

The Origins and Early History of the Montreal City and District Savings Bank 1846-871

by

JOHN IRWIN COOPER, Ph.D.

A century ago this midsummer, the Montreal City and District Savings Bank was established. Designed to assist "the little people," the Bank probably played a more vital rôle in the lives of Montrealers than did many larger and better-advertized enterprises. The Montreal City and District Savings Bank was founded under the patronage of Msgr. Bourget, the second Roman Catholic Bishop of Montreal. This circumstance, combined with others, gave it the character of a Catholic institution, at least in popular imagination. The association of Catholics with the Bank warrants examination, for it throws considerable light on their economic and social position in Montreal. The purpose of this paper is to trace the history of the Bank during the first twenty-five years of its existence, that is to say, between 1846 and 1871. Throughout this period, the City and District Savings Bank was constituted as a benefit society. The significance of this term will be explained later. It provides the key to the understanding of the Bank, and it provides, also, a continuity to the study. In 1871, at the end of the period, the Bank was re-organized as a joint-stock company. Its history after that point, forms no part of this paper, for it becomes, as they say, quite another story.¹

The savings bank was an old institution when the Montreal City and District Bank was formed. The earliest were set up in the United Kingdom at the beginning of the XIX century. As the operative word savings implies, they were intended to safeguard deposits of money placed with them, and to pay interest. Thus, the savings banks represented the principles of security and thrift. They were intended, specifically, to serve the poor, whose needs the great commercial banks did not touch. Banks, in that age, were for the rich. That they might aid the poor was scarcely thought of. They were engrossed in large-scale transactions, and not in petty matters. This explains why savings banks began as separate institutions, and not, as we know them to-day, departments of commercial banks. This sharp distinction in banking practice and clientele was preserved in Canada, and provided the *raison d'être* of the Montreal City and District Savings Bank.

The first savings banks were completely informal in constitution. Usually,

¹ A comprehensive history of the Bank is being prepared by Mr. Taggart Smyth, the General Manager. Mr. Smyth generously permitted me to consult his manuscript, and also such early records as the Bank possesses.

they owed their origin to the exertion of some kindly-disposed individual. Thus, they may be associated with various forms of self-help, the co-operative movement, friendly societies, and, in educational and cultural matters, monitorial schools and mechanics institutes.² The first British savings banks came into being in the period of appalling economic and social dislocation which followed the Agricultural and Industrial revolutions, and which was intensified by the long war with France. The date, 1799, which witnessed the creation of the earliest of them, requires little comment, nor does the place, Tottenham, one of the most depressed areas in England. Five years later, the Tottenham bank was more formally constituted. Hence, 1804 is usually regarded as the commencement of the savings bank movement.³ The persons associated with the Tottenham bank deserve attention, because they anticipated the type responsible for the formation of the Montreal City and District Savings Bank forty years later. One was a clergyman, Reverend Joseph Smith; the other a layman, or in this instance, a laywoman, Mrs. Priscilla Wakefield. Mrs. Wakefield was a prolific writer on social subjects, and an active worker in charities, especially among children. The popular term “penny bank” pretty accurately suggests the scope of her Tottenham experiment. The third person connected with the early savings banks was Joseph Whitbread, “the radical brewer,” a man of great wealth, who was instrumental in securing the earliest parliamentary legislation affecting the banks. The intrusion of Whitbread marked a new departure, the concern of the governing classes in directing the savings banks. They regarded them as useful prophylactics against revolution, and between 1817 and 1833, they enacted a number of Statutes controlling savings banks, transforming them from unregulated associations into organized institutions. The banks enjoyed wide vogue in Britain and Ireland in the 1820's and 1830's. The terms, self-help, mutual benefit, and friendly society, which have been used to describe these initial savings banks, must be understood in their historical context. They implied supervision and initiative on the part of the well to do. Guidance came from above, and the “good” and “deserving” poor were incited to aid themselves. Inspiration came from two widely separated sources. On the one hand, were the humanitarians, lay folk or ecclesiastics, sincerely anxious to help by whatever means available. On the other side, were persons from the possessing classes, whose chief object was to prevent the poor from becoming public charges. Savings banks had thus a chequered ancestry.

The Canadian savings banks followed closely the British pattern. The earliest, such as the Montreal Savings Bank, and the Quebec Provident and Savings Bank, were entirely voluntary institutions. The Montreal Savings Bank was formed in 1819.⁴ It was a species of poor relation of the Bank of Montreal,

² Baernreither, J.M. *English Associations of Workingmen*, Chapter 5. London, 1893.

³ Lewins, W. *A History of Banks for Savings*. Chapter 2. London, no date.

⁴ *Montreal Herald*. September 4, 1819.

housed in the Bank, and conducted by officers of the Bank, although not formally acknowledged till 1856.⁵ Between this, the oldest Canadian savings bank, and the Montreal City and District Bank was an informing family connexion. François Antoine LaRocque, the first Vice-President of the Montreal Savings Bank, was the father of Alfred LaRocque, the first Vice-President and second President of the City and District Bank. Some twenty years later, 1841, the provincial parliament of Canada enacted its savings bank measure.⁶ This Act defined the nature of the organization and made stipulations under which operations were to be carried on, and funds invested. The essence of the organization was that a group of persons formed themselves into a benefit society, accepting for safe-keeping deposits of money from persons outside the group. Thus, the Canadian savings banks passed into their second, or regulated, stage of development. In virtue of the Act of 1841, a number of savings banks were commenced. One, the Montreal and Provident Savings Bank was established in October of 1841. This Bank, and the older Montreal Savings Bank, left a good deal to be desired, and, in this way, promoted indirectly the formation of the Montreal City and District Savings Bank. The Montreal Savings Bank did too little, since it was open only three hours a day, one day a week. The Provident Bank did too much, in the sense that it frequently loaned its depositors money on very doubtful security. A further feature of the Provident Bank was the militant Protestantism of many of its directors, conspicuous among whom was Mr. John Dougall, *of Montreal Witness* fame.⁷ There is absolutely nothing to shew that the City and District Bank was set up deliberately as a denominational rival to the Provident Bank, although, superficially, the presence of Bishop Bourget and the preponderance of Catholics in the directorate might so suggest. The financial factor was probably the decisive one.⁸ The directors of the Montreal City and District Savings Bank shunned mortgages as, it may be hoped, they shunned sin; even years later, they wrote, "... the pledge of Real Estate is attended with great risk..." Nonetheless, the starting note was optimism. In the middle 1840's, Montreal was a prosperous place. The population was rising towards fifty thousand, and was soon to establish railway connexions with such remote western points as Lachine. Within the City, much building was going forward. High on Beaver Hall Hill, St. Patrick's Church was in the course of construction, and between the new church, and the even newer bank, there was to be a very close if entirely informal relationship. There was manifestly room for another bank, and it was given the telling name of the Montreal

⁵ *Centenary of the Bank of Montreal*. Page 40. Montreal, 1917.

⁶ *Statutes of Canada* 4 and 5 Victoria, Cap 32.

⁷ Mackay, R. W. S. *Montreal Directory, 1843-1844*. Page 201. Montréal, 1844.

⁸ Shortt, A. "History of Canadian Currency Banking and Exchange". *Journal of the Canadian Bankers' Association*. Vol. X, No. 3, April 1903.

City and District Savings Bank.⁹

The Bank was established formally in May, 1846.¹⁰ The fact was announced by the appearance of a prospectus issued from the Bank's office, 46 Great St. James Street. The prospectus briefly outlined the organization and purpose of the new venture, and gave the names of the sponsors. This last was its most interesting feature, since from it one may judge the character and interests of the men who founded the Bank. The list was headed by the name of Bishop Bourget, who was described as the patron. Men followed the honorary directors, fifty-nine in all, and fairly evenly divided between Anglo-Canadians and French-Canadians. Catholic names predominated, although the list was remarkably representative of all religious bodies in Montreal. It was representative, also, of the leading men in public, professional and business life. Prominent among the public men was M. Louis LaFontaine. True enough, in 1846 M. LaFontaine was only the leader of the Liberal opposition in parliament, but the December election of 1847 was to sweep his party into office, and him into the prime ministership. Next to the name of LaFontaine stood that of Louis Joseph Papineau, the hero of the Rebellion of 1837, and a figure of irresistible popular appeal. Best known in the professional group was the name of Louis Thomas Drummond, the expert on seigneurial law, and the outstanding English-speaking Catholic layman of his day.¹¹ Representative of the business group were such names as Olivier Berthelet and Hubert Paré. Their names emphasized the fundamental social character of the Bank, since both were well-known philanthropists.

Of especial interest were the Irish names which appeared among the honorary directors. They formed about a quarter of the entire body. There was a Cotterell, a McMahon, an O'Brien, a Murphy, a Drumgoole, a Mulholland, a Mullins, a Hincks, and a Workman. If the names of Francis Hincks and Louis Drummond are excepted, *they* were all business men; linen drapers; grocers; ship chandlers; tanners; hardware wholesalers. They formed the substantial core of old Irish Montreal before the coming of the immigrants of 1847. They were all well to do men with a recognized place in community life. The presence of Hincks and Workman calls for attention. Both were Protestants, a fact which further illustrates the solidarity of the Montreal Irish group.

From the honorary directors, the managing directors were chosen. As the name suggests, they were the group seriously engaged in the active management of the Bank. There were fifteen of them, and they repeated in a highly concentrated form what the body of the directors were, the leaders in every phase of Montreal life. Of

⁹ *La Minerve*, le 19 mars, 1846, contains the earliest suggestion of the establishment of the new savings bank.

¹⁰ *Montreal Transcript*, May 23, 1846; also, *les Mélanges Religieux*, le 29 mai, 1846.

¹¹ Borthwick, J.D. *History and Biographical Gazetteer of Montreal*. Page 305. Montreal, 1895.

the fifteen, five were French Canadians, eight were Anglo-Canadians, and two were of United States extraction. Five of the Anglo-Canadians were Irish by birth, William Workman, Francis Hincks, Louis Thomas Drummond, John Tully, and Henry Mulholland. Considered on an occupational basis, at least three were lawyers, one a newspaper editor, one a wholesale provision merchant, one a medical doctor, and a number so many-sided as to defy any single description. Eight were Roman Catholics, three were Anglicans, two were Presbyterians, one was a Unitarian, and one cannot be identified. Trivial as this analysis may appear, it is fundamental to an understanding of the managing directors, and of the Bank of which they formed the guiding centre. The Bank opened for business on Tuesday, May 25, Monday, May 24, being patriotically observed as the Queen's Birthday.

The mechanics of the Montreal City and District Savings Bank require some explanation. Technically, that is within the meaning of the Act of 1841, the directors constituted a benefit society, with the managing directors acting in the capacity of trustees. The society preferred aid in safeguarding money deposited with it, and in extending small loans. The Bank was compelled by Statute to place its deposits with one or other of the chartered banks. Such deposits, of course, paid interest, and it was from this interest that the Bank met its expenses, salaries, rent, and so forth. It is a striking commentary on interest rates prevailing at the time that the Savings Bank could afford to pay its depositors five per cent on their money.¹² From time to time, the directors purchased securities, and an examination of these indicates what constituted sound investment a century ago. The Montreal City and District Savings Bank bought exclusively government bonds, either Province of Canada or Montreal Corporation, or debentures, the interest of which was government guaranteed. Outside this class of security, the Savings Bank shewed little concern, although it developed a growing passion for chartered bank stock. Sound policy dictated the purchase of this type of security. The ownership of the stock enabled the directors of the Savings Bank to intervene decisively in the affairs of the institutions they favoured. At the same time, the Bank developed an equally intense passion for scrutinizing loans. The Bank was anxious to make loans, understanding their utility to the class of person who formed its clientele, but it was relentless in demanding security. This was so from the beginning, when the Savings Bank insisted on posting public securities as collateral.¹³ One of the last annual statements of the City and District Savings Bank under the original management, that of 1869, spewed the fruits of this system. The Bank's liabilities to its depositors were slightly over one and three quarter million dollars. Almost one

¹² *Standing Orders, Resolutions... etc., Montreal City and District Savings Bank*, No. 1, May 29, 1846.

¹³ *First Annual Report of the Montreal City and District Savings Bank*, April 5, 1847.

and one half million dollars of this was made up of cash, or of securities which could be immediately realized on.

The instant comment is that the Montreal City and District Savings Bank pursued a most conservative financial policy. It had to. Within two years of its formation, it was taught an unforgettable lesson by the failure of the Provident and Savings Bank. This disaster occurred in 1848, costing the depositors some one hundred and sixty thousand pounds, or over three quarters of a million dollars. A combination of circumstances, the over-liberal extension of loans, the commercial depression which broke in 1848, and the defalcation of the cashier, or manager, all contributed. The Provident Bank ultimately paid eighteen shillings on the pound, or about ninety cents on the dollar. This was very good, but the depositors got their money in small installments, and had to wait four years till they received the last of it.¹⁴ The Montreal City and District Savings Bank never forgot this lesson.

The physical expansion of the Bank mirrored its increasing prosperity. The original office was located at 46 Great St. James Street, that is on the south side of modern St. James Street, just east of McGill. The location was natural, since it was close to the centre of the Montreal financial district. It had the additional advantage of being conveniently placed to one of the principal residential areas, Griffintown, on the other side of McGill Street.¹⁵ Within this general region, the Bank occupied several sites, St. François Xavier, Place d'Armes, and the corner of St. James and St. Peter, where it still is. Increasing custom prompted these successive moves; in 1869, the directors commented upon "...the great amount of business...over two hundred persons at the counter..." The Bank therefore decided to buy and build for itself, and part of the present main office is a physical monument to its success during the first period of its career.¹⁶

Within these successive offices, the officials of the Bank did their daily work. They received deposits as small as one shilling, thus realising the directors' purpose of making it of service to "... the industrious classes, and not a Bank of Deposit for the wealthy..." The City and District Bank was open every day in the week, and on two evenings. While scarcely going into the highways and byways in the Scriptural sense, the Savings Bank left nothing in the way of intending depositors. They were exclusively Montrealers, for there is nothing to show that the Bank ever attempted to implement the third word, District, in its title. It is true that in the early 1850's, Mr. Alfred LaRocque wrote a pamphlet "Entretien de Village." This might seem a promising gesture towards a rural clientele, but the moral "l'épargne est avec la religion le plus grand moralisateur du peuple," was equally applicable to the city and to the farm. It was a feature of the Bank that at least one of the managing directors should be on hand each day. This was a

¹⁴ *Montreal Witness*, May 31, 1852.

¹⁵ Loye, John. "The History of Griffintown and St. Ann's Parish". Golden Jubilee Number, Redemptorist Fathers, Montreal, 1934.

¹⁶ *Canadian Illustrated News*, September 3, 1870.

condition of their appointment, as the original prospectus stated, and it was rigorously adhered to. The directors served without compensation until 1862, when it became the practice to divide the modest sum of two thousand dollars among them.¹⁷ The managing directors' job was not an easy one, yet it was discharged conscientiously for a full twenty-five years.

The administrative mainspring of the Bank was the general manager, or, as he was styled, the cashier or actuary. In the period under examination, the Montreal City and District Savings Bank had only two managers, Mr. John Collins, and M. Edmond Barbeau. Mr. Collins served the Bank from 1846 till 1855; M. Barbeau from 1856 until 1871, and, indeed, much beyond that date. M. Barbeau, and his brother Henri, who succeeded him, are well-remembered Montreal figures. Mr. John Collins, on the other hand, is something of a mystery. He appears to have been engaged in business on his own account before he entered the Bank.¹⁸ He filled a number of responsible offices in the St. Patrick's Society, and, on one occasion at least, intervened to mitigate the religious asperities of Griffintown life.¹⁹ After his resignation in 1855, Collins drops out of sight, and this little is all we know of the first cashier of the Montreal City and District Savings Bank.

More than most institutions, the City and District Savings Bank provided an unfailing index of business conditions in Montreal. From annual reports, and from statements submitted to parliament, it is possible to see how all this worked out. At the end of its first financial year, March 1847, the Bank reported six hundred and forty-seven depositors, who entrusted it with the really astonishing sum of over £47,000. This, of course, was too good to last. During the next two years, Montreal reeled under the combined impact of a shattering business depression, an influx of Irish immigrants, an epidemic of typhus, and an outburst of political disturbance, which came perilously close to revolution. The Bank's customers were so hard hit that in 1849, they drew out £107,000. Since they deposited a little over £90,000, the Bank had to fall back on its earlier surpluses. Indeed, it fell back further, into the pockets of the directors, who, at this truly desperate juncture, fortified the Bank from their own resources. This crisis passed, the Bank went forward, announcing confidently, as early as 1850, that "... Deposits have been regular and steady..." In the new decade of the 'fifties', prosperity returned. Free trade with the United States drew the commerce of both sides of the Great Lakes through Montreal. The extension of the Grand Trunk Railway, and the building of the Victoria Bridge brought English capital in unprecedented amounts, thus stimulating local enterprises of all kinds. The Civil War in the United States, and the Confederation movement in British America perpetuated the good times. On the eve of Confederation, in 1867, deposits stood at rather more than a million and a half dollars. Five years later, 1872, the first annual report under the joint-stock

¹⁷ *Standing Orders etc. op. cit.* No. 22, July 3, 1862.

¹⁸ Mackay, R. S. W. *Directory op. cit.* 1842-1843, Page 35; 1845-1846, Page 47.

¹⁹ *La Minerve*, le 6 octobre, 1845.

organization, shewed three and a quarter million dollars deposited with the Bank. The number of depositors multiplied with equal rapidity. By 1859, the original six hundred and forty-seven had become 2,244, and by 1872, the number was well over 11,000. More revealing, however, than these figures, were the changes in the amounts of the individual deposits. The earliest analysis available was made in 1859. To examine only the extremes, this shewed six hundred and nineteen deposits of forty dollars and less, and fifty-five deposits of over \$1,600. A similar analysis made in 1872 disclosed 3,500 depositors of fifty dollars and less, and two hundred and ninety of over \$1,600. The Bank had accomplished its mission. The poor of 1846 were no longer poor, many of them had become capitalists in their own right. It was fitting, therefore, in view of the changing condition of its clientele, for the Bank to drop its old character of a benefit society, and to become a joint-stock company.

The Bank's early history revealed some of the minor, but absorbing crosscurrents in Montreal life. One of the first measures the directors considered was methods of remitting small sums of money to Ireland, a clear anticipation of the migrations of 1847 and the years following.²⁰ It is probable, by the same token, that Irish folk formed a very large proportion of the Bank's early depositors. This is sheer assumption, because there was no analysis of depositors by racial origin till 1882. In that year, there were 10,653 depositors with English names, and 16,174 with French names.²¹ Five years later, the Anglo-Canadian depositors numbered 14,887; the French Canadian, 24,988.²² This increase among French Canadians was a direct reflection of the increasing proportion of the French Canadian population, a marked feature of Montreal growth in the last decades of the XIX century. In the earlier period, between 1846 and 1871, Montreal was predominately an English city; so it is not an unwarranted inference, that in the beginning depositors with English names were in the majority. During the first twenty-five years of the Bank's career, the Irish community in Montreal increased progressively, and some at least of the Irish people must have known the advantages the saving bank offered. In the official sense, the City and District Bank was bilingual. Its annual reports were printed in both English and French, and its pass-books were issued in either language. Advertizing was equally scrupulously divided among such newspapers as *la Minerve*, *la Revue Canadienne*, the *Montreal Transcript*, and the *Montreal Pilot*. The care thus shown was well repaid, as the swelling prosperity of the Bank shows. Traditionally, the Montreal City and District Savings Bank enjoyed the approbation of the clergy of St. Patrick's Church, and of its formidable pastor, the Reverend Father Dowd. On one occasion, at least, he expressed his good will in

²⁰ *Standing Orders etc. op. cit.* No. 3, August 20, 1846.

²¹ *Annual Report op. cit.* 1882.

²² *ibid*, 1888.

a very tangible form by intervening to stop a run on the Bank.²³

Because of the peculiarities of its constitution, the Montreal City and District Savings Bank touched metropolitan life at many points, some of them quite unexpectedly. The Bank was closely connected with the great national societies, which flourished in Montreal during the 1840's. Of the original managing directors of the Bank, at least seven were active in either the St. Jean Baptiste, or the St. Patrick's Society. The representation from St. Patrick's Society was especially strong. William Workman, the first President of the Bank was the immediate past President of St. Patrick's Society.²⁴ John Collins, the first General Manager, held a number of offices in St. Patrick's. Francis Hincks, one of the managing directors, was the President of the Society in the year in which the Bank was established. It is arresting to notice further, that the author of the Savings Bank Act of 1841, Benjamin Holmes, was a charter member of St. Patrick's Society. This marked concentration of Irish interest was not accidental. Ireland had experienced a remarkable development of the savings bank movement; hence it was only natural for Irishmen overseas to think in terms of the medium which had been so beneficial at home.²⁵ A letter, published in the *Montreal Pilot*, shewed how all these threads were drawn together,

“... The [St. Patrick's] Society *is in its infancy* as a Benefit Society – It will be well to state that Mr. Collins, Actuary of the City and District Savings Bank, is now actuary to St. Patrick's Society – Irishmen desirous to become members will do well to call on him at the Savings Bank, where forms of application and copies of the Constitution will be found...”

The influence of the St. Jean Baptiste Society was equally strong. Recently re-organized, it was in a position to favour such an experiment as the Montreal City and District Savings Bank.²⁶ It comes as no surprise that M. Alfred LaRocque, the first Vice-President of the Bank was a power in the St. Jean Baptiste Society. Recalling his family connexion with the older Montreal Savings Bank, it will be seen that he combined two streams of influence. Considerations of this kind probably hold the key to the secret of the foundation of the Bank itself. Although William Workman is usually described as the founder, it is probable that he was

²³ *Canadian Illustrated News*, October 19, 1872.

²⁴ Manuscript notes on the officials of the St. Patrick's Society compiled by Mr. John Loye.

²⁵ Lewins, W. *op. cit.* Page 44, and 122 ff

²⁶ *La Revue Canadienne* le 25 mai, 1846, supplies an excellent statement of this point of view.

merely one of a number of like-thinking men.²⁷

The Bank shared in the religious life of Montreal, especially in its charitable aspects. The age which produced the Bank was conspicuously religious, inclining towards such practical manifestations as the building of churches, the formation of societies for moral ends, and the endowing of improving institutions of one kind and another. It is probably correct to say that many of the men who were associated with the Montreal City and District Savings Bank were attracted by the opportunity it offered of doing service. Three of the French Canadians thus associated, Olivier Berthelet, Hubert Paré, and Alfred LaRocque, himself, were well-known benefactors of churches, schools, and charities. Hubert Paré was especially notable, because three years later, he was summoned by Bishop Bourget to assist in forming the St. Vincent de Paul Society.²⁸ The same type was found among the non-Catholic directors. To select one at random, Jacob deWitt. He was a devoted member of the old American Presbyterian congregation, and prominent in its educational and missionary endeavours.²⁹ The summation of this religious intertwining was provided by Bishop Bourget. As an agency designed to aid the poor, the Bank might be expected to have the Bishop's support. Throughout his long episcopate, he was confronted by the hard fact of poverty among so many of this flock. He was confronted, also, by the breakdown of the old rural society, which had existed in Lower Canada almost from the first days of settlement. His people were drifting into the cities, or migrating southwards to the United States. Thus, he had to consider the problems posed by urban life. One of the Bishop's approaches to these perplexities was the multiplication of religious orders, especially of charitable and teaching orders.³⁰ The other, was the stimulation of such organizations as the St. Vincent de Paul Society, and the association for the settlement of the Eastern Townships. Against this background, it is possible to understand the approbation with which he regarded the Montreal City and District Savings Bank, and his willingness to act as its patron.³¹

After twenty-five years of service, in 1871, the Bank changed its constitution. By this agreeable process, the directors of the old friendly society became the leading share-holders in the new joint-stock organization. A careful examination

²⁷ *Canadian Illustrated News*, October 10, 1870; also Borthwick, J. D. *Montreal and Its History*, Page 123.

²⁸ Langevin, *F. Mgr Bourget*. Page 128. Montréal, 1931.

²⁹ Campbell, *R. History of the St. Gabriel Street Presbyterian Church*, Page 254. Montreal, 1877.

³⁰ Langevin, *F. op. cit.* Chapitre cinquième.

³¹ There is no correspondence extant between the lay founders of the Bank and Msgr. Bourget. Through the kindness of Bishop Whalen and Canon Mitchell, I searched the registers of episcopal letters in the Archbishop's House. The Bank has no files of its early business correspondence.

of facts, however, scarcely warrants this highly cynical interpretation. The change was enforced by certain provisions of the Bank Acts of 1871.³² These measures aimed at securing uniformity in banking practice throughout the new nation called into being by Confederation. In so far as they affected savings banks, the legislation left the directors with three bleak alternatives; entry into the post-office savings bank system; accommodation with one of the existing chartered banks; acceptance of a charter on the government's terms.³³ The last involved joint-stock organization, and other elaborate precautions to safeguard depositors. The directors of the City and District Savings Bank adopted the new form of organization, and were accorded a charter by the Crown. While it would be idle to state that the directors did not improve their position, it is only fair to add the decision was forced on them. The accepted views of the 1870's were hostile to the ideals of social interdependence upon which the old friendly society had been built. Ruthless individualism took the place of mutual obligation. The decade which destroyed the friendly society, conferred on the Canadian workingman the doubtful benefit of the legalized strike.³⁴ Thus, a complex of forces brought to an end the first quarter century of the Montreal City and District Savings Bank.³⁵

Of all the early savings banks, only the Montreal City and District now remains. Its contemporaries either failed, or became the savings departments of the commercial banks. From its beginning as a friendly society, the Montreal City and District Savings Bank was intimately associated with Roman Catholic Montreal. Catholics predominated in the directorate, and, in all probability, among the depositors. The dominant group was, however, quite willing to share its benefits, and, as this study conclusively shows, the Savings Bank was a species of common ground where Catholics and Protestants, Anglo-Canadians and French Canadians, worked in harmony. The chartering of the Bank in 1871, destroyed its constitution as a self-help, or friendly society. It did not destroy the original philanthropic character. The profits, which had accrued during the first twenty-five years, were invested and formed the nucleus of the "charitable fund." The interest on this money was, and still is, distributed annually among Montreal social agencies, irrespective of racial or credal considerations. In this way the present Montreal City and District Savings Bank perpetuates the benevolent intentions of the old friendly society whence it sprang.

³² *Statutes of Canada*, 34 Victoria, Caps 5, 6, and 7, Page 24 ff.

³³ *ibid.* Cap 7, section 3, Page 54 ff.

³⁴ *ibid.*, 35 Victoria, Cap 30, Page 124.

³⁵ There is no definitive study of savings banks in this country. Their history is discussed incidentally in general histories of Canadian banking. The development of Canadian friendly societies has been neglected equally.