

last but not least, Patrick Colquhoun, and many others. These, Sir, are names, that when the record is made up of those who loved their fellow men and worked for their benefit will stand high in the list. Such is the honored mother of our Canadian savings bank which, established in 1877 has progressed so rapidly and so well, that on the 30th June, 1884, it had in the Provinces of Ontario and Quebec 343 offices with 66,682 depositors; their accounts amounted to \$13,245,552, or an average of \$198.63 each, an increase in the year of \$1,269,315. I think, Mr. Speaker, that we cannot too highly estimate the influence and effect of the post office savings banks. I cannot do better in this connection than read a brief extract from Mr. Gilbart's work on banking. He makes the following quotation from the Edinburgh reports:—

"It secures independence without inducing pride—it removes those painful misgivings which render the approaches of poverty so appalling and often paralyse the exertions that might ward off the blow. It leads to temperance and the restraint of all disorderly passions. It produces that sobriety of mind and steadiness of conduct which afford the best foundation for domestic virtues in humble life. The effects of such an institution as this upon the character of the people, were it to become universal would be almost inappreciable."

Again he says:

"The deposit system of banking is universally considered to be one cause of the prudence and frugality by which the people of Scotland are distinguished. In every point of view the savings banks appear calculated to produce unmingled good. They extend to persons of small means all the benefits of banking. The industrious have thus a place where their small savings may be lodged with perfect security from loss, and with the certainty of increase. They tend to foster that disposition to accumulate which is usually associated with temperance and prudence in all the transactions of life. Upon the mercantile interests of society they have the same effect as commercial banking. The various small sums which were lying unproductive in the hands of many individuals are collected into one sum and lodged in the public funds."

The savings of the individual, I think, partake of the nature of a reserve to an army—they give it confidence and strength. The question has been asked, are they adapted to the country? I believe they are particularly so. Fortunately, Sir, in this happy new country we have not such masses as are to be found in less favored lands, upon whom the demand for daily bread is so pressing upon their capacity to earn bread as to leave scarcely a hope for improvement. It is true, Sir, that we have not poverty to the same extent, and massed in the same manner, as it is in less favored lands. Still, we should not deceive ourselves on this point. It is as true to-day as it was 1,800 years ago, that "the poor ye have always with you;" and with all the blessings that surround our people, to-night, Sir, in this happy country, many a woman and many a child will retire to their scanty cot cold and hungry. If we investigate the causes of poverty, we shall find that many times it is not from lack of physical ability to earn a sufficient amount to preserve them from the miseries of want, but rather from inability properly to apply those earnings. In speaking of poverty, I do not desire to do so in any offensive manner. I do not desire to cast any stigma on persons who are very poor. Poverty is a somewhat indefinite term. The man who lives within his means and has a small saving escapes many of the serious ills of poverty, while he who lives beyond his means, I care not how large they are, will experience many of the keenest pangs of poverty. I use the term as applied to persons of small means. With regard to the question of the rate of interest that should be paid in the savings banks, I do not look upon the existing rate as a sacred one, which is debarred from discussion. I think it is one which may properly be discussed. My own opinion upon that matter is that the rate should not often be changed. The number of depositors are much too great to be dealt with frequently. In England the rate of interest paid is $2\frac{1}{2}$ per cent.; but we all know that interest is higher in a new country than in an old country; money is worth

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more in Canada than it is in England. In dealing with the question of interest, I think so long as the deposits are confined to the class for whom they were originally intended, we should be at all times ready and willing to pay quite as high a rate of interest to the depositors in the savings banks as we do when borrowing money elsewhere; and I think we should give every doubt in favor of small savings. We cannot at present borrow money in other countries for less than about four per cent.; and I believe the rate of interest we allow on deposits in savings banks is not too high at present; and I think there is no prospect that it will require to be reduced for a considerable period of time. Upon this point we may gain a little knowledge, perhaps, from the experience of Belgium. She recently reduced the rate of interest on deposits, to the injury of her savings banks. And I believe that every man who gives careful attention to the question will be anxious to deal liberally with these depositors. I did regret, Sir, that the Minister of Finance thought that there were insurmountable difficulties in the way of extending the benefits of the savings banks by adopting the card system, by which postage stamps are saved, which has proved very successful in England. He raised as an objection to it the expense in the commission upon stamps sold. It is true, there might be some small loss there; but as these deposits would not draw interest until they amounted to a certain sum, there would always be a considerable sum that would not draw interest, and that would to a large extent compensate for the expenses of the commission on the stamps; and I believe on fuller examination it will be found that the benefits which would result from encouraging children to make these savings would more than pay for the loss which would be incurred. While the post office savings banks have succeeded exceeding well in Canada, certainly the mother land holds the lead. I believe that there they strictly limit the yearly deposit to £30; our yearly deposit allowed is \$300, but I believe that upon application to the Postmaster General permission is given to increase that deposit to \$1,000. However, the test I would apply, in comparing the success of the post office savings banks in England and in Canada, would not be the amount of the deposit, but the number of persons availing themselves of the system. In England and Wales—and we must remember that these post office savings banks have been in existence only five years longer than in Canada—one-ninth of the population are depositors in the post office savings banks, in addition to which there are 1,500,000 depositors in the old savings banks, while in Ontario the depositors are one to thirty-four. This comparison shows largely in favor of England. The average amount of deposit in Great Britain is \$66, while in Ontario and Quebec it is \$198. Thus we find that the number of depositors in England in proportion to the population is nearly four times as great as it is in Ontario. In Quebec, the number is very much less. But I do not think it is fair to compare England with Quebec, owing to the habits the people of Quebec have fallen into previous to the establishment of post office savings banks of depositing in certain savings banks which now hold large deposits. The depositors in Quebec are in the proportion of one to 136. The average amount of deposits in Ontario is nearly three times as great as in England. The test to which I wish to call attention is this: I look upon the savings banks as, to some extent, in the nature of a school, and would consider it more with a view to the number of pupils that attend it than to the book the pupils are in. In his very excellent paper on the Government savings banks, Mr. Cunningham Stewart remarks that the Savings Bank Department has not sought to attract depositors by means of pamphlets, nor attempted in other ways a paternal treatment of the people which would hardly find favor in this