

Subsection 2.—Government and Other Banking Institutions

There are three distinct types of savings banks in Canada in addition to the savings departments of the chartered banks and of trust and loan companies: (1) the Post Office Savings Bank, in which deposits are a direct obligation of the Government of Canada; (2) Provincial Government savings banking institutions in Newfoundland, Ontario and Alberta, where the depositor becomes a direct creditor of the province; and (3) two important savings banks in the Province of Quebec—the Montreal City and District Savings Bank and La Banque d'Économie de Québec—established under federal legislation and reporting monthly to the Federal Department of Finance. In addition, co-operative credit unions encourage savings among low-income classes and extend small loans to its members.

Post Office Savings Bank.—The Post Office Savings Bank was established under the Post Office Act of 1867 (31 Vict., c. 10) 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 nation to every depositor for repayment of all money deposited by him together with the interest due thereon”. Branches of the Government of Canada's Savings Bank under the Department of Finance were gradually amalgamated with this Bank over a period of 50 years and the amalgamation was completed in March 1929. Summary financial statistics for the years ended Mar. 31, 1953-57, follow. Figures back to 1868 are available in previous editions of the Year Book.

<u>Item</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>
	\$	\$	\$	\$	\$
Deposits and Interest.....	12,263,697	11,330,055	10,115,308	9,940,163	10,416,886
Deposits.....	11,521,743	10,597,046	9,402,227	9,241,388	9,663,774
Interest on deposits.....	741,954	733,009	713,081	698,776	753,112
Withdrawals.....	10,972,700	12,859,370	11,127,555	10,556,369	10,662,847
Balance on deposit.....	39,322,230	37,792,914	36,780,667	36,164,460	35,918,499

Provincial Government Savings Banks.—Institutions for the deposit of savings are operated by the Provincial Governments of Newfoundland, Ontario and Alberta.

Newfoundland.—The Newfoundland Savings Bank was established in 1834 and the following is a summary financial statement for the years ended Mar. 31, 1955-57.

<u>Item</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>
	\$	\$	\$
Interest on investments, etc.....	892,218	953,547	972,347
Net rental income.....	2,958	3,195	2,849
Profit on sale of investments.....	81,020	37,808	-1,664
<i>Less:</i> Interest on deposits.....	709,542	734,972	748,780
<i>Less:</i> Expenses.....	55,924	53,843	56,716
<i>Less:</i> Transfer to reserves.....	31,065	31,074	31,118
NET INCOME.....	<u>179,665</u>	<u>174,661</u>	<u>138,918</u>

The number of accounts increased from 36,512 at Mar. 31, 1956, to 36,561 in 1957; deposits decreased from \$28,637,052 to \$28,343,120 in the same comparison. On Apr. 1, 1957, the interest rates payable on deposits of private individuals, trust funds and estates, were increased from 2½ p.c. to 3 p.c. per annum in respect of all amounts in excess of \$5,000.