

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 their 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, 1954-58, follow. Figures back to 1868 are available in previous editions of the Year Book.

<i>Item</i>	<i>1954</i>	<i>1955</i>	<i>1956</i>	<i>1957</i>	<i>1958</i>
	\$	\$	\$	\$	\$
Deposits and Interest.....	11,330,055	10,115,308	9,940,163	10,416,886	9,949,749
Deposits.....	10,597,046	9,402,227	9,241,388	9,663,774	9,097,664
Interest on deposits.....	733,009	713,081	698,776	753,112	852,085
Withdrawals.....	12,859,370	11,127,555	10,556,369	10,662,847	10,972,519
Balance on deposit.....	37,792,914	36,780,667	36,164,460	35,918,499	34,895,729

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, 1956-59.

<i>Item</i>	<i>1956</i>	<i>1957</i>	<i>1958</i>	<i>1959</i>
	\$	\$	\$	\$
Interest on investments, etc.....	953,547	972,347	951,295	974,296
Net rental income.....	3,195	2,849	3,611	2,585
Profit or loss on sale of investments.....	37,808	-1,664	-86,680	-116,181
Less interest on deposits.....	734,972	748,780	758,257	766,786
Less expenses.....	53,843	56,716	65,597	74,009
Less transfer to reserves.....	31,074	31,118	31,137	6,307
NET INCOME.....	174,661	136,918	13,235	13,598

The number of accounts decreased from 35,527 at Mar. 31, 1958, to 35,187 at the same date of 1959; deposits increased from \$27,607,959 to \$28,307,692 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.