

and the average rates paid on all deposits were as follows:

	Rate of Average Loan Income %	Rate of Average Deposit Interest %
1956	4.84	1.08
1957	5.25	1.48
1958	5.11	1.52
1959	5.34	1.64
1960	5.59	1.81
1961	5.43	1.81
1962	5.42	1.99
1963	5.42	2.12
1964	5.56	2.23
1965	5.59	2.35
1966	6.01	2.63
1967	6.17	2.83
1968	6.99	3.45

Questions  
between individual banks. These two rates have been reported as follows at the end of each year in the period:

	Prime Loan Rate %	Personal Savings Deposit Rate %
end 1956	5½	2½
1957	5½	2¾
1958	5½	2¾
1959	5¾	2¾
1960	5¾	2¾
1961	5½	2¾
1962	5¾	3
1963	5¾	3
1964	5¾	3
1965	6	3
1966	6	3
1967	6½	Chequing Non-chequing
1967	3	4½
1968	6¾	3 5

The interest rate on prime commercial loans in Canada and on Canadian personal savings deposits do not usually vary significantly be-

2. The Balance of Profits (i.e. after taxes and provision for losses) declared by each chartered bank in 1956-1968 was as follows:

	Balance of Profits (thousands of dollars)						
	1956	1957	1958	1959	1960	1961	1962
Montreal	8,976	9,650	10,357	12,191	14,227	14,579	16,014
Nova Scotia	3,790	4,744	5,241	5,903	6,825	7,873	8,466
Toronto-Dom.	3,656	4,082	4,746	5,463	6,652	7,561	8,245
Provincial	710	799	875	1,231	1,450	1,540	1,951
Commerce†	7,892	8,553	10,212	11,118	12,600	17,700	19,190
Royal	12,467	13,920	15,868	17,119	19,504	20,760	21,492
Nationale	1,897	2,081	2,268	2,636	3,069	3,242	3,484
Imperial†	2,676	2,788	3,084	3,691	4,134	—	—
Mercantile	53	50	35	—	1	1	1
	1963	1964	1965	1966	1967	1968	
Montreal	16,747	17,855	18,730	19,906	20,720	18,061	
Nova Scotia	8,724	9,728	10,447	11,700	12,910	15,537	
Toronto-Dom.	8,755	9,080	9,915	10,893	12,285	14,597	
Provincial	1,985	2,140	2,203	2,265	2,386	2,697	
Commerce†	20,385	21,403	23,304	24,474	26,576	32,929	
Royal	22,580	23,757	23,239*	27,432	30,279	35,324	
Nationale	3,705	4,080	3,872*	4,273	4,636	5,019	
Mercantile	1	2	2	2	—	—	
B.C.	—	—	—	—	—	41	

Notes: \* 11 month period. † These banks amalgamated in 1961.

REDUCTION OF INTEREST RATE BY CHARTERED BANKS

Question No. 1,115—Mr. Robinson:

Does the federal government intend to influence the Bank of Canada in urging the chartered banks to reduce interest rates to borrowers?

Hon. E. J. Benson (Minister of Finance): Under the Bank Act each chartered bank is free to set the rates it pays on deposits and the rates it charges borrowers. These rates are affected by competition from other banks, other financial institutions and by