided into 10,000 shares of \$50 each.

"2. That the said increased stock shall, when the directors so determine, be allotted to the then shareholders of the bank, pro rata, at such rate as is fixed by the directors, but no fraction of a share shall be allotted, and the allotment of the said shares shall be subject in all respects to the provisions of the Bank Act.

"3. Any allotted stock, which is not taken up by the shareholder to whom such allotment has been made within six months from the time that the notice of the allotment shall be mailed to his address, or which he declines to accept, and also any shares which shall not be allotted by the directors, by reason of the prohibition contained in the Bank Act against the allotment of fractions of a share, may be offered for subscription to the public, and on such terms as the directors may prescribe."

Mr. Gault said that he had much pleasure in moving the resolution, and he was quite satisfied to leave it in the hands of the directors, as to the premium at which the stock should be issued. He felt confident that the directors would be very prudent in the matter, and he thought that all the shareholders present would be quite willing to leave the matter in their hands.

The motion for the adoption of the by-law was seconded by Mr. James Wilson, who re-echoed Mr. Gault's remarks.

THE GENERAL MANAGER.

After a little further discussion, the by-law was unanimously adopted, and following this the General Manager said: I may just say, as several gentlemen have remarked upon what they consider their rights, that is, that they should have a considerable sum placed to their credit, you might say, by the premium at which the stock is issued, being so much less than what they suppose it should be issued at. It has generally been spoken of as being issued at 75 per cent. Since the dividend was paid, stock has sold at 207 3/4. Take 210, and it would give you \$180,000 of advantage, which is not a very bad thing, considering you have participated for 44 years in the dividends of this stock, and they have shown a dividend of \$7.89 per cent. There is scarcely a business in this country that will show that. There is a reserve of \$1,625,000, and besides this there are bank premises. There are premises at Vancouver, which cost \$124,000. You may say that is a large sum to invest in buildings. We thought so, but we were laboring under a difficulty. There are advantages, I suppose, I know there are disadvantages, in having a bank called after the name of an individual. It is to the interest of any bank to have a territorial attachment as the name, or else some such title as the Bank of Montreal, the Domin-

ion Bank, the Imperial Bank, the Bank of Commerce. I may tell you this as absolute fact, that when I came here, 30 years ago—I will say, en passant, that I have served under every president of this bank, and there is no director at the meeting to-day who was with me when I came here—when I came here, the first thing that struck me very forcibly was that there was no vitality in the old bank, and the reason was there was no life-blood. You were concentrated in Montreal. The other banks have drawn their life-blood from places scattered over the country. When I went to London, where we opened first of all, the bills were placed there. It was well-known that Molsons were splendid brewers of beer, and people used to come in and ask if it was the Molson brewery. I had to say that it was not, but that the bankers were a very respectable body of men, and that the institution was carried on under banking laws. If I had to explain that only 400 or 500 miles away from home, you can imagine the difficulty it would be at Vancouver. So we thought we must, like the insurance companies, erect a big building. The Sun Life, the Standard, have big buildings; they give an idea of solidity to the public, who come and view them, and say: "That's all right." So we thought it would be desirable, when we opened in Vancouver, to put up good banking premises there; and we did so at the cost of \$124,000. We were late in finishing them this year, but next year we shall have about \$7,000 return from them, I believe it is the best banking building in the city of Vancouver to-day. If you just look, you have got to-day your discounts—we hope they are pretty good—\$13,753,000. When I came here they were \$11,053. I don't attribute that to myself, but to the fact that you opened branches at different places, thus enabling you to lend your money to advantage. As to the rate of issuing the new stock, the Government protects you, and says that new stocks cannot be issued at a higher rate than the reserve shows. Your reserve shows 82, and if the directors were to listen to me, but they won't, I would put it at 82. As to paying, I don't know whether the act provides it or not, but we have generally accustomed ourselves to thinking that 10 per cent. of the new stock and 10 per cent. of the premium should be paid monthly. The stock can be paid in whole at any time, and it will receive the dividend of the year.

Mr. John Crawford then moved:

"That the thanks of the shareholders are due and are hereby tendered to the president, vice-president and directors of the bank for their attention to its interests during the year just closed."

In making the motion, he paid a tribute to the general manager, and asked to be allowed to include his name in the resolution, which was granted.

The motion was seconded by Mr. Daniel Wilson, and was unanimously concurred in, after which it was duly acknowledged by the president.

Mr. John Crawford called attention to the fact that a revision of the Banking Act would take place before the next annual meeting, and he would like to know what amendments, if any, the directors proposed making.

The president: The general manager is a member of the Bankers' Association. The matter has been considered by them, but nothing has been brought before the board for consideration.

The meeting then proceeded to the election of directors, and the scrutineers soon reported that the old board had been re-elected, viz.: Messrs. Henry Archbald, J. P. Cleghorn, S. H. Ewing, S. Finley, W. M. Macpherson, H. Markland Molson, and W. M. Ramsay.

At a subsequent meeting of the directors, Mr. W. M. Macpherson, was re-elected pres't., and Mr. S. H. Ewing, vice-pres't.