

PROCEEDINGS OF 47th ANNUAL GENERAL MEETING.

The forty-seventh annual general meeting of the Molsons Bank was held in the Board Room in this city, on 20th inst. The President, Mr. W. Molson Macpherson, occupied the chair, and among those present were,—Messrs. S. H. Ewing, Vice-President; J. P. Cleghorn, Samuel Finley, Lieut.-Col. F. C. Henshaw, H. Markland Molson, W. M. Ramsay, David Crawford, A. G. Watson, G. W. Robinson, F. W. Molson, F. G. Payne, W. D. LeSueur, R. W. Shepherd, Alex. D. Fraser, George Durnford, Herbert Molson, S. A. Shepherd, Geo. Filer, C. E. Spragg, James Wilson and W. R. Miller. The President, having called the meeting to order, requested Mr. A. D. Durnford to act as Secretary, and named Messrs. Geo. Durnford and A. G. Watson as scrutineers.

REPORT OF DIRECTORS.

The General Manager, Mr. James Elliot, then read the annual report of the Directors, as follows:—

The Directors have pleasure in submitting the statement of the bank for the year ending 30th September, 1902. The profits for the year, after providing for operating expenses and bad and doubtful debts, are \$351,375.81. Dividends in April and October, $\frac{1}{2}$ per cent. each (making 9 per cent. for the year), amounting to \$225,000, have been paid, and \$100,000 added to Rest, raising it to \$2,250,000, or 90 per cent. of the capital, and at credit of Profit and Loss Account there remains \$24,905.30. Since our last meeting we have opened branches at Arthabaska, Acton and Chicoutimi, Que., and Iroquois, Ont., to avail of the growth and improved conditions of the country. At all these points we have reason to expect a safe and profitable business. At Victoria, British Columbia, we have closed our branch, as its progress did not equal our expectations. The head office and branches have been carefully inspected as usual, and the officers of the bank have continued to perform their duties with efficiency. In September the President and General Manager visited several of the western branches, going as far as Calgary. They were greatly impressed by the appearance of prosperity and progress visible on every hand, the bountiful harvest then being reaped ensuring to our country a continuance of sound and healthy business there. At Winnipeg, which seems destined to become a great city, a centrally situated premises has been purchased, which will afford us convenient quarters for occupation so soon as the lease of the office now occupied by our branch there expires in May, 1904.

W. MOLSON MACPHERSON,
President.

Montreal, 20th October, 1902.

THE PRESIDENT'S ADDRESS.

The President then said:—

The annual statement which has been presented will, I feel sure, afford you every satisfaction, for it indicates a most successful year, and it has enabled us to add \$100,000 to the rest, which now stands at 90 per cent. of the capital. The steady growth and prosperity of nearly every branch of business in the country has caused a demand for money, healthy in itself and satisfactory to the banks. We anticipate that the available circulation of all the banks will be fully absorbed, which is now nearly the case, by the business of the country, and to move our large crops. The deposits in the chartered banks of Canada, the savings banks and the post office savings banks have increased from 423,565,000 odd to \$459,775,000, an increase of about \$36,210,000. The older provinces have had very good crops, and the export of cattle, bacon and butter has shown a continued increase, while the shipments of cheese and lumber continue satisfactory. The amount of butter shipped to England is but a very small percentage of the quantity consumed, it being only 5 per cent. of the whole; so that the butter market has a large field before it, and every exertion should be made to more amply fill the English requirements. Manitoba and our North-Western Territories have enjoyed another bountiful harvest, establishing a stability and backbone to the country which cannot fail in giving confidence, and it is rapidly attracting settlers not only of an experimental class, but of farmers who have made a success of farming, and who are now transferring their experience, their money and cattle to a country where they feel there is a great future before them. Accompanied by your General Manager, Mr.

Elliot, I visited our Western Territories, and we formed a most favourable opinion of the future of that part of Canada. The farmers and all men of business were jubilant at the success which surrounds them, and the introduction of new railroad enterprise has established a feeling of greater confidence. The Molsons Bank has been poorly provided with banking quarters in Winnipeg, and as an opportunity offered to acquire a suitable and central position in the city of Winnipeg, we took advantage of it, and have bought a building suited to our requirements, and one which, I am sure, will be a great acquisition to the bank. The prosperity and growth of business through Canada has caused an increased demand upon the circulation of notes of our banks, as well as upon capital for additional business. Such being the case an increase of capital to enable the bank to keep pace with its requirements will soon be necessary, and your Directors may, therefore, call a special meeting of Shareholders at an early date, to ask your approval of an application to be made to the Treasury Board for an increase of capital. Our circulation is continually pressing against the limits (our capital \$2,500,000), now \$2,446,279. Our growth of deposits is very marked, largely in agricultural districts, thus showing the prosperity of our farmers.

| In 1897. | In 1902. | Increase of |
|--------------|--------------|-------------|
| \$10,678,985 | \$17,097,280 | \$6,418,295 |

Our holdings of Government securities and railway bonds were: In 1897, \$1,384,403; are, in 1902, \$2,502,498.

Gentlemen, you have heard the annual report and the few remarks I have made, and I shall be very pleased to answer any questions you may have to ask. Undoubtedly, the requirements of the country and the requirements of the bank warrant us in calling upon you at an early date, to enable us to increase the capital of the bank.

I beg to move the adoption of the annual report.

This was seconded by Mr. S. H. Ewing, Vice-President.

THE DISCUSSION.

Mr. R. W. Shepherd—"What do you propose to make the increase in capital?"

The President—"The notice will be sent out calling a meeting for that purpose, and I don't think we would care to say what we would consider necessary, until we meet the Shareholders when the meeting has been convened. It is not, however, at all likely that we should ask for more than \$500,000 at a time, but the total increase we should want would be greater than that. We asked last time for \$500,000, but the growth of the country is such that we require more."

Mr. S. H. Ewing—"The circulation question has been a very troublesome one for the General Manager of this bank. With the number of agencies we have, and the circulation going up and up so near the limit, it keeps him in a sort of feverish excitement watching it, because if it went over the limit the fines are very heavy. If we were to start with an extra capital of \$500,000 now every dollar would go out in circulation. The country would take it, and it would ease us to that extent. As the President has stated, our circulation at the present time is within some \$40,000 of the total limit, and this, spread over all our branches and agencies, might put us in the dilemma, perhaps, of having to pay a large fine to the Government."

The General Manager—"The fines are on a sliding scale. The penalty would be at least \$1,000 a day."

Mr. S. H. Ewing—"It would take very large earnings to keep up with that. When applying for permission to increase the capital of the bank, it would be well to name a good amount. We would never think of issuing any stock without calling the Shareholders together and having their authority to do so; and that would only be given after due consideration. I am sure that we can at present comfortably use \$500,000, as the wants of the country seem to be increasing all the time." The President then put the motion for the adoption of the annual report, and it was carried unanimously.

Mr. R. W. Shepherd moved: "That the thanks of the Shareholders are due and are hereby tendered to the President, Vice-President and Directors, coupled with the officers, for their efficient services during the past year." He considered that the Shareholders had every reason to be satisfied with the excellent condition in which the affairs of the bank were. As the President had remarked, the country was prospering, and the bank was, of course, prospering too. He thought that the President had everything in his favour in asking for an increase of capital,