

## Section 6.—Government and Other Savings Banks

In a comparatively new country where capital is relatively scarce, it is natural that the banks that finance the business institutions should also absorb the bulk of the people's savings for use in promoting the business of the country. Thus, in Canada the great bulk of the current savings of the people has been found in the savings or notice deposits of the Canadian chartered banks, the annual average figures of which are given in Table 7 of this Chapter, the 1944 average being \$2,272,573,361. This is not so true to-day, when the Government is absorbing a large proportion of current savings for the financing of the War. Further, the current savings of the Canadian people are going very largely into the purchase of life insurance, the total premiums paid in the single year 1944 aggregating \$244,423,196. Nevertheless, current savings as shown by deposits in the banks are large, although those in the special savings banks are comparatively small, but are none-the-less significant.

There are three distinct types of savings bank in Canada at the present time, in addition to the savings departments of the chartered banks, and of trust and loan companies. First, there is the Post Office Savings Bank, in which the deposits are a direct obligation of the Dominion Government. Secondly, there are Provincial Government savings banking institutions in Ontario and in Alberta, where the depositor becomes a direct creditor of the province. Thirdly, there are, in the Province of Quebec, two important savings banks, the Montreal City and District Savings Bank and La Banque d'Économie de Québec (formerly the Caisse d'Économie de Notre-Dame de Québec), established under Dominion legislation and reporting monthly to the Department of Finance. Other agencies for the promotion of thrift are the co-operative credit unions, which encourage the regular saving of amounts too small to deposit in a bank.

**Dominion Government Savings Banks.**—Prior to 1929 there were two classes of Dominion Government savings banks in Canada, the Post Office Savings Bank under the Post Office Department, and the Dominion Government Savings Bank attached to the Department of Finance. The former was established under the Post Office Act of 1867 (31 Vict., c. 10) in order to "enlarge the facilities now available for the deposit of small savings, to make the Post Office available for that purpose, and to give the direct security of the Dominion to every depositor for repayment of all money deposited by him together with the interest due thereon". Branches of the Government Savings Bank proper, under the authority of the Finance Department, were established in the leading cities of Canada under the management of the Assistant Receivers General and at certain designated centres in Nova Scotia and New Brunswick, under managers appointed by the Governor in Council. From deposits of \$1,483,219 at June 30, 1868, increases were registered until 1887, \$21,334,525 being shown at the credit of depositors at June 30 of that year. Commencing about 50 years ago, the individual banks were gradually amalgamated with the Post Office Savings Bank, and at Mar. 31, 1928, bank deposits had fallen to \$7,640,566. The remaining banks finally were amalgamated with those of the Post Office in March, 1929.