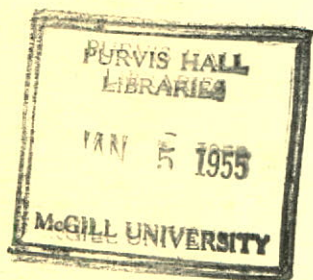


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# Annual Report

*The Provincial Bank of Canada*

1954



*A mari usque ad mare*

Huge stain glass windows facing the entrance to the hall of the Main Office of The Provincial Bank of Canada. The work of Canadian artists, they represent the crest of the Bank and the coat of Arms of each of the ten provinces, as a symbol of the exchanges that bind these provinces together.



# FINANCIAL REPORT

OCTOBER 31st, 1954

ASSETS : - - - - \$241,312,881

## BOARD OF DIRECTORS

### *Honorary President*

HON. ES. L. PATENAUDE, P.C., Q.C., *Montreal*

### *Chairman of the Board*

HON. JULES A. BRILLANT, M.L.C., C.B.E., *Rimouski*

### *President*

J. EDOUARD LABELLE, O.B.E., Q.C., *Montreal*

### *Vice-President and General Manager*

J. UBALD BOYER, *Montreal*

### *Vice-President*

C. F. CARSLEY, M.B.E., *Montreal*

L. EMERY BEAULIEU, Q.C., Montreal	Dr. R. H. PARENT, M.D., Ottawa
Hon. R. O. GROTHÉ, M.L.C., Montreal	GASTON PRATTE, Quebec
J. LOUIS LÉVESQUE, Montreal	C. E. PRÉFONTAINE, Montreal
LUCIEN MASSÉ, C.A., Hull	J. ULYSSE STE-MARIE, Quebec

## BOARD OF COMMISSIONER-CENSORS

### *President*

VICTOR MORIN, N.P., *Montreal*

### *Vice-President*

NARCISSE DUCHARME, *Montreal*

Odilon CREVIER, Chicoutimi	Calixte F. SAVOIE, Moncton
Maurice FORTIN, Trois-Rivières	Clément TREMBLAY, O.B.E., Lachute
L. E. Langis GALIPEAULT, Q.C., Quebec	Gaston VINCENT, Q.C., Ottawa
Edouard GOHIER, St. Laurent	J. Edouard LABELLE, O.B.E., Q.C., Montreal "member ex-officio"

# THE PROVINCIAL BANK OF CANADA

HEAD OFFICE: MONTREAL

PURVIS HALL  
LIBRARIES

NOV 16 1954

McGILL UNIVERSITY

# THE PROVINCIAL BANK OF CANADA

## UNDIVIDED PROFITS ACCOUNT

as at the 31st day of October 1954

Profit for the financial period of eleven months, ended October 31st, 1954, after transfers have been made in respect of contingency reserves, out of which reserves provision has been made for diminution in the value of investments and loans ..... \$ 1,263,611

Less:

Provision for Federal Income Tax .....	\$ 385,000	
Depreciation on Bank Premises .....	254,304	
Provision for Staff Pension Fund .....	100,000	739,304
Net profit after the foregoing deductions .....		524,307

Regular dividends as follows:

Paid March 1st, 1954 (at the rate of 7.2% per annum) .....	90,000	
Paid June 1st, 1954 (at the rate of 7.2% per annum) .....	90,000	
Paid Sept. 1st, 1954 (at the rate of 7.2% per annum) .....	90,000	
Payable Nov. 2nd, 1954 (at the rate of 7.2% per annum) .....	60,000	
(for two months) .....	330,000	
Provision for a special dividend of 0.8% for the financial period 1954 .....	40,000	370,000
Amount carried forward .....		154,307
Balance of Undivided Profits Account 30th November 1953 .....		180,311
Balance of Undivided Profits Account 31st October 1954 .....		<u>\$ 334,618</u>

For the Board of Directors:

J. EDOUARD LABELLE  
President

J. U. BOYER  
Vice-President and General Manager

THE ANNUAL GENERAL MEETING of the shareholders will be held at the Head Office of the Bank, 221 St. James Street West, Montreal, on Thursday, the 9th day of December next, at 11 o'clock a.m.

Montreal, November 10th, 1954.

# STATEMENT

**OF THE ASSETS AND LIABILITIES OF THE PROVINCIAL BANK OF CANADA**  
**as at the 31st day of October 1954**  
**(In Canadian currency, omitting cents)**

<b>ASSETS</b>	Gold and coin .....	\$ 627,204	
	Notes of and deposits with Bank of Canada .....	22,896,926	
	Government and bank notes other than Canadian .....	327,500	
	Deposits with other banks .....	958,754	
	Cheques and other items in transit, net .....	21,956,557	\$ 46,766,941
	Government of Canada direct and guaranteed securities, not exceeding market value .....	52,923,379	
	Canadian provincial government direct and guaranteed securities, not exceeding market value .....	15,607,254	
	Other securities, not exceeding market value .....	19,212,298	87,742,931
	Call and short loans to brokers and investment dealers, secured .....	10,683,464	
	Mortgages and hypothecs insured under the National Housing Act, 1954, less provision for estimated loss ..	87,146	
	Other current loans, less provision for estimated loss ...	91,385,404	
	Non-current loans, less provision for estimated loss .....	53,142	102,209,156
	Bank premises at cost, less amounts written off .....		3,894,378
	Customers' liability under acceptances, guarantees and letters of credit, as per contra .....		439,881
	Other assets .....		259,594
			<u>\$241,312,881</u>
 <b>LIABILITIES</b>			
	Deposits by Government of Canada .....	3,732,320	
	Deposits by Canadian provincial governments .....	1,957,414	
	Deposits by other banks .....	403,277	
	Personal savings deposits payable after notice, in Canada, in Canadian currency .....	140,932,301	
	Other deposits .....	84,990,521	232,015,833
	Acceptances, guarantees and letters of credit .....		439,881
	Other liabilities .....		522,549
	Capital paid up .....	5,000,000	
	Rest account .....	3,000,000	
	Undivided profits .....	334,618	8,334,618
			<u>\$241,312,881</u>

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above Statement and compared it with the books and accounts of The Provincial Bank of Canada at the Head Office and with returns certified by its branches.

At the end of the financial year, we have verified the investments and securities and checked the cash held at the Head Office and at its Main Branch. We have examined a substantial number of the inspection reports covering the branches and at different dates during the year have joined with the inspectors of the Bank in verifying the cash and securities at two important branches.

We report that in our opinion, the above Statement presents fairly the financial position of the Bank and that: (a) we have obtained all the information and explanations we have required; (b) in our opinion, the transactions of the Bank that have come under our notice have been within the powers of the Bank; (c) the Statement is as shown by the books of the Bank.

J. EMILIEN NADON, C.A.,  
of Nadon & de Carufel }  
MAURICE BOULANGER, C.A., } Auditors  
of Boulanger, Rondeau & Fortier }

Montreal, November 10th, 1954.



## LIST OF BRANCHES

### Montreal and Suburbs

221 St. James St. W.  
2675 Beaubien St. East  
4250 Beaubien St. East  
937 Belanger St. East  
200 Bernard St. West  
3538 Delorimier St.  
2101 Jean Talon St. East  
1909 Laurier St. East  
1390 Mount Royal St. East  
150 Notre Dame St. East  
2441 Notre Dame St. West  
4440 Notre Dame St. West

520 Ogilvy Ave.  
1346 Ontario St. East  
3401 Ontario St. East  
772 Rachel St. East  
2550 Rouen St.  
175 Roy St. East  
801 St. Catherine St. East  
1894 St. Catherine St. East  
4137 St. Catherine St. East  
4494 St. Denis St.  
8501 St. Denis St.  
6420 St. Hubert St.

3543 Van Horne Ave.  
AHUNTSIC:  
500 Henri Bourassa Blvd.  
CARTIERVILLE:  
3896 Gouin Blvd. West  
CITE DE JACQUES CARTIER:  
709 Coteau Rouge Road  
L'ABORD A PLOUFFE:  
51 Labelle Blvd.  
LACHINE:  
1515 Notre Dame St.

OUTREMONT:  
1051 Laurier St. West  
PONT VIAU:  
23 Taschereau Blvd.  
VERDUN:  
321 Church Avenue  
VILLE EMARD:  
6069 Monk Blvd.  
VILLE ST. LAURENT:  
255 Decarie Blvd.  
VILLE ST. MICHEL:  
8060 St. Michel Blvd.

### Other branches in Quebec

AMQUI  
ASBESTOS  
AYLMER  
BAIE ST. PAUL  
BEAUPORT  
BOUCHERVILLE  
CAUSAPSCAL  
CHICOUTIMI  
COTEAU STATION  
DANVILLE  
DISRAELI  
DRUMMONDVILLE:  
266 Heriot St.  
461 Lindsay St.  
GATINEAU  
GENTILLY  
GRANBY  
HULL:  
159-161 Main St.  
St. Laurent & Champlain  
JOLIETTE  
JONQUIERE  
LABELLE  
LABRIEVILLE

LACHUTE  
LACHUTE MILLS  
LAC MEGANTIC  
LA MALBAIE  
LAURENTIDES (P. O. St. Lin)  
L'EPIPHANIE  
LORETTEVILLE  
LOUISEVILLE  
MANIWAKI  
MASSON  
MATANE  
MONTMAGNY  
NICOLET  
NOTRE DAME DE CHARNY  
PAPINEAUVILLE  
PIERREVILLE  
QUEBEC:  
54 St. Peter St.  
2 Fabrique St.  
355 Charest Blvd. (St. Roch)  
8 St. Joseph St. W. (St. Sauveur)  
595 Third Avenue (Limoulu)  
Industrial Centre No. 5 (St. Malo)

RIMOUSKI  
RIVIERE DU LOUP V.  
RIVIERE DU LOUP STATION  
ST. AGAPIT  
ST. AGATHE DES MONTS  
ST. ANDRE AVELLIN  
ST. ANSELME  
ST. BARTHELEMY  
ST. CLET  
ST. CROIX  
ST. DENIS SUR RICHELIEU  
ST. DONAT  
ST. EUSTACHE  
ST. FLAVIEN  
ST. GABRIEL DE BRANDON  
ST. GUILLAUME D'UPTON  
ST. HYACINTHE  
ST. JEAN PORT JOLI  
ST. JEROME  
ST. PASCAL  
ST. POLYCARPE  
ST. RAPHAEL  
ST. ROSE DE LAVAL

SAYABEC  
SHAWINIGAN FALLS  
SHERBROOKE:  
11 Wellington North  
401 Papineau St.  
SOREL  
TERREBONNE  
THURSO  
THREE RIVERS:  
1433 Notre Dame St.  
Laviolette & St. Maurice  
TRACY  
VAL BRILLANT  
VALLEYFIELD:  
Corner Nicholson & St. Cecile  
Bellerive: 76 Grande Isle Ave.  
VARENNES  
VERCHERES  
VICTORIAVILLE  
VILLE ST. JOSEPH  
WARWICK  
WINDSOR  
YAMACHICHE

### Ontario

ALFRED  
BELLE RIVER  
OTTAWA (152 Rideau St.)  
PEMBROKE

ROCKLAND  
TECUMSEH  
TILBURY  
TORONTO (68 King St. West)

WINDSOR:  
Drouillard & St. Charles  
London & Victoria  
Ottawa & Lincoln  
Wyandotte & Parent

### New Brunswick

BATHURST  
CAMPBELLTON  
CARAQUET  
EDMUNDSTON

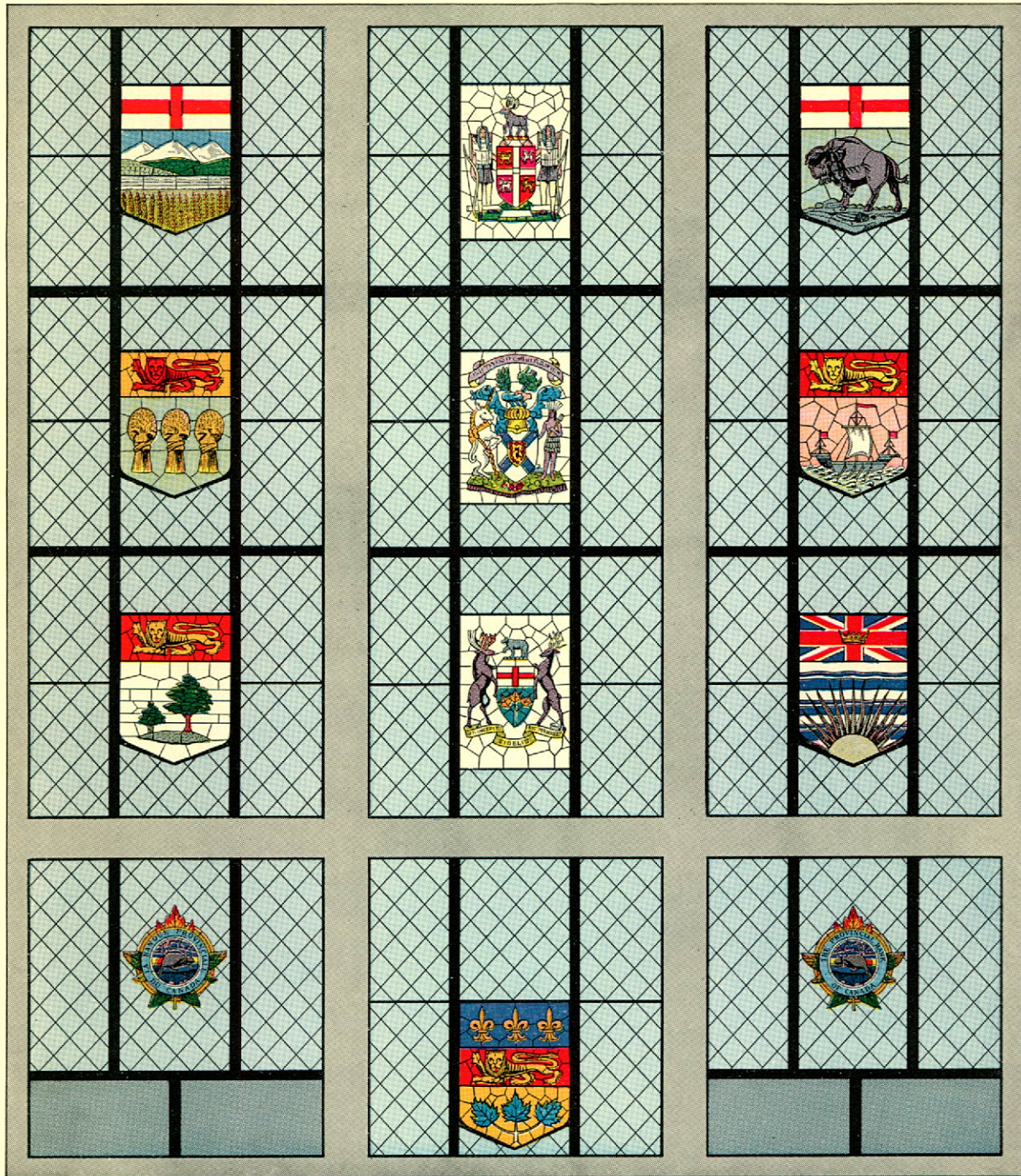
MONCTON:  
696 Main St.  
238 St. George St.  
NORTON

SAINT JOHN  
ST. LEONARD  
ST. QUENTIN  
TRACADIE

### Prince Edward Island

CHARLOTTETOWN

SUMMERSIDE



*54th Annual General Meeting*

OF SHAREHOLDERS OF  
THE PROVINCIAL BANK OF CANADA  
HELD AT HEAD OFFICE, MONTREAL  
DECEMBER 9th, 1954.

*Board  
of Directors*

**T H E P R O V I N C I A L B A N K O F C A N A D A**

**HONORARY PRESIDENT**

HON. ES. L. PATENAUDE, P.C., Q.C., MONTREAL  
*Chairman of the Board, La Société d'Administration  
et de Fiducie.*  
*President, Alliance Nationale.*  
*Vice-President, Crédit Foncier Franco-Canadien.*

**CHAIRMAN OF THE BOARD**

HON. JULES A. BRILLANT, M.L.C., C.B.E., RIMOUSKI  
*President, La Compagnie de Pouvoir du Bas Saint-Laurent.*  
*President, La Corporation de Téléphone de Québec.*  
*Vice-President, La Société d'Administration et de Fiducie.*

**PRESIDENT**

J. EDOUARD LABELLE, O.B.E., Q.C., MONTREAL  
*Chairman of the Board, Canadian Vickers Limited.*  
*Director, La Prévoyance Cie d'Assurance.*  
*Director, Laura Secord Candy Shops Limited.*

**VICE-PRESIDENT AND GENERAL MANAGER**

J. UBALD BOYER, MONTREAL  
*President, Institut Bruchési de Montréal, Inc.*

**VICE-PRESIDENT**

C. F. CARSLEY, M.B.E., MONTREAL  
*Director and General Manager, The Lion Vinegar Co.  
Limited.*  
*Director, Canada Vinegars Limited.*  
*Director, Western Vinegars Limited.*

L. EMERY BEAULIEU, Q.C., MONTREAL  
*Director, Trust Général du Canada.*  
*Director, Mont Tremblant Lodge.*

**BENOIT BENOIT, ST. HYACINTHE**

*Director and General Manager, Mutuelle du Commerce contre  
l'Incendie.*  
*Director and General Manager, Canadian Mercantile  
Insurance Co.*  
*Director, Super Knitting Mills Limited.*



**ROLAND BOCK, MONTREAL**

*Director, Bock & Tétreau Ltée.  
Vice-president, Eagle Lumber Ltd.  
Vice-President, L. Villeneuve & Cie Ltée.*

**HON. R. O. GROTHÉ, M.L.C., MONTREAL**

*Director, Montreal Life Assurance Co.  
Director, Société d'Administration et de Fiducie.*

**J. LOUIS LÉVESQUE D.SC., MONTREAL**

*Chairman of the Board, The Slater Shoe Co. Limited.  
President, Crédit Interprovincial Limitée.  
Director, L'Industrielle Compagnie d'Assurance sur la Vie.*

**HON. GERALD MARTINEAU, M.L.C., QUEBEC**

*Director, Alliance Nationale.  
Director, Dominion Stores Limited.*

**LUCIEN MASSÉ, C.A., LL.D., HULL**

*President, Canada Match Co. Limited.  
President, Hebdo Revue du Canada Français Limitée.  
Director, J. B. Harper Limited.*

**MAJOR R. H. PARENT, M.D., OTTAWA**

*President, L'Union Saint-Joseph du Canada.  
President, Gauthier & Cie Limitée.*

**GASTON PRATTE, QUEBEC**

*Director, North American Life Assurance Co.  
Director, Quebec Power Company.  
Director, Famous Players Canadian Corporation.*

**C. E. PRÉFONTAINE, MONTREAL**

*Chairman of the Board, United Auto Parts Limited.  
Director, Master Motor Mfg. Limited.  
Director, Alliance Nationale.*

**J. ULYSSE STE-MARIE, QUEBEC**

*President, Standard Construction Co. Ltd.  
President, Universal Machine Works Limited.  
Director, La Prévoyance Cie d'Assurance.*

*Board  
of Directors*

## Commissioner-Censors

### PRESIDENT

VICTOR MORIN, N.P., MONTREAL

*Chairman of the Board, La Société Nationale de Fiducie.  
President, La Société d'Archéologie et de Numismatique de  
Montréal.*

### VICE-PRESIDENT

NARCISSE DUCHARME, MONTREAL

*President, Cie d'Assurance sur la vie La Sauvegarde.*

### MEMBER EX-OFFICIO

J. EDOUARD LABELLE, O.B.E., Q.C., MONTREAL

*President of the Bank.*

HECTOR COUSINEAU, VILLE ST. LAURENT

*Farmer & businessman.*

ODILON CREVIER, CHICOUTIMI

*President, Lake St. John Distributing.  
President, La Corporation Saguenéenne.*

C. A. GASCON, MONTREAL

*President, Christin Ltd.  
President, Compagnie Mutuelle d'Immeubles.*

MAURICE FORTIN, TROIS-RIVIÈRES

*President and Manager, J. L. Fortin Limitée.  
President, Maurice Fortin Inc.*

L. E. LANGIS GALIPEAULT, Q.C., QUEBEC

*Director, Sterling Insurance Co. of Canada.  
Director, Le Soleil Limitée.*

EDOUARD GOHIER, VILLE ST. LAURENT

*President and General Manager, Edouard Gohier Limitée.*

CALIXTE F. SAVOIE, MONCTON

*President and General Manager, La Société l'Assomption.  
Director, Central Trust Co. of Canada.*

CLEMENT TREMBLAY, O.B.E., LACHUTE

*Director, Ayers Limited.  
Director, Ayers Realty Company Limited.*

GASTON VINCENT, Q.C., OTTAWA

*Director, Cie d'Assurance sur la vie La Sauvegarde.*

# Minutes

The fifty-fourth annual general meeting of the Shareholders of The Provincial Bank of Canada, held at the Head Office of the Bank, 221 St. James St. West, Montreal (Canada), on the 9th of December 1954, at eleven o'clock a.m.

Among those present were :

Mr. W. S. Albert	Mr. Arthur Desjardins	Mr. Roger Martel
Mr. Claude Archambault	Mr. P. Desmarais	Hon. Gérald Martineau, M.L.C.
Mr. J. C. Arsenault	Mr. Donat Desrosiers	Mr. Lucien Massé, C.A.
Mr. Pierre Aubry	Mr. Paul Desruisseaux	Mr. Gérard Miron
Mr. D. W. Audet	Mr. J. S. Dextraze	Mr. Berthold Mongeau
Mr. Pierre Bachand	Mr. François Dion	Mr. Hector Mongeau
Mr. Raoul Bastien	Mr. J. Y. Doucet	Mr. Robert Mongeau
Mr. L. Emery Beaulieu, Q.C.	Mr. J. Paul Ducharme	Mr. M. Montambault
Mr. C. Emile Bélanger, C.A.	Mr. Narcisse Ducharme	Mr. Victor Morin, N.P.
Mr. Jean Bellemare	Mr. N. A. Dufour	Mr. M. Moscovitch
Mr. Benoit Benoit	Mr. J. M. Dufresne	Mr. J. E. Nadon, C.A.
Mr. Lucien Benoit	Mr. L. O. Dupuis	Mr. Albert Naud, N.P.
Mr. E. Bertrand	Mr. S. Edgar Dussault	Mr. R. Naud
Mr. Gaston Bertrand	Mr. Issie Farber	Mr. G. Normandeau
Mr. G. B. Bissonnette	Mr. R. M. Ferrand	Mr. Bernard Normandin
Mr. P. Blanchet	Mr. Simon Flegg	Mr. G. Ouellette
Mr. Roland Bock	Mr. Guy Fortier, C.A.	Mr. Gérard Paquette
Mr. J. R. Bonhomme	Mr. J. E. Fournier	Mr. Pierre Paquette
Mr. Paul Bonhomme	Mr. L. Fréchette	Major R. H. Parent, M.D.
Mr. F. Borduas	Mr. Georges Gagné	Mr. Gérard Parizeau
Mr. J. L. Boulanger	Mr. L. E. Langis Galipeault, Q.C.	Mr. André Pasquin
Mr. Paul E. Bourque	Mr. Henri Gareau	Hon. Es. L. Patenaude, P.C., Q.C.
Mr. J. G. Boyce	Mr. C. A. Gascon	Mr. Ernest Patry
Mr. J. Ubald Boyer	Mr. C. J. Gélinas	Miss Raymonde Pelletier
Mr. Josaphat Brassard	Mr. Henri Gérin Lajoie, Q.C.	Mr. Léo Perreault
Hon. J. A. Brillant, M.L.C., C.B.E.	Mr. Jos. Germain	Mr. O. Pichette
Mrs. Camille Brochu	Mr. Paul Girard	Mr. Léon Pilon
Mr. René Brochu	Mr. Barthélemy Giroux	Mr. Gaston Pratte
Mr. Roger Brochu	Mr. Edouard Gohier	Mr. Ernest Renaud
Mr. J. F. Brunet	Mr. Fernand Guay	Mr. Léopold A. Renaud
Mrs. J. H. Burnett	Mr. J. P. Guay	Mr. J. Richard
Mr. Paul Cadrin	Mr. Robert Guay	Mr. Marcel Rivard
Mr. S. Carbone	Mr. Jean Guimond	Mr. Lucien Rondeau
Mr. C. F. Carsley, M.B.E.	Mr. J. A. S. Hébert	Mr. Réal Rousseau
Mr. C. A. Castonguay	Mr. L. Hébert	Mr. J. A. Roy
Mr. C. R. Charbonneau	Mr. J. Héroux	Mr. L. O. Roy
Mr. J. R. Choquet	Mr. J. Jolicoeur	Mr. J. E. St-André
Mr. Hébert Chrétien	Mr. J. E. Labelle, O.B.E., Q.C.	Mr. J. Ulysse Ste-Marie
Mr. F. G. Christian	Mr. René Labelle	Mr. C. F. Savoie
Mr. P. E. Clément	Mr. J. E. Laforce	Mr. J. J. Sénécal
Miss Jacqueline Corbeil	Mr. Jacques Lagassé, N.P.	Mr. A. Somers
Mr. Y. A. Côté, C.A.	Mr. Donat Lalande	Mr. R. Séguin
Mr. Hector Cousineau	Mr. F. Lapierre	Mr. A. E. Styles
Mr. J. Cousineau	Mr. L. P. Larose	Mr. Léo Taillefer
Mr. Laurent Cousineau	Mr. Gaston Laurion	Mr. J. C. Thomas
Mr. Maurice Cousineau	Miss A. Legault	Mr. J. P. Thouin
Mr. René Cousineau	Mr. Henri Paul Lemay	Mr. Jacques Tozzi
Mr. Simon Cousineau	Mr. Jean Léonard	Mr. Clément Tremblay, O.B.E.
Mr. Jean Crevier	Mr. C. Lepailleur	Mr. L. G. Trempe
Mr. Odilon Crevier	Mr. D. Leroux	Dr. L. A. Trudeau
Mr. Claude Dalpé	Mr. J. L. Lévesque	Mr. Jules Trudel
Mr. J. Roland Dansereau	Mr. J. A. Livinson	Mr. A. Turmel
Mr. Marc De Carufel, C.A.	Mr. Jean Machabée	Mr. François Vézina
Mr. H. De Cazes,	Mr. A. Malfara	Mr. Gaston Vincent, Q.C.
Mr. Léopold Demers	Mr. Claude Marcotte	Mr. Louis Wener
Mrs. Rose Alma Deschênes		

The President, Mr. J. Edouard Labelle, O.B.E., Q.C., occupied the Chair and Mr. René Cousineau acted as Secretary of the Meeting.

The Chairman appointed as Scrutineers for the Meeting, Messrs. Henri Gérin Lajoie, Q.C., and Lucien Rondeau, and the nomination of the Scrutineers was approved unanimously by the Meeting.

At the request of the Chairman, the Scrutineers ascertained and reported that there was a sufficient number of Shareholders to form a quorum of the annual general meeting and the Secretary then read the notice calling the Meeting. The Minutes of the last Annual Meeting having been addressed to all Shareholders, were taken as read, and on motion of Mr. L.E. Langis Galipeault, Q.C., seconded by Mr. Henri Paul Lemay, were confirmed.

Following this, the Secretary read to the Shareholders the reports of the Board of Directors and of the Auditors. As Shareholders have already received copies of the Undivided Profits Statement and of the General Statement as at October 31st, 1954, it was proposed by Mr. Paul Girard, seconded by Mr. François Vézina, that they be taken as read.

The President then reviewed the economic situation, after which he called on Mr. J. Ubald Boyer, Vice-President and General Manager, to comment on the Statement of Affairs and the Undivided Profits account for last year.

On motion of Mr. J. Edouard Labelle, O.B.E., Q.C., seconded by Hon. Jules A. Brillant, M.L.C., C.B.E., the report of the Board of Directors to the Shareholders, including the statements submitted, was unanimously adopted.

The Chairman then invited the Secretary to read on behalf of Mr. Victor Morin, N.P., President of the Board of Commissioner-Censors, the report of that Board to the Shareholders.

On motion of Mr. Victor Morin, N.P., seconded by Mr. Narcisse Ducharme, the report of the Board of Commissioner-Censors was unanimously adopted.

It was then moved by Mr. Berthold Mongeau, seconded by Mr. Georges Gagné, that Messrs. J. Emilien Nadon, C.A. of Nadon & de Carufel, and Guy Fortier, C.A., of Boulanger, Fortier & Rondeau, be and they are hereby appointed auditors for the ensuing year, and that their remuneration be not more than \$8,000.

Upon receiving the Scrutineers' report of the balloting, the Chairman declared the motion carried unanimously.

Before proceeding with the next item on the Agenda, namely, the amendment of the Shareholders' By-law concerning the number of Directors and Commissioner-Censors and the amount of their remuneration, the Chairman added to the explanations given at the beginning of his address concerning this matter.

It was then moved by Mr. Paul E. Bourque, seconded by Mr. Marcel Rivard, that clauses (a) and (c) of By-law No. 3 of the by-laws enacted by the Shareholders, be amended by striking therefrom the figure 15 and substituting the figure 16, and that By-law No. 7 be amended by striking therefrom the figure \$30,000 and substituting the figure \$45,000.

It was also moved by Mr. J. Roland Dansereau, seconded by Mr. Edgar Dus-sault, that clauses (a) and (c) of By-law No. 11 of the by-laws enacted by the Shareholders be amended by striking therefrom the figure 10 and substituting the figure 12, and that clause (j) of the same By-law No. 11 be amended by striking therefrom the figure \$6,600. and substituting the figure \$7,800.

Upon receiving the Scrutineers' report, the Chairman declared these amendments unanimously adopted.

Then it was proceeded to the election of Directors. It was moved by Mr. Roger Martel, seconded by Mr. Roger Brochu, that the following be and are hereby nominated as Directors for the ensuing year, that a vote be taken for their election and that one single ballot be cast: Messrs. L. Emery Beaulieu, Q.C., Benoit Benoit, Roland Bock, J. Ubald Boyer, Hon. Jules A. Brillant, M.L.C., C.B.E., Mr. C.F. Carsley, M.B.E., Hon. R. O Grothé, M.L.C., Messrs. J. Edouard Labelle, O.B.E., Q.C., J. Louis Lévesque, Hon. Gérald Martineau, M.L.C., Mr. Lucien Massé, C.A., Major R.H. Parent, M.D., Hon. Es. L. Patenaude, P.C., Q.C., Messrs. Gaston Pratte, C.E. Préfontaine, J. Ulysse Ste-Marie.

The ballot having been taken and the Scrutineers having reported, the Chairman declared the above named Shareholders elected to the Board of Directors for the ensuing year.

The election of the members of the Board of Commissioner-Censors then followed. It was moved by Mr. H. de Cazes, seconded by Mr. Pierre Aubry, that the following Shareholders be nominated as members of the Board of Commissioner-Censors for the ensuing year, and that a single ballot be cast for the election of the said Shareholders as Commissioner-Censors: Messrs. Hector Cousineau, Odilon Crevier, Narcisse Ducharme, Maurice Fortin, L.E. Langis Galipeault, Q.C., Charles Auguste Gascon, Edouard Gohier, Victor Morin, N.P., Calixte F. Savoie, Clément Tremblay, O.B.E., Gaston Vincent, Q.C.

Upon receiving the report of the balloting, the Chairman declared those nominated elected unanimously as Commissioner-Censors for the ensuing year.

Mr. Léopold A. Renaud moved, seconded by Mr. J. Ernest Laforce, that the thanks of the Shareholders be tendered to the President, the Directors and the Board of Commissioner-Censors, as well as to the General Manager and employees of the Bank, for the excellent results of the year's operations. The motion was carried unanimously.

Mr. J. Edouard Labelle, O.B.E., Q.C., replied in the name of the Directors and Commissioner-Censors and Messrs. J. Ubald Boyer, General Manager, and F. G. Christian, Manager of Toronto Branch, in the name of the Staff. All three expressed appreciation of the resolution.

The meeting then adjourned.

## **MEETING OF THE BOARD OF DIRECTORS**

At a special Meeting of the Board of Directors held subsequent to the Meeting of Shareholders, Hon. Es. L. Patenaude, P.C., Q.C., was re-elected Honorary President, Hon. Jules A. Brillant, M.C.L., C.B.E., Chairman of the Board of Directors, Mr. J. Edouard Labelle, O.B.E., Q.C., President of the Bank, Mr. J. Ubald Boyer and Mr. C. F. Carsley, M.B.E., Vice-Presidents.

## **MEETING OF THE BOARD OF COMMISSIONER-CENSORS**

At a special Meeting of the Board of Commissioner-Censors, Mr. Victor Morin, N.P., and Mr. Narcisse Ducharme, were re-elected President and Vice-President, respectively, of the Board of Commissioner-Censors.

## Report of the Board of Directors

Gentlemen :

Your Directors have pleasure in presenting the 54th annual report on the Bank's operations for the financial period, ended October 31st, 1954.

**UNDIVIDED  
PROFITS  
ACCOUNT**

Profit for the financial period of eleven months, ended October 31st, 1954, after transfers have been made in respect of contingency reserves, out of which reserves provision has been made for diminution in the value of investments and loans .....	\$ 1,263,611
<i>Less:</i>	
Provision for Federal Income Tax .....	\$385,000
Depreciation on Bank Premises .....	254,304
Provision for Staff Pension Fund .....	100,000
	739,304
Net profit after the foregoing deductions .....	524,307
Dividends—7.2% per annum .....	330,000
Provision for a special dividend of 0.8% for the financial period 1954 .....	40,000
	370,000
Amount carried forward .....	154,307
Balance of Undivided Profits Account, 30th November, 1953 .....	180,311
	180,311
Balance of Undivided Profits Account, 31st October, 1954 .....	\$ 334,618
	\$ 334,618

For the Board of Directors:

J. EDOUARD LABELLE,	J. UBALD BOYER,
<i>President.</i>	<i>Vice-President and General Manager.</i>

During the year under review, our Lachute Mills agency was transformed into a regular branch while our St. Malachie and St. Sylvestre branches have been transformed into agencies. In addition, a new agency was opened and four others were closed. The Bank now has a network of 148 Branches and 199 Agencies.

All branches were inspected by the Inspection Department of the Bank and the cash and securities at Head Office were verified.

The Shareholders' auditors, Messrs. J. Emilien Nadon, C.A., and Maurice Boulanger, C.A., audited the Bank's records and their report is appended to the general statement.

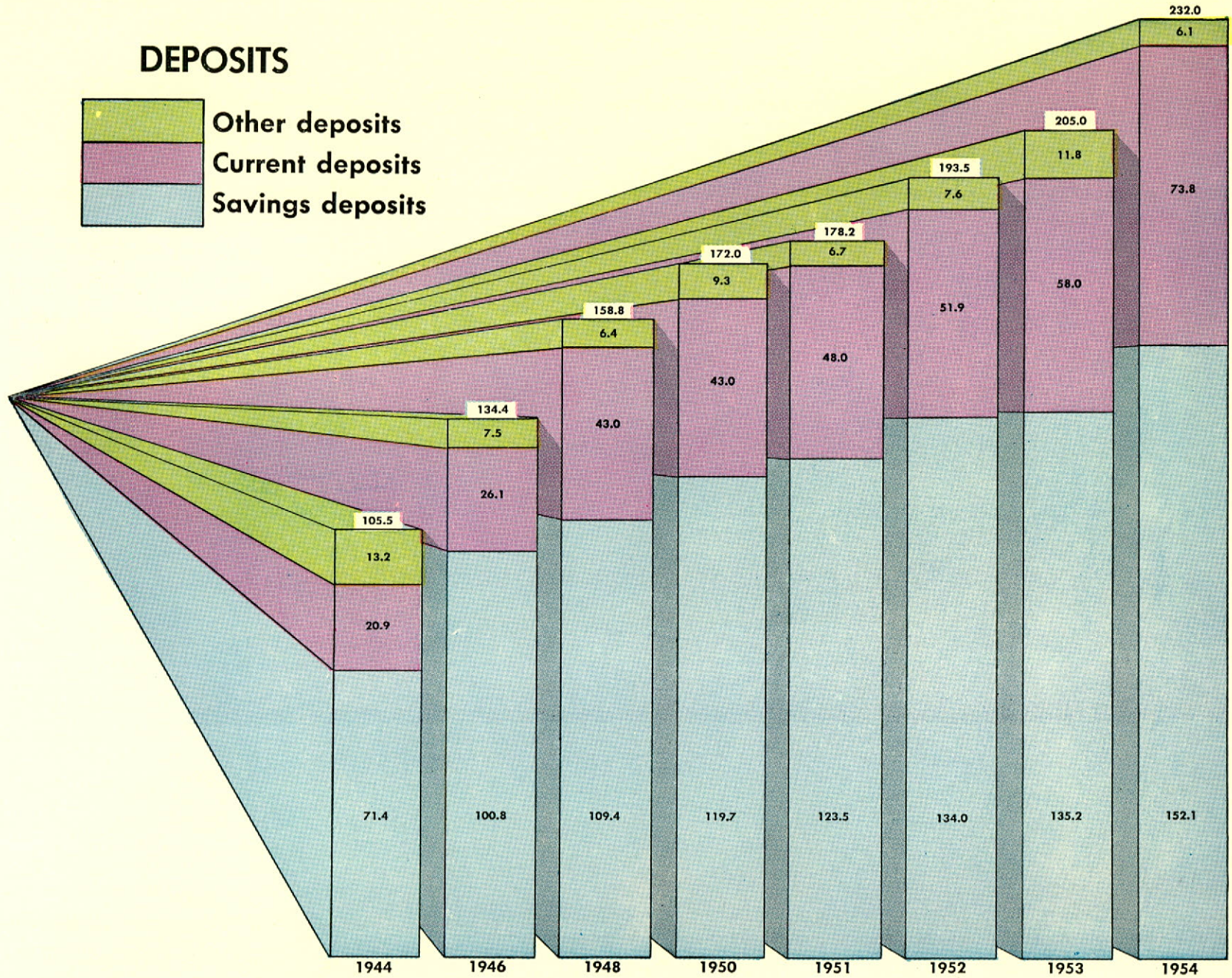
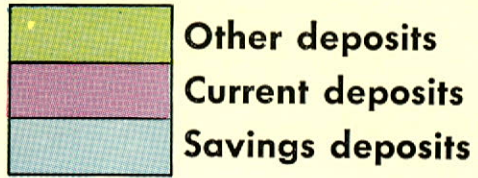
Your Directors express their appreciation to the officers and employees of the Bank for the loyal co-operation they have shown in the discharge of their duties.

For the Board of Directors :

J. EDOUARD LABELLE,  
*President.*

Montreal, December 9, 1954.

# DEPOSITS



**ASSETS**

Gold and coin .....	\$ 627,204	
Notes of and deposits with Bank of Canada .....	22,896,926	
Government and bank notes other than Canadian .....	327,500	
Deposits with other banks .....	958,754	
Cheques and other items in transit, net .....	21,956,557	\$ 46,766,941
Government of Canada direct and guaranteed securities, not exceeding market value .....	52,923,379	
Canadian provincial government direct and guaranteed securities, not exceeding market value .....	15,607,254	
Other securities, not exceeding market value .....	19,212,298	
Mortgages and hypothecs insured under the National Housing Act, 1954, less provision for estimated loss .....	87,146	
Call and short loans to brokers and investment dealers, secured ....	10,683,464	98,513,541
Other current loans, less provision for estimated loss .....	91,385,404	
Non-current loans, less provision for estimated loss .....	53,142	91,438,546
Bank premises at cost, less amounts written off .....		3,894,378
Customers' liability under acceptances, guarantees and letters of credit, as per contra .....		439,881
Other assets .....		259,594
		<u>\$241,312,881</u>



# Statement

**THE PROVINCIAL BANK  
OF CANADA**

## LIABILITIES

Deposits by Government of Canada .....	3,732,320	
Deposits by Canadian provincial governments .....	1,957,414	
Deposits by other banks .....	403,277	
Personal savings deposits payable after notice, in Canada, in Canadian currency .....	140,932,301	
Other deposits .....	84,990,521	232,015,833
Acceptances, guarantees and letters of credit .....		439,881
Other liabilities .....		522,549
Capital paid up .....	5,000,000	
Rest account .....	3,000,000	
Undivided profits .....	334,618	8,334,618
		<u>\$241,312,881</u>

For the Board of Directors :

J. EDOUARD LABELLE,  
*President.*

J. UBALD BOYER,  
*Vice-President and General Manager.*

**AUDITOR'S  
REPORT  
TO THE  
SHAREHOLDERS**

We have examined the above Statement and compared it with the books and accounts of The Provincial Bank of Canada at the Head Office and with returns certified by its branches.

At the end of the financial year, we have verified the investments and securities and checked the cash held at the Head Office and at its Main Branch. We have examined a substantial number of the inspection reports covering the branches and at different dates during the year have joined with the inspectors of the Bank in verifying the cash and securities at two important branches.

We report that in our opinion, the above Statement presents fairly the financial position of the Bank and that: (a) we have obtained all the information and explanations we have required; (b) in our opinion, the transactions of the Bank that have come under our notice have been within the powers of the Bank; (c) the Statement is as shown by the books of the Bank.

J. EMILIE NADON, C.A.,  
of Nadon & de Carufel }  
MAURICE BOULANGER, C.A.,  
of Boulanger, Fortier & Rondeau }      Auditors

Montreal, November 10th, 1954.

**REPORT  
OF THE  
COMMISSIONER-  
CENSORS**

**W**e beg to submit the fifty-fourth report of your Board of Commissioner-Censors for the financial period ending October 31st, 1954.

In looking over the financial statement of your Bank, for eleven months, you will note with satisfaction the remarkable results obtained. As shown by the Balance Sheet, presented by the Board of Directors, for the financial period ending October 31st, 1954, the Savings Deposits stood at \$152,083,224. The duty of your Board of Commissioner-Censors is to assure themselves of the constant liquidity of at least half of these deposits and of their investment in readily realizable securities.

In conformity with the by-laws governing the Board of Commissioner-Censors, we have held our regular monthly meetings during the course of the past year, and we are satisfied that the Bank held at all times, among its assets, readily realizable securities in excess of the amount stipulated in the said by-laws.

We join you in noting the very satisfactory results for the financial period ending October 31st, last and in accepting the reports presented to you.

At the same time we wish to thank the Bank's staff for their readiness at all times to furnish us with the information asked for.

For THE BOARD OF COMMISSIONER-CENSORS:

Victor Morin, N.P.,  
President.

Montreal, November 22nd, 1954.

ADDRESS  
OF THE  
PRESIDENT



*Mr. J. Edouard Labelle*  
O.B.E., Q.C.

It is my pleasant duty, on behalf of our Directors, to present to you at this time, the fifty-fourth annual report of your Bank. Before going into details of the various items included in this report, it is fitting, in opening this meeting, to refer to the heavy loss which the Bank has suffered in the death of our distinguished Chairman of the Board, the Honourable Senator Elie Beaugard. Senator Beaugard was elected to the Board several years ago, and during that time he rendered outstanding service to the Bank. His will to work, his sound judgment and his valuable connections, made him one of the most widely known members of your Board. His loss is deeply felt by his colleagues, and I would like to make a motion, which will be seconded by my immediate predecessor, the Honourable Es. L. Patenaude — to whom the Senator rendered equally valuable service during his term of office — that our condolences be recorded in the minutes of this meeting, and that this expression of sympathy on the part of the shareholders, be conveyed to Mrs. Beaugard and the other members of the family.

To fill the vacancy created by the death of Senator Beaugard, your Directors have elected the Honourable Jules A. Brillant, M.L.C., C.B.E., to the Chairmanship of the Board, and they are very happy that he has consented to accept this office. His attachment to your Institution, his wide experience and his unceasing devotion, leave no doubt that he will discharge his functions in a most competent manner.

And now, with these few words of appreciation and esteem I shall proceed to present the annual report.

The financial statements which you have before you, although covering only a period of eleven months — since, at our last General Meeting, the end of our fiscal year was changed from November 30th to October 31st — are very satisfactory to your directors, and indeed most encouraging. They show that The Provincial Bank of Canada is continuing to progress and that it enjoys the esteem and the confidence of the

public. The fiscal period just ended shows an increase in assets and loans as well as in deposits, while the number of customers served by our branches has grown noticeably. The General Manager will shortly comment in detail on the balance sheet. The Board felt that the report presented to you should be as broad, detailed and as clear as possible. I would like to add, on behalf of your Directors, that they have full confidence in the future, and that they have every reason to hope that the progress of the past year, will continue and expand in the years to come.

In order to further this expansion, some amendments to the By-Laws — having as their object to increase the number of directors and commissioner-censors — will be submitted to you in a few minutes. If in the discharge of their duties, the directors and commissioner-censors direct and supervise the good administration of the bank, they can also assist greatly in the expansion of its business.

During the past year we have continued our policy of trying to improve the working conditions of the staff and we have adopted certain measures to that effect. If the Bank has been able to benefit from the experience, the knowledge and the social position of the directors and censors, we must not forget that without the efforts of our staff we would not have attained the success that we have had and that without the qualities which they have displayed during the year just ended, we would not be able to reach the objectives which we have set for the coming year.

It is customary for a Bank President to comment on the economic situation of the year just ended and at the same time to analyse the outlook for the future. I shall therefore endeavour to convey to you the views of your Board on these points.

\* \* \*

Canada has again enjoyed, during 1954, a high level of business activity, in spite of the fears that were felt last year following especially the ending of the Korean war because of its repercussions on the economy. According to our last available statistics, the value of the gross national production this year will reach approximately the same figure as in 1953, which means a total of about \$24,350,000,000, with no marked change in the price index. Employment which, until the beginning of this Fall, had been lower than last year would now seem satisfactory since in October it reached a higher level, the number of persons with jobs being estimated at 5,282,000 compared with 5,240,000 in October 1953. Due to higher hourly rates, labour income is slightly exceeding the total of last year but at the same time we must not overlook the fact that farm income has suffered a severe cut.

### **Year of Transition**

At first, reviewing these general results, we might be inclined to believe that the outlook of the general economic situation this year does not differ very much from last year. Even if there has been a slight decline in business, it would seem to have no

economic importance or bearing seeing that 1953 was a peak year during the postwar period.

However, it must be noted that the year 1954 — and this is a very significant fact — has brought an interruption to the postwar expansion of the Canadian economy since the war. Doubtless, the economic situation underwent a slight decline in the years 1949-1950, which was felt more in the United States than in Canada but thereafter, due to the outbreak of hostilities in Korea, it moved gradually to a higher level. This levelling off of the economy means in fact that employment does not keep pace with the growth of the labour force whether by immigration or natural increase. So much so, that according to the Dominion Bureau of Statistics the number of jobless increased in October 1954 by comparison with 1953 from 2.1% to 3.3% of the total labour force, which means a rise of 111,000 to 179,000 unemployed. Moreover, it must be noted — and this is not shown in these data — that the number of people working less than full time has also increased. Naturally, these figures are subject to qualifications but as a whole they are sufficient to indicate the problem, which our Government will face if seasonal unemployment increases, this year, as it did last winter. Therefore, the year 1954 must really be considered as a transition period for the adjustment of the economy. This tendency to stabilisation was clearly noted, last year, through important changes which took place in the Canadian economy. In order to profit from past experiences and be prepared for the immediate future let us analyze them briefly.

### **The Wheat Problem**

At present, one of the principal causes of our difficulties stems from our enormous unsold stock of wheat. Basically this problem is not a new one for if we look back several years we shall find that it developed through the wheat policy which was followed after the first World War, when the establishment of Veterans in the Western part of Canada brought about a considerable increase in the area devoted to wheat. Nine years after World War II, Canada is still facing the same problem of excess wheat which she had nine years after the first World War and for the same reason, that of the devastated countries of Europe resuming their normal production. On July 31st last, the end of the crop year, the carryover of Canadian wheat on farms and in grain elevators amounted to 594,000,000 bushels. This year's crop will, however, be considerably less, according to estimates, than the record crops of the last three years. These unsold stocks of wheat accounted for approximately 70% of the decline in value of our total exports during the first ten months of 1954. This situation, besides reflecting itself immediately in farm income, obviously entails a series of consequences for the economy. It accounted, for example, this year for a good part of the present falling off in the volume of railroad business. And it is to be feared that these consequences may be felt in the coming months. Sooner or later, Canadians will have to approach this problem in more realistic terms and find a solution which will not be at the expense of the taxpayer as up to now.

### **Stiffer International Competition**

If our Canadian exports have been curtailed mainly through a drop in the sale of wheat to foreign countries, they also have been decreased, in other fields, through stiffer international competition: first, we have had to struggle against increased tendencies towards protectionism in the United States and, on the other hand, we have been faced with lower production costs from foreign countries.

Why the United States are returning to their traditional policy of high tariffs in spite of the tendency of international agreements towards freer international trade may be easily understood. Since 1949, our neighbours have experienced the difficulties of reconversion and especially for the last two years they have suffered an economic recession which was more acute than ours. But as more than 20% of our total national production depends on international sales and as the United States constitutes our principal market for a proportion of at least 60% of our exports, the threat of a tariff increase on some of our products this year has been really a source of grave concern to our Government and our industry. However, due to a sound American administration this threat of higher tariffs which in fact would have barred some of our product from the American market did not materialize. But it must be borne in mind that this trend in the United States towards renewed protectionism in the long run is raising new obstacles for Canadian production in the American market.

### **The Problem of our Production Costs**

At the same time it is becoming increasingly difficult for Canadian products to compete in other markets because of high production costs. Nine years after the second World War, the reconstruction of the devastated countries has now progressed sufficiently to enable these countries to enter as serious competitors in world markets. They are now getting new equipment, have an ever increasing population and are paying wages definitely lower than ours. Therefore, we must face this competition at a moment when our price structure influenced by the successive inflationary pressures which have followed the Korean war, prevents us from retaining our domestic market. The best example of this situation might be illustrated by the textile crisis. For these various reasons, our exports during the first ten months of this year have decreased by \$280,000,000 compared with the exports of the same period in the previous year.

### **Consumers' Expenditures**

Although the Canadian economy, as may be seen, experienced several difficulties, it is important to note that 1954 remains one of the most successful of the post-war years. It would seem that this success was mostly due to high level of consumer expenditures. If we examine the statistics for the first two quarters of the year, we see, in fact, that besides exports, the various components of the gross national expenditure have been declining in comparison with last year except in two instances: personal expenditure on consumers' goods and services and residential construction. In Canada

personal expenditures on consumers' goods and services account for 60% of the total national income. We may, therefore, understand why even a relatively small increase in consumer spending may offset a decrease in the other components of the gross national expenditure.

### **The Task for the Future**

In the foregoing review, an effort has been made to outline the principal causes of the slowing down of our business activities. It will be clear that problems created by our surplus wheat stocks can only be settled by our Government in co-operation with the citizens of this country. On the other hand, we believe that to promote our exports and protect our domestic market, the future of our economy will be greatly improved if the Canadian manufacturers during this transition period are really determined through sound management, to increase productivity in their plants and reduce costs. The period of easy times caused by the Korean war allowed several of them to neglect efficiency in their business operations far too long. This easy way of doing business must come to an end. We must now adapt our economy to the new price structure which is developing throughout the world in line with the international price level.

However, the difficulties of such an adjustment must not be underrated. But these periods of adjustments are precisely the testing laboratory of the vigorous businessman. Easy profits disappear and the efficiency of capital is the reward of the businessman who innovates, who knows how to discover his chances of success and who evaluates risks with precision and conducts business actively and with positive results.

May I add that economists warn employers against the temptation during a period of adjustment to call for a general wage-cut, because it would bring about a reduction of purchasing power which in turn could aggravate the falling off of our business activities. On the other hand — and it is a good thing that union leaders thought advisable to point it out — these periods of economic difficulties are not the proper time for a general increase of wages. If private enterprise needs the purchasing power of labour to sell its products, the worker for his part needs his job and for this purpose, enterprise must face competition while at the same time covering its expenses. Wages adjusted in each particular industry to the requirements of the market and of the maximum productivity are as essential as a general policy of wages, aimed at maintaining the purchasing power of the mass of people. The stability of the economy may depend for a good part on the possibility of realizing this equilibrium by the proper attitude of employer and employees in their mutual relations.

### **Favourable factors**

If this transition period is subject to difficulties, there are several favourable aspects also. Let us note that we have not observed so far on the stock market a speculative fever. It is true, the quotations of the stock exchange are high. Even a few businessmen think they are too high but not higher than other prices. The present

level of stock prices is the result of a slow and continuous rise which has been going on for a long period. However, this does not prevent temporary setbacks, but makes spectacular losses less probable. The stability of rising prices on the stock market is a definite proof of the confidence of the business people in the nation's prosperity. Another notable factor which cannot be overlooked in a country like Canada, where the extent of the market causes continuous problems, is the ever increasing rate of the population, a dynamic element for progress and economic development.

We must draw attention also to the important fact that a Public Works programme is under way. Let us mention the most ambitious of these projects, which started a few weeks ago, the St. Lawrence Seaway.

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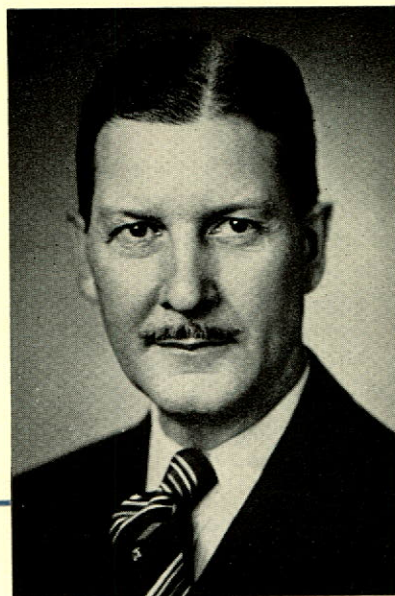
The present trend of events shows that our economy being subject to the uncertainties of the export trade, Canadians must endeavour to render it more autonomous. It is a tough and at the same time a complex job but we are in possession of tremendous natural resources and this should help to carry it through. Canadians have proved in the past that they are energetic people and that they are not afraid of assuming heavy risks. For this present task, they must accept immediate sacrifices if they want more stability and greater welfare in the long run. They must have confidence in the future of their country and not hesitate through their savings to foster the development of their own initiative. The future belongs to those who know how to cope with it.





**ADDRESS  
OF THE  
VICE-PRESIDENT AND GENERAL MANAGER**

*Mr. J. Ubald Boyer*



**T**he financial statements which have been published last month and are being submitted to you to-day, show clearly that our Bank has obtained, during the last fiscal period, better results than in any previous year. Figures shown under practically every item of the Balance Sheet and the Profit Statement are the highest ever published by the Bank and it is obvious that our Institution is growing and progressing satisfactorily.

**A Summary Comparison Between 1944 and 1954**

In order to illustrate better the situation and so that the figures I will quote may be seen in their proper perspective, I should like to make a summary comparison between the results now under review and those of ten years ago.

In November 1944, our total assets barely reached \$112,000,000 while at the end of last October, they stood at \$241,312,881. On the other hand, net operating profits for 1944 were \$465,000 as compared with \$1,263,611 for the eleven month period just ended. In other words, our resources have increased by more than 115% during the last ten years, while profits — after making allowance for the increased capital and the shorter period for this year — have gone up proportionately. All of which indicates that the Bank is in the best of health and may look forward hopefully to the future. While on this subject, I may mention that dividends for 1944 were at the rate of 5%, while dividends and bonus for the last fiscal period amount to 8% per annum.

Quite obviously, the Bank has been able to benefit from the general prosperity of Canada since World War II and the results obtained, I am sure you will agree, cannot but be very gratifying to our Shareholders, our staff and customers, as well as to all those who are interested in the future of Canadian institutions.

## **The Revised Balance Sheet**

Before commenting on the Balance Sheet, it would seem appropriate to recall that many important sections and schedules of the Bank Act were amended at the time of its decennial revision last Spring, and that the very purpose of one of these amendments was to simplify the financial statements intended for Shareholders. Several items of the Balance Sheet were therefore changed by Parliament. For instance, certain liability items which previously had been shown under some particular heading now appear under another one or, in some cases, must be deducted from a related asset. In other cases, two related items are combined into one. As a result of all this, you may find that a comparison of the figures under review with those for the previous year is, to a certain extent, made more complicated than was the case in the past. Effective next year, of course, this difficulty will disappear.

## **Deposits**

Figures for deposits will serve as a first illustration of the revised Balance Sheet. For many years deposits from the public had been divided into two well-known groups, i.e. interest bearing and non-interest bearing deposits (otherwise generally known as Savings and Current Account deposits). On the revised Balance Sheet all personal Savings deposits payable after notice are shown separately, while Current Accounts are grouped with Savings deposits in the name of corporations, companies, municipalities, etc. In other words, corporate Savings deposits are considered, for Balance Sheet purposes, in the same category as ordinary Current Accounts. They are normally subject to heavy withdrawals for business purposes and it seems that the new classification, where personal Savings deposits are shown separately, will be more useful from a statistical point of view.

Our total deposits, which were \$204,990,528 in November 1953, had increased to \$232,015,833 on October 31st last, a very substantial improvement of \$27,025,305, notwithstanding the fact that Government deposits are lower by about two and a half millions. I am pleased to report that this increase has taken place, in normal proportions, in both Savings and Current Account Departments.

We shall see presently what use has been made of these new resources.

## **Loans for Business and General Purposes**

Throughout the year we have endeavoured again to give all possible assistance to private enterprise and 40% of all our deposits have been loaned to undertakings of all kinds. The first and most useful function of a commercial bank is to gather, as in a vast pool, the savings of large and small depositors and to place at the disposal of all deserving borrowers the financial assistance they may require to develop and improve their businesses.

The greater volume of our deposits has enabled us to make advances on a larger scale than ever before and you will note that all loans, other than mortgage loans, day-to-day loans and call loans to brokers and bond dealers, have increased by more than ten and a half millions, i.e. from \$80,621,137 to \$91,438,546. We are pleased to have been in a position to give help to industry, commerce, agriculture, municipalities, school boards, religious and other institutions, and also, by way of personal loans, to thousands of individuals.

## **Loans to Brokers and Bond Dealers**

Our Canadian economy has made considerable progress during the past few years and financial transactions are increasingly numerous and important. With the co-operation of the Bank of Canada, the chartered banks and a number of large investment houses, a Canadian money market was organized last June, which is working efficiently and is already fulfilling a very useful rôle. Day-to-day loans on this market and call loans to brokers and bond dealers, against first class securities, are immediately realizable assets and provide for banks a most suitable outlet for their surplus cash.

## **Mortgage Loans**

For almost 100 years, mortgage loans were very strictly forbidden by the Bank Act. For various reasons, however, Parliament, at its last session, authorized the Banks to make certain loans of this type, to promote construction of new houses. These provisions have been in effect for a few months only and, as they involve for our banking system a radical innovation, we have made it a point to proceed with all necessary caution in this field.

We have received a great number of applications, all of which have been studied very carefully. Our commitments for these loans, after only a few months, are close to \$800,000 and will soon reach a million dollars. You have already understood, of course, that the amount of \$87,146 shown on our Statement at the end of October, represents only progress payments made to builders for work already completed at that time.

## **Investments**

Our investments amount to \$87,742,931 as compared with \$74,049,733 for the previous year, an increase of \$13,693,198 which represents mainly new purchases of Government bonds. The higher level of these holdings reflects not only our increased deposits but also our firm policy to ensure for these deposits the maximum of security and liquidity at all times.

New investments, however, have not been confined to Government bonds and you will note that other securities, which include obligations of municipalities, religious institutions, manufacturing companies, etc., and which stood last year at \$15,487,559 have now reached a figure of \$19,212,298. Not only do these various investments bring to the Bank a substantial revenue but they also contribute to the general prosperity of Canada.

## **Cash Assets**

Our cash assets, which are represented by the first five items on the Balance Sheet, stood at \$46,766,941 as compared with \$50,557,727 the previous year. This is a normal decline, since cash holdings naturally fluctuate considerably from day to day. There was, for instance, a decline of two and a half millions in the amount of cheques and other items in transit. Incidentally, however, this latter heading, as a result of the recent amendments, does not include exactly the same items as in the past.

It seems appropriate to point out here that the new Canadian money market, organized last June, now makes it possible for Banks to invest, both profitably and subject to call at any time, some of their assets which heretofore had been unproductive. As a result, therefore, and for all practical purposes, cash holdings may be reduced about proportionately, to the obvious benefit of the Banks.

### **Quick Assets**

Before completing this analysis of our assets, I would like to comment briefly on their liquidity. This, moreover, is a factor which all banks, especially our own, have always considered most important.

Our cash assets, as at the end of October, amounted to \$46,766,941 or 20.07% of all liabilities to the public, which then stood at \$232,978,263. Quick assets, including cash, investments, day-to-day loans, call loans and loans insured under the National Housing Act, reached the total of \$145,280,482 or 62.36% of all public liabilities.

The above two percentages compare favourably with those for the previous year, which were respectively 23.65% and 62.50%, more particularly so if it is realized that, in most countries, including ours, both ratios have a general tendency to decline slightly over the years as the monetary and banking systems are developed, improved and made more flexible.

### **Profits**

The considerable increase in our deposits, paid-up capital and loans have meant a substantial improvement in our revenues and you will already have noticed that net operating profits, after appropriations to contingency reserves, increased from \$1,063,141 to \$1,263,611, although, as mentioned before, the last fiscal period covered only eleven months.

The amounts set aside as income tax reserve and depreciation on bank premises were \$385,000 and \$254,304 respectively, as compared with \$353,905 and \$183,141 for the previous year. A sum of \$100,000 has again this year been paid into the staff Pension Fund Society, thus bringing to \$800,000 the total of contributions by the Bank since 1947. In this connection, I am pleased to emphasize again that this Fund, which is operated independently and on a sound actuarial basis, constitutes a very valuable asset and inducement for our staff.

After all the above appropriations and after payment of the dividends and bonus, a balance of \$154,307 was carried forward, against \$94,345 in 1953. The total amount of undivided profits now stands at \$334,618 which, when added to the paid-up capital and rest fund, brings the Shareholders equity to a grand total of \$8,334,618.

### **Dividends**

From 1947 to 1953 inclusive, dividends paid to Shareholders were at the rate of 70¢ per share. As profits were increasingly higher these last few years, the Board considered the time had come to increase this rate and you were no doubt pleased to find that a total of 74¢ was distributed in 1954. If we take into account the fact

that the fiscal period covered only eleven months, this is an increase of more than 15%. In this connection, I would like to point out that a large part of profits is absorbed each year by taxes of all kinds.

### **Staff**

I would like to emphasize at this point that if the results of the year may, to a large extent, be attributed to the general prosperity of our country, they certainly have been made possible only because of the unfailing devotion and very conscientious work of our staff.

Each year, due to the growing complexity of our Canadian economy and the increasing number of services which banks are called upon to render, the duties of all personnel are becoming more technical and more exacting. This requires a good deal of adaptability and very special qualifications and the banking fraternity is indeed very proud that the highest standards have always been met in this respect.

Accounting methods are changing all the time and I am pleased to mention here that our Bank has made considerable progress in this field since last war. Machine posting has now been introduced in our larger branches and you are probably aware that electronics is being used to an unusually large extent in our Chief Accountant Department. The response of our staff to all these modern improvements has been very gratifying and the general efficiency has, as a result, been considerably increased.

It is, therefore, a pleasure for me to express my appreciation to all our officers and clerks, both in the branches and at Head Office, for their devotion to duty and their efficient work throughout the year.

### **Directors and Shareholders**

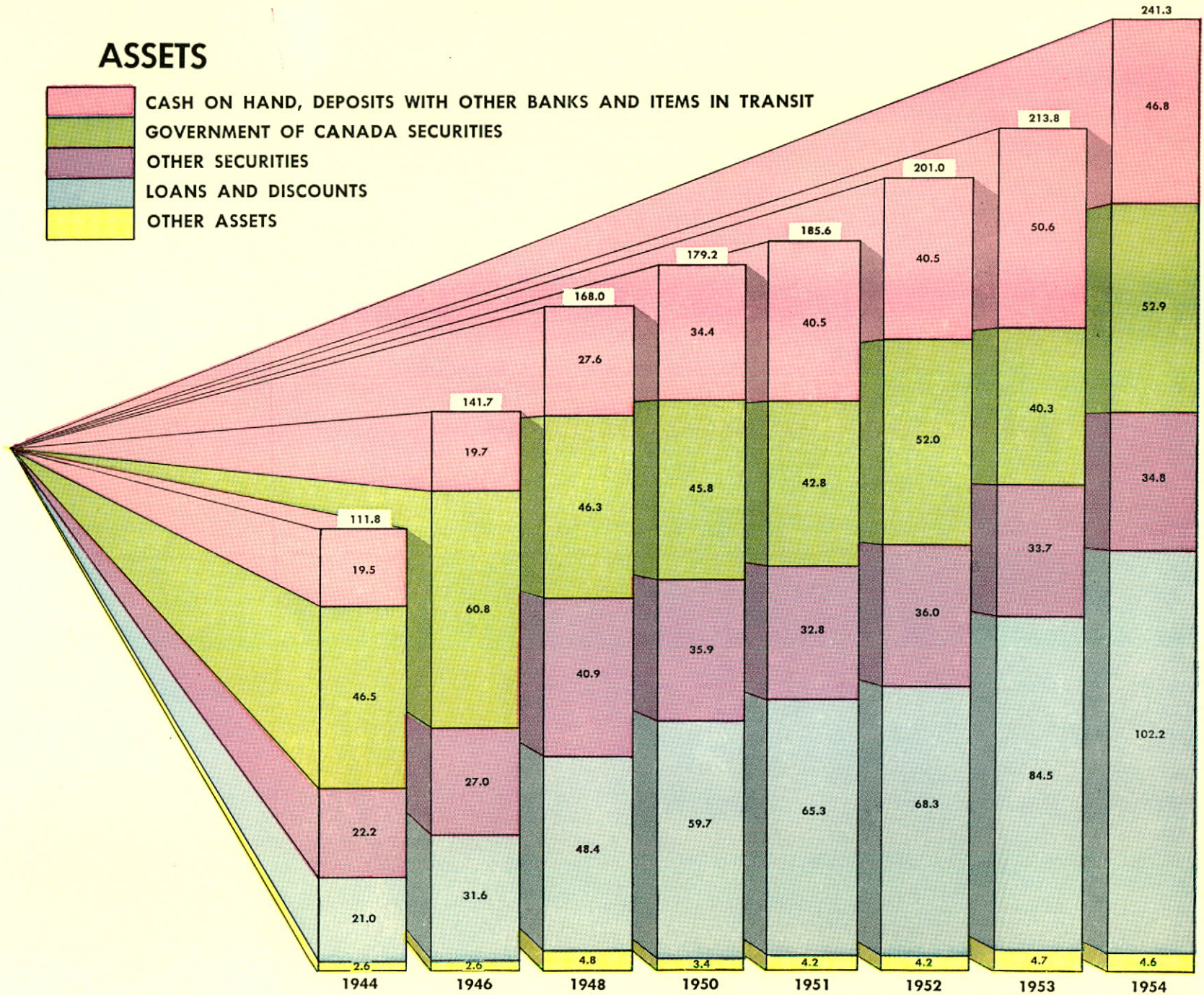
I would like to take this opportunity, on behalf of all members of our staff, to convey to the Board of Directors our heartfelt gratitude for the careful consideration given to all matters submitted to them each week and for the care with which they have, at all times, looked after the best interests of the Bank and the staff.

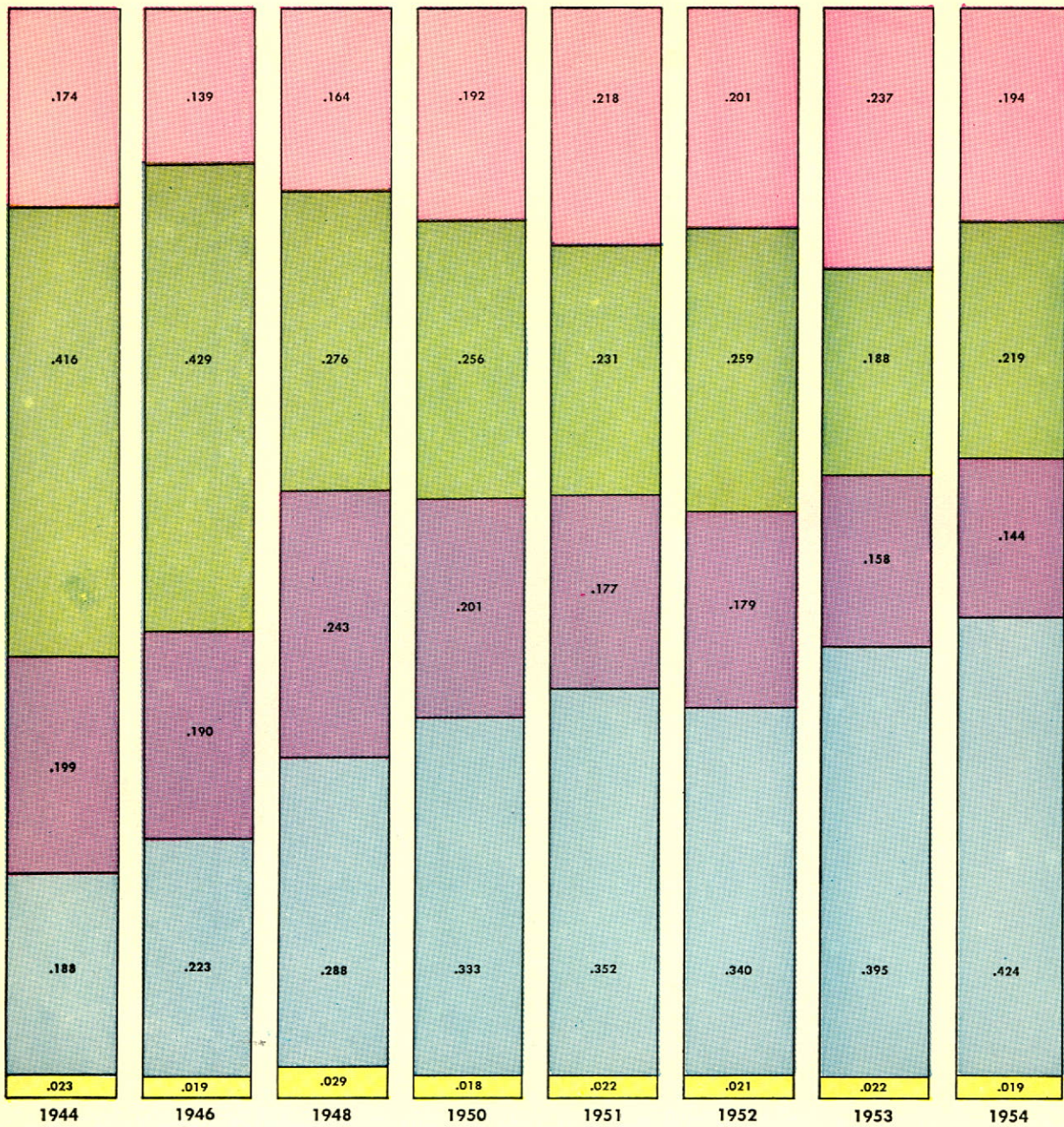
Our Shareholders constitute a large family, directly interested in the development of our business. To a large number of them, their holdings of our shares do represent a most valuable asset and the foundation of their investment portfolio and I am glad to point out here that many of them never miss an opportunity to direct new business to us. To all of them, I should like, at this time, to convey our sincere thanks for their goodwill and very valuable assistance. Let us hope that, as a result of our united endeavours, we shall find, a year from now, that further progress has been made again by the Bank.



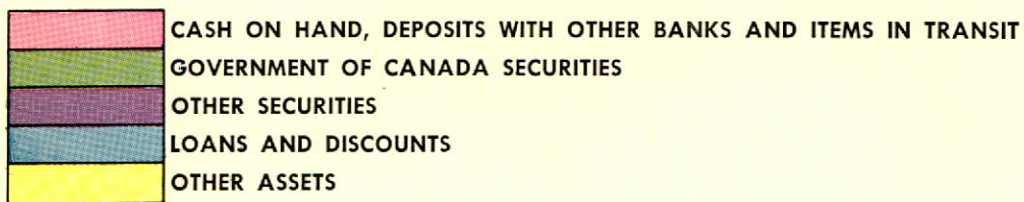
# ASSETS

- CASH ON HAND, DEPOSITS WITH OTHER BANKS AND ITEMS IN TRANSIT
- GOVERNMENT OF CANADA SECURITIES
- OTHER SECURITIES
- LOANS AND DISCOUNTS
- OTHER ASSETS





## ALLOCATION OF THE ASSET DOLLAR



# Branches

## MONTREAL AND SUBURBS

BRANCHES	MANAGERS	BRANCHES	MANAGERS
221 St. James St. W.	Léo Lavoie	AHUNTSIC:	
2675 Beaubien St. East	R. Naud	500 Henri Bourassa Blvd.	J. A. Larue
4250 Beaubien St. East	L. Cyr	CARTIERVILLE:	
937 Bélanger St. East	Robert Mongeau	3896 Gouin Blvd. West	Léo Lauzon
200 Bernard St. West	F. Lapierre	CITE DE JACQUES CARTIER:	
3538 Delorimier St.	J. A. Denis	709 Coteau Rouge Road	E. Viel
2101 Jean Talon St. East	J. J. Dion *	L'ABORD A PLOUFFE:	
1909 Laurier St. East	J. L. Lacasse	51 Labelle Blvd.	G. A. La Couture
1390 Mount Royal St. East	W. S. Albert	LACHINE:	
150 Notre Dame St. East	J. A. Fortier	1515 Notre Dame St.	W. L. Godin
2441 Notre Dame St. West	A. Arguin	OUTREMONT:	
4440 Notre Dame St. West	J. A. Tétreault *	1051 Laurier St. West	J. A. S. Hébert
520 Ogilvy Ave.	A. Somers	PONT VIAU:	
1346 Ontario St. East	F. Borduas	23 Taschereau Blvd.	J. P. Ducharme
3401 Ontario St. East	B. Dupont	VERDUN:	
772 Rachel St. East	M. Lefebvre	321 Church Avenue	P. E. Dessureault
2550 Rouen St.	P. Geoffrion *	VILLE EMARD:	
175 Roy St. East	S. Carbone	6069 Monk Blvd.	G. Delage
801 St. Catherine St. East	R. Leclerc	VILLE ST. LAURENT:	
1894 St. Catherine St. East	G. E. Cossette	255 Decarie Blvd.	J. J. Sénécal
4137 St. Catherine St. East	J. B. A. Michaud	VILLE ST. MICHEL:	
4494 St. Denis St.	G. E. Lachapelle	8060 St. Michel Blvd.	J. G. Labelle
8501 St. Denis St.	J. L. Turcot		
6420 St. Hubert St.	A. Dalpé		
3543 Van Horne Ave.	G. Durivage		

## OTHER BRANCHES IN QUEBEC

AMQUI	L. Ruel	BEAUPORT	L. A. Dussault
ASBESTOS	J. M. Houle	BOUCHERVILLE	L. A. LaRivière *
AYLMER	Jean Phaneuf	CAUSAPSCAL	L. Richard
BAIE ST. PAUL	B. Gosselin	CHICOUTIMI	Armand Lauzier

\* *Officer in charge*



BRANCHES	MANAGERS	BRANCHES	MANAGERS
COTEAU STATION	N. Hotte	RIMOUSKI	J. A. Prieur
DANVILLE	Omer Lamoureux *	RIVIERE DU LOUP V.	L. P. Nadeau
DISRAELI	O. Labrie	RIVIERE DU LOUP STATION	L. Massé
DRUMMONDVILLE:		ST. AGAPIT	A. Desrochers
266 Heriot St.	R. Brunelle	ST. AGATHE DES MONTS	L. P. Roy
461 Lindsay St.	E. Julien *	ST. ANDRE AVELLIN	J. L. Valois
GATINEAU	J. G. Paquette	ST. ANSELME	Roméo Morneau
GENTILLY	J. A. Turgeon	ST. BARTHELEMY	J. Hébert
GRANBY	H. P. Comeau	ST. CLET	J. A. Rousseau
HULL:		ST. CROIX	J. A. Barbeau
159-161 Main St.	F. Allard	ST. DENIS SUR RICHELIEU	L. Trudeau
St. Laurent & Champlain	G. Ouellette	ST. DONAT	R. Plante
JOLIETTE	R. St. Jean	ST. EUSTACHE	J. A. Laniel
JONQUIERE	R. Dionne	ST. FLAVIEN	E. Tousignant
LABELLE	R. Séguin	ST. GABRIEL DE BRANDON	G. Caron
LABRIEVILLE	J. P. Nadeau	ST. GUILLAUME D'UPTON	G. Labelle *
LACHUTE	P. J. Gauthier	ST. HYACINTHE	E. Bertrand
LACHUTE MILLS	P. H. Nepveu *	ST. JEAN PORT JOLI	E. Masson
LAC MEGANTIC	W. Poirier	ST. JEROME	L. Calvé
LA MALBAIE	J. L. A. Pouliot	ST. PASCAL	P. E. Drouin
LAURENTIDES (P. O. St. Lin)	R. Massé	ST. POLYCARPE	E. Lalonde *
L'EPIPHANIE	G. Robillard	ST. RAPHAEL	M. Morin
LORETTEVILLE	J. D. Corriveau	ST. ROSE DE LAVAL	G. Beauchesne
LOUISEVILLE	A. Lalonde	SAYABEC	J. E. Levesque
MANIWAKI	J. P. Lemieux	SHAWINIGAN FALLS	E. Gagnon
MASSON	W. Lépine	SHERBROOKE:	
MATANE	H. J. Roy	11 Wellington North	R. M. Ferrand
MONTMAGNY	G. Doyon	401 Papineau St.	Gilles Faucher *
NICOLET	A. R. Larivée	SOREL	J. R. Gauthier
NOTRE DAME DE CHARNY	J. Hubert	TERREBONNE	P. A. Piette
PAPINEAUVILLE	M. Lalonde	THURSO	J. M. Danis
PIERREVILLE	R. L. Beauséjour	THREE RIVERS:	
QUEBEC:		1433 Notre Dame St.	L. P. Beaulieu
54 St. Peter St.	J. A. Labrecque	Laviolette & St. Maurice	A. Maillet
2 Fabrique St.	J. E. R. Plamondon	TRACY (P. O. Sorel)	A. A. Grenier
355 Charest Blvd. (St. Roch)	J. F. Gamache	VAL BRILLANT	M. J. Lepage *
8 St. Joseph St. W. (St. Sauveur)	J. Gauvreau	VALLEYFIELD:	
595 Third Avenue (Limoilou)	J. E. Bruyère	Corner Nicholson & St. Cecile	H. Gervais
Industrial Centre No. 5 (St. Malo)	H. Houle	Bellerive: 76 Grande Isle Ave.	S. Théorêt

\* *Officer in charge*

BRANCHES	MANAGERS	BRANCHES	MANAGERS
VARENNES	M. Duchesne	WARWICK	V. Dupuis
VERCHERES	J. P. Lavallée	WINDSOR	F. J. Foisy
VICTORIAVILLE	R. Leduc	YAMACHICHE	G. Désaulniers
VILLE ST. JOSEPH	A. Houde		

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BELLE RIVER	A. Y. Melanson	TORONTO (68 King St. West)	F. G. Christian
OTTAWA (152 Rideau St.)	J. Héroux	WINDSOR:	
PEMBROKE	C. E. Cameron	Drouillard & St. Charles	R. Defoe
ROCKLAND	H. W. Tessier	London & Victoria	J. G. Boyce
TECUMSEH	W. St. Pierre	Ottawa & Lincoln	W. J. Bickley
		Wyandotte & Parent	J. M. Pilon

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EDMUNDSTON	J. E. Thibault	ST. QUENTIN	G. Lauzier
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	BANCO DI ROMA ROME, ITALY.
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<i>Executive Assistant to the President and Assistant General Manager</i>	DONAT LALANDE
<i>Assistant General Manager</i>	BERNARD NORMANDIN
<i>Assistant General Manager</i>	A. E. STYLES
<i>General Superintendent District No. 1</i>	LORENZO HEBERT
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<i>Assistant District Superintendent for Windsor</i>	J. G. BOYCE
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<i>Assistant Chief Controller, Credit Dept.</i>	A. MALFARA
<i>Acting Chief Inspector</i>	G. NORMANDEAU
<i>Manager, Legal Department</i>	ROCH STE-MARIE
<i>Chief Accountant</i>	C. R. CHARBONNEAU
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