

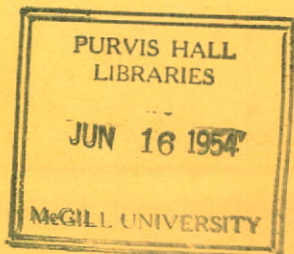
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ANNUAL REPORT

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*The Montreal
City & District
Savings Bank*



1947
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1947

The Montreal City & District Savings Bank

(ESTABLISHED 1846)

Capital Subscribed	- - - - -	\$ 2,000,000.00
Capital Paid-up	- - - - -	2,000,000.00
Reserve Fund	- - - - -	3,750,000.00
Balance of Profits Account	- - - - -	261,627.46

Board of Directors

DONALD A. HINGSTON	-	<i>President</i>
GUY VANIER	-	<i>Vice-President</i>
H. H. JUDAH,		JOHN T. HACKETT,
WALTER MOLSON,		HON. HENRI GROULX,
G. F. BENSON,		JEAN C. LALLEMAND,
HON. L. M. GOUIN,		T. TAGGART SMYTH.

General Manager

T. TAGGART SMYTH

Assistant General Manager

CHARLES MONCEL

Chief Inspector

L. GEORGES LACOSTE

Head Office

Corner St. James and St. John Streets

The Montreal City & District Savings Bank

Hundredth Annual Report

Montreal, February 10th, 1947

To the Shareholders.

Gentlemen,

Your Directors have pleasure in presenting the hundredth Annual Report of the affairs of the Bank, and the result of its operations for the year ending December 31, 1946.

The net profits for the year were \$455,759.14, and the balance brought forward from last year's Undivided Profits Account was \$131,018.32, making a total of \$586,777.46. From this amount, the usual quarterly dividends, with an extraordinary centennial bonus of 1½%, have been paid to the Shareholders and—apart from the sum of \$9,875.00, interest on the Charity Donation Fund, which was allotted as usual—the Bank distributed \$15,150.00 to various charitable and philanthropic institutions, leaving a balance at the credit of Undivided Profits Account of \$261,627.46, to be carried forward to next year.

As usual, a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The report of the Auditors and the Balance Sheet are herewith submitted.

D. A. HINGSTON,
President.

STATEMENT OF THE AFFAIRS OF THE MONTREAL CITY AN

ASSETS

Cash on hand and in chartered banks.....	\$11,551,298.39
Dominion and Provincial Government Bonds.....	93,238,858.42
Canadian Municipal and School Corporation Bonds and Debentures.....	18,531,947.69
Bonds of Canadian Public Utilities Corporations	4,872,100.00
Sundry Securities	375,000.00
Call and Short Loans, secured by Collateral.....	3,815,399.72
Loans to Fabriques de Paroisses or to Religious Corporations	71,500.00
Charity Donation Fund, invested in Dominion and Canadian Municipal Securities approved by the Dominion Government...	180,000.00
	<hr/>
	\$132,636,104.22
Bank premises (Head Office and Branches)	\$1,000,000.00
Other Assets.....	89,811.55
	<hr/>
	1,089,811.55
	<hr/>
	\$133,725,915.77

On behalf of the Board,
D. A. HINGSTON,
President.

DISTRICT SAVINGS BANK ON THE 31ST. DECEMBER. 1946

LIABILITIES

TO THE PUBLIC:

Deposits bearing interest, including interest ac- crued to date.....	\$124,101,055.50
Deposits not bearing in- terest	2,147,490.96
Charity Donation Fund..	180,000.00
Other Liabilities	1,183,178.21
	<hr/>
	\$127,611,724.67

TO THE SHAREHOLDERS: |

Capital	\$ 2,000,000.00
Reserve Fund	3,750,000.00
Balance of Profits carried forward	261,627.46
Dividends outstanding ..	2,563.64
Dividend Payable January 2nd, 1947	100,000.00
	<hr/>
	6,114,191.10
	<hr/>
	\$133,725,915.77

T. TAGGART SMYTH,
General Manager.

AUDITORS' REPORT

We have examined the foregoing Balance Sheet as at December 31, 1946, as well as the books and accounts of The Montreal City and District Savings Bank at Head Office and the certified returns from the Branches. We have satisfied ourselves of the correctness of the Cash Balances, examined the Securities held against the money at Call and Short Notice and those representing the Investments of the Bank.

We have obtained all the information and explanations we have required and we are of opinion that the transactions of the Bank have been within its powers. The foregoing Balance Sheet, in our opinion, is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs as at December 31, 1946, according to the best of our information and the explanations given to us, and as shown by the Books of the Bank.

C. A. SHANNON, L.I.A., C.P.A.,
of P. C. Shannon Son & Co.

JEAN VALIQUETTE, C.A., L.I.A.,
of Anderson & Valiquette

Auditors.

Montreal, January 31st, 1947.

Branch Offices

Corner St. Catherine East and St. Timothée Streets	- Montreal
Corner Notre Dame West and Versailles Streets	- - "
Corner Centre, Grand Trunk and Condé Streets	- - "
Corner St. Catherine East and Dufresne Streets	- - "
Corner St. Denis and Rachel Streets	- - - - - "
Corner St. Catherine St. West and McGill College Ave.	- "
Corner Ontario and Maisonneuve Streets	- - - - - "
Corner St. Lawrence Boulevard and Pine Avenue	- - "
4080 St. James Street, St. Henry	- - - - - "
Corner St. James and Vinet Streets	- - - - - "
Corner St. Denis and Beaubien Streets	- - - - - "
Corner Park and Laurier Avenues	- - - - - "
Corner Mount Royal Ave. and Christopher Columbus St.	"
Corner St. Catherine East and Darling Streets	- - "
Corner Sherbrooke Street West and Oxford Avenue	- "
Corner Lasalle and Adam Streets	- - - - - "
Corner Masson Street and 7th Avenue	- - - - - "
Corner St. Denis and Faillon Streets	- - - - - "
5677 Park Avenue	- - - - - - - - - - - "
Corner DeLorimier and Mount Royal Avenues	- - "
Corner Wellington Street and Galt Avenue	- - - - - Verdun
4467 St. Lawrence Boulevard	- - - - - Montreal
Corner Monkland and Girouard Avenues	- - - - - "
Corner Beaubien Street and DeLorimier Avenue	- - "
5159 Décarie Boulevard (Snowdon)	- - - - - "

Correspondents in Canada

Bank of Montreal

Foreign Agents

New York	- - - - -	{ Bank of Montreal
Chicago	- - - - -	{ National City Bank
London, England	- - - - -	Bank of Montreal
Paris, France	- - - - -	Bank of Montreal
Paris, France	- - - - -	Crédit Lyonnais
Paris, France	- - - - -	The Royal Bank of Canada
		(France)

The Montreal City & District Savings Bank

*Hundredth Annual General Meeting of Shareholders
February 10th, 1947.*

The hundredth Annual Meeting of the Shareholders was held at the Head Office of the Bank on Monday the 10th February, at noon.

Amongst those present were :

Dr. D. A. Hingston, Guy Vanier, K. C., H. H. Judah, Walter Molson, Hon. Léon Mercier Gouin, K.C., G. F. Benson, Hon. Henri Groulx, Jean C. Lallemant, T. Taggart Smyth, B. Panet-Raymond, K.C., Pierre Beullac, K.C., P. R. Gault, Dr. Edward A. Amos, Paul Ouimet, H. Gérin-Lajoie, K.C., Alfred Tourigny, K. C., Paul Vaillancourt, John A. McVey, M. H. Gault, Joseph Hurtubise, Harold R. Hingston, Hon. Wilfrid Bovey, K.C., Alexandre Gérin-Lajoie, K.C., L. Edouard Bernard, K.C., Dr. James Robert Goodall, Charles Moncel, L. G. Lacoste, Arthur Ostiguy, J. Arthur Dubuc, P. Alph. Perreault, Laurent Geofrion, Nap. Legault, J. A. Bertrand, René Saint-Cyr, R. Raymond, J. E. DeCarufel, A. P. Grant, Georges Larose, Sylvio Martin, Paul Loiselle, Emile Vinet, A. Brunet.

On motion of Mr. H. H. Judah, seconded by Hon. Léon Mercier Gouin, K.C., Dr. Donald A. Hingston took the chair.

The chairman appointed Mr. René Saint-Cyr to act as secretary of the meeting and Messrs. J. R. Goodall, M.D. and Paul Vaillancourt to act as scrutineers.

The minutes of the last annual meeting were taken as read and the report of the Directors was read by the President, Dr. Donald A. Hingston, whilst the Secretary, Mr. René Saint-Cyr, read the Balance Sheet and report of Auditors.

PRESIDENT'S ADDRESS

Since the last Annual General Meeting of Shareholders our Bank has passed its hundredth milestone and has entered upon the first year of a new century of service.

Looking back over the last hundred years we can be proud of what was accomplished by the founders, the early directors and the members of the staff.

They were philanthropic and far-seeing men with high principles of economy, industry and safety, fair-dealing and friendliness.

These principles have been handed down to our institution and carefully followed during its already long life. Nor has the philanthropic object of our founders ever been lost sight of.

We can be justly proud of the growth of this bank.

The deposits in our first year were \$118,000.00—today \$126,000,000.00. A hundred years ago there was no capital stock and no reserve. Today we have reserve and profit accounts of over \$4,000,000.

At this time I think it would be well to bring before our shareholders and depositors certain facts for their consideration.

The serious study of these facts may help in the forming of clear and sound opinions. It is most important to the welfare of our country that electors should have well formed opinions on national matters.

In the first place let us look at the financial position of our country and the picture is not a pleasant one.

Before the first war our per capita national debt was \$41.00. At the end of that war it had risen to \$262.00 and at the end of the second world war this debt reached \$1,400.00.

At the present moment our debt, national, provincial and municipal is over twenty billions of dollars.

Interest charges on our debts are over five hundred millions yearly.

The administration of our national government costs us over half a million dollars a day.

This financial burden is almost crushing, it must be faced courageously and borne honourably but it cannot be allowed to become greater.

What must be done in this extremely serious situation? Our production must be greatly increased, which means a corresponding increase in industry on all sides and expenditures must be drastically reduced. This reduction in expenditures should be made by us individuals and also by the governments we have elected and to whom we look for guidance and action.

Raising our production, cutting down our unnecessary spending that is the only solution to our financial problems. All other solutions are fanciful and futile.

Another burden recently placed on the shoulders of the people of Canada is the necessity of taking our place with other nations and working for world reconstruction.

No longer can a country or a people stand aloof from other countries or other peoples. Owing to modern methods of transportation the world has

grown very small. Some of the discoveries of science—and probably future discoveries even more frightful—threaten the very existence of nations which can be utterly annihilated with ease and with speed. Unless nations can agree to cooperate the future of this world is very black and to reach the goal of solid and lasting cooperation it is essential to have fair dealing, moderation and self-sacrifice.

Our country, small in population but great in size, and great in capacity for the production of food and raw materials of many kinds will necessarily have much weight at the council table of the nations.

Innumerable difficulties must be solved and cleared away, and international relations created and built on good and equitable foundations. We must not fail to play our full part in this great work of rehabilitation.

The question of communism can not be passed over.

Recently we were appalled when we learnt of the treachery that existed and which was spreading rapidly in our country

Twenty-seven persons were mentioned in the Report of the Royal Commission named to inquire into espionage in this country and of these twenty-seven, several were graduates or professors of our universities.

Luckily for us this treason was discovered and made public for now we realize more clearly that there is a large and active group of persons working to destroy our chosen form of government in which everyone has a voice. They would replace it by one where all control is in dictatorial hands and thus our freedom would be lost. We must all be on our guard against the insidious propaganda of communism.

Another serious question is the question of strikes.

Recently in a period a little over a year in length 5½ million man-working days were lost.

In six months loss of wages amounted to over twenty million dollars. Indirect losses are very much greater—they cannot be estimated with accuracy.

As a result all industry in Canada was greatly retarded. Production was reduced and a large percentage of it was completely crippled. The most striking results of these strikes were the impossibility of constructing homes, and food desperately needed by starving millions, was made not available to them.

Moreover—and this is most important—the authority of our government elected and placed in authority by the people of Canada was openly flouted. If any section of our people organized or not is allowed to stand up and defy our law it means the eventual doom of our democracy. At all costs that can not be tolerated.

I firmly believe that all fair minded men in this country sincerely hope that labor difficulties will be straightened out with perfect equity. They are anxious that all employees receive full and fair pay for a fair day's work.

I also believe that many employees seek no more than what is just and are quite content when they feel they are fairly treated.

If in our country this spirit of equity guides capital and labour, employers and employees, there should be no illegal strikes so disastrous to all.

Let us all try to follow the spirit of fairness.

Another question of importance is the vital necessity of increasing our exports. This can be attained by the lowering of tariffs in countries which receive our produce. Changes in tariff will require study by experts, unselfishness on all sides and of course greater production on our part.

Reduction of taxation is earnestly hoped for. Were taxation reduced substantially a great impetus would be given to individuals and to corporations to increase their activity and to expand in all spheres.

During the war it was to the common good to place in the hands of the Government the fullest control. Now that the war has passed let us hope that gradually and as speedily as it is practical, a far greater amount of industrial freedom will be given back to individuals.

The directors and staff of your bank enter into the second century of its history fully aware of the difficulties and problems that have to be faced but with confidence that following the same principles as of old the future of the institution is secure.

As you may see by the Annual Report just read and from what you will hear more in detail from the General Manager our institution has never been in as strong a position as it is today.

Our deposits have risen, our securities have been chosen with our usual care, our assets are higher and of sounder quality than ever before.

In concluding allow me to pay tribute to the staff of the Montreal City and District Savings Bank. The success of an institution like ours depends not on the few but on the individual effort of all members of the staff.

We are exceptionally fortunate to have men and women who on all occasions show our institution loyalty, patience and personal interest and to them the thanks of the shareholders are very sincerely due.

GENERAL MANAGER'S REMARKS

Following our customary procedure, it is my duty and privilege to give you the usual analysis of the Balance Sheet which has just been submitted to you and which, incidentally is the Hundredth Annual Statement of the Bank. What makes my task all the more pleasant is the fact that it is the best and most satisfactory report which we ever had the pleasure to present to you. In fact you will notice a substantial increase under all headings. First of all our earnings have reached an all time high and show an important increase over the corresponding figures for last year. This is all the more satisfactory when it is considered that interest rates continued to decline during the period whilst the burden of taxation was only slightly reduced.

These results have enabled us to offer you a special Centennial Bonus of $1\frac{1}{2}\%$, in addition to the usual dividends, and still provide a balance of \$131,000. to be carried forward to our undivided profits account.

Our deposits still continue their progressive increase. They now stand at over \$126,000,000. which is an increase of more than 14% or 15 millions for the year. A feature that gives greater importance to these figures and enables us to face the future with greater confidence is the fact that the number of our depositors has also expanded in the same ratio.

On the "Assets" side of our report, our investments continue to be the object of our greatest care and are chosen with the utmost prudence. The investment portfolio is composed of Federal and Provincial Government Bonds for more than \$93,000,000., with the best of our Municipal and School Bonds in the amount of 18 millions, and Public Utilities Debentures also chosen with the

greatest care, for nearly 5 millions. The aggregate of these holdings amounts to almost 117 millions. If we add to this figure the Cash on Hand amounting to some 11 millions and our Call and Short term loans for a sum of nearly 4 millions, we come within a very close figure to our total Assets. All of these securities are of the highest grade; they are payable on demand and the rates at which they appear in the Balance Sheet are below current market quotations.

As to our Bank premises, may I state that they are all the unencumbered property of the Bank and are carried in the Balance Sheet at \$1,000,000. which is about one third of their municipal value.

I trust that this short analysis of our Statement will meet with the approval of our shareholders and with that of our large family of depositors. It is with the greatest of pleasure that I greet our important and ever increasing clientele. It is drawn from the most substantial element of our Metropolitan population and the Bank is justly proud of it. If we may judge of the quality of this great family of our depositors by the judicious manner with which they have employed their savings, it is most evident that we can rely on their sense of order and thrift to face and solve successfully the thorny problems of which the war has been so prolific.

Owing to the lack of adequate space in our branch offices and the impossibility to carry out much needed expansions and improvements, our clients have had to put up with inevitable delays. I thank them for the patience they have shown with the imperfect service they had to put up with, and I am pleased to inform them that, considering the lack of material and labour, we are doing the best we can to improve the situation, having always in mind the greater housing needs of our veterans. Two of our branches have already been enlarged

and we are actually building two new branches which we hope will be opened before the end of the year. Other branches are obviously in need of enlargement and the opening of a number of other branch offices would be advisable. You may rest assured that we are giving our full attention to the matter and that work will be proceeded with as soon as material and labour conditions permit.

At last year's meeting, I expressed the hope that, during the year, all our efforts would be directed towards the reestablishment of peace. Unfortunately, this wish has not materialized and the much desired peace, so essential to the happiness of mankind, is as far off as ever. The fratricidal strife has only changed its situs and it rages in our midst with all the hatred and savagery of a real war. The struggle we say is for social security. Let us beware! The price exacted for that much vaunted security may be much too high. The slaves of olden days had social security but it was at the price of liberty. Why can we not all realize that the best and the most lasting of social securities is that which we command by our own efforts? Scrutinize the lives of successful men. You will find that they are all the result of intelligent and conscientious work coupled with sane thrift.

Let us not be led astray by the mirage of false and fantastic promises. Nothing has never produced anything and never will. Let us not lose sight of the fact that our only source of wealth is production. Our income, after all, is only worth what we can buy with it, and its purchasing power decreases in the same ratio as production declines. Ask the peoples of continental Europe what they think of the matter; they certainly ought to know something about it. Although their earnings are reckoned in the millions, their purchasing power is only worth so many pennies on the commodity market.

Let us beware of illegal and unjustified strikes; they only serve to impoverish us, individually and collectively. Not only do they slow down production, which is so much needed by our country to maintain its standard of living; but they are also prejudicial to our economy which a generation will not suffice to remedy.

We should be well advised not to rely too much on our governments. They produce nothing and their only source of revenue is the taxpayer, you and I, and from the monies we pay them, the cost of living being proportionately increased.

I should like here to pay a tribute of praise to our zealous staff. It is an asset which you will not find in our Balance Sheet although it is one of its essential elements; as without its loyal cooperation it would be almost impossible to carry on our business successfully. The bank is fully conscious of its obligations towards its employees and they and their welfare are the object of our constant solicitude. I am happy to avail myself of this opportunity to express to them publicly my appreciation and my gratitude.

May I also say to our large and distinguished family of depositors how fully I appreciate their continued patronage.

On motion by Dr. Donald A. Hingston, seconded by Mr. Guy Vanier, K.C., the Annual Statement and Reports were adopted.

On motion by Mr. Alfred Tourigny, K. C. seconded by Mr. P. R. Gault: By-laws "C", "G" and "J" were rescinded and the following adopted:

By-law "N" — A sum of \$35,000. may be appropriated in each year by the Board of Directors from the funds of the Bank as remuneration for the services performed by the President, Vice-President and other members of the Board, and the Directors may annually apportion the same among themselves in such manner as they shall deem fit.

By-law "O" — The annual meeting of the Shareholders of this Bank shall be held on the second Monday in February in each year. If that day be a legal holiday the meeting shall be held on the next following day which is not a legal holiday.

By-law "P" — The holder of any appointment of proxy shall not be entitled to vote thereon at any meeting of the shareholders unless the instrument making such appointment of proxy and the power of attorney or other authority, if any, under which it has been signed, or a notarially certified copy thereof, executed and attested, in conformity with such by-laws, if any, as may from time to time be enacted by the Directors, has been produced and recorded at the Chief Office of the Bank at least seven clear days prior to the time of the holding of the meeting at which the person named in such instrument purposes to vote.

It was then moved by Dr. E. A. Amos, seconded by Mr. B. Panet-Raymond, K. C., that the thanks of the meeting are due and hereby tendered to the President, Directors, General Manager and other officers of the Bank for their attention to the interest of the Bank and that their actions during the past year be approved and confirmed.

On motion by Mr. M. H. Gault, seconded by Mr. Paul Ouimet, Messrs C. A. Shannon, C. A. and Jean Valiquette, C. A., were reelected auditors for the ensuing year, their remuneration as such to be the same as last year.

On motion by Mr. H. Gérin-Lajoie, K. C., seconded by Mr. J. A. McVey, the following were elected Directors for the ensuing year :—

DR. DONALD A. HINGSTON,
H. H. JUDAH,
GUY VANIER, K. C.,
WALTER MOLSON,
GEORGE F. BENSON,
HON. L. M. GOUIN, K. C.,
JOHN T. HACKETT, K. C.,
HON. HENRI GROULX,
JEAN C. LALLEMAND,
T. TAGGART SMYTH,

whereupon the meeting was adjourned.

At a subsequent meeting of the board of directors, Dr. Donald A. Hingston was reelected President and Mr. Guy Vanier, K. C., Vice-President.

