Trustees, as is done in Vaughan, in the manner suggested in the following paper. We cordially recommend the subject to the attention of all parties concerned.—[Ed. *J. of E.*]

To the Editor of the Journal of Education.

Sir,—Knowing the deep interest you have always taken in the material interests of this country as well as in its educational progress, I take the liberty of addressing you on a subject, which appears well adapted to exert an important and beneficial influence on our Dominion both socially and educationally—I refer to the Savings' Banks.

The time is gone by when it is necessary to argue in favour of the usefulness of such institutions. The logic of experience and of facts has dispelled the objections which were, at first, made against them. They have had a fair trial in other countries and have achieved a success which could scarcely be expected by their most sanguine promoters. Our own Parliament has brought the subject prominently forward in the post office bill, and it has received considerable attention in the public press.

The bill introduced by Government makes postmasters only throughout the Dominion the receivers of deposits and in sums of not less than one dollar, and to accumulate interest yearly at five per cent.

Now, though some of the provisions of this bill are very good, yet it is unfortunately defective in some important respects, and in others objectionable. In towns, where postmasters are solely occupied with post office duties, they will be proper agents for receiving deposits; but the case is materially altered in the country —there the postmasters are retailers of merchandise, and will not greatly care to undertake all the necessary trouble for the small percentage, that may be allowed to them; and, besides, they would more naturally desire to have the money spent in their stores, or put to the credit of accounts there, and are little likely to encourage small investments in the public funds. And in the limitation of the *minimum* deposits, it is (and I shall afterwards shew unnecessarily,) the convenience of the proposed receivers and not of the bulk of the people, or most desirable depositors that is consulted. It is unnecessary to enter on the particular objects and facilities, which caused the establishment and success of the British Post Office Banks, while such immense sums were accumulated and are still being collected and accumulated there as well as in the other or original Savings' Banks; but it should always be remembered, that the original and best principles of Savings' Banks are of a benevolent nature, and for "gathering up the fragments that nothing may be lost" for the aid of those who have neither any "round sums" at their command, nor the power of keeping, nor the knowledge of the benefit of keeping, nor of the properly using, smaller ones, the aggregate of which now forms so large an *item* of the public debt in Britain. And in the next place, we seem justified in claiming for rural or small Savings' Banks, in the extensive agricultural districts of Canada, the character in a material degree of educational establishments; they are certainly well calculated, if properly conducted, to afford much useful instruction. This is shown by a statement read to the last meeting of the British Association and well known to gentlemen acquainted with Glasgow, that in the immediate neighborhood of that city, upwards of *eighty* "Penny Banks" have grown up with great success under the auspices of the original Savings' Bank Association, the receipts of which, in the year 1866, were about $67,000, chiefly from the young, who are reported as the most regular weekly attendants and observers of systematic order; the small pecuniary transactions of that year numbering 330,000. To say nothing too, of the favour with which kindred institutions in many of Her Majesty's regiments, their educational advantage is very expressly pointed to in the establishment by the Government of Belgium, in November, 1866, of School Banks under the charge of their regular school teachers, who "receive the centimes of the scholars and as soon as these amount to one franc it is invested in the Savings' Bank of the state; the teacher, at the same time, informing the pupils what a Savings' Bank is, (its nature and proper objects,) and giving them easy sums on interest, capitalization, etc." And further, the fact speaks strongly to Canada that in the same month in which the Belgium Banks were established, a small Savings' Bank chiefly "for the benefit of the young" and the labouring classes was projected at Woodbridge, Vaughan; and, though not yet under the sheltering protection of Government, has been for about twelve months in successful operation. In this Vaughan bank, the president, directors, and office-bearers all act gratuitously, having no interest even, in the selection of the chartered bank to which, it is the duty and object of the directors to see that the deposits are weekly transmitted. Voluntary contributions are also made by the directors and other friends for the contingent expenses, so that the depositors receive all the interest, which has been liberally increased to 5 per cent.; their balance sheet or state of all their cash from the commencement, (which is made up and posted regularly every week, at some public place,) exhibited on the 11th December current, a sum of $1370,51 in all, received by 3147 transactions from 372 depositors, of which $63,30 had been repaid or drawn out from the chartered bank by a few of them, on orders signed by the Board, leaving $1,307,21 due to depositors, which with a small balance of $7,77 of the contributed or contingent funds was invested in, or covered by the balance of $1,283,74 due by the chartered bank, and $31,24 the balance in the Saving Bank's till or cashier's hands; that balance includes and shews the cash received up to the latest weekly evening meeting, the transmission of which is the first action of the cash keeper in the next week. And the first duty of next weekly meeting, of directors present, is to see that the remittances to, and balances at the chartered bank are duly vouched by acknowledgements from that establishment. None of the payments to the chartered bank, or drafts to depositors paid by them, are counted among the transactions, though the weekly statements of course show the payments to depositors drawn from the chartered bank, not by the cash keeper, but by a quorum of the directors and the accountant or clerk, on drafts in favor of the depositors alone. The institution is carried on under the direction or patronage of several gentlemen, desirous of the general prosperity of the district, of whom the president is a gentleman who had considerable acquaintance with matters both of education and finance in the old country; they have been aided by the neighbouring school trustees.

It seems undeniable that the people of this country are rapidly acquiring expensive and costly habits, which it must be the wish and duty of every one desiring either its material or moral progress to counteract. The rising generation, in particular, it is feared are in too many cases squandering the property which their parents have accumulated with much privation and toil. But were proper *Savings' Banks*, (not speculating banks, holding out exorbitant and often fallacious interest,) established and encouraged in every township with branches in every section, the desire for expensive luxuries might be kept within proper bounds—the spirit of reckless extravagance effectually repressed, and the young people would be, and should be made to know and understand the great social advantages, at once acting with reflex force upon their national and their personal interests. Vast sums would be raised annually for the use of the Government at reasonable rates of interest, instead of being borrowed, at ruinous rates, from other countries; and the interest would also remain and be spent within the Dominion, adding to its wealth, and again providing, in its turn, for those improvements, which are so much needed in a new and rapidly growing country.

Accordingly it has been continuously set forth by the Vaughan Institution, in all their prints, from the first prospectus to the last edition of the Pass Books, that the training of the young is one of its prominent objects; and that it has been readily so accepted, is shown by the great and rapidly increasing proportion of the youthful among all classes of depositors. "To deposit the smallest sums" (said the circular or address calling the first meeting) "that can be spared, which would otherwise be uselessly wasted, has been found in Scotland and other countries, not only to afford relief in seasons of distress, but also to confer on the youthful or working depositor a feeling of self-respect, a pledge for good conduct as a citizen, and the best proof of resolution to promote the welfare of himself and his family, by his own laudable exertions; simultaneously elevating the character, and repressing any tendency to accumulate money in a selfish or sordid spirit, or too hastily acquiring it." And the first resolutions state that "the encouragement and teaching of frugality and industry, with regularity in business, by receiving weekly, if possible, or otherwise, the smallest sums, and transmitting weekly the aggregate to a chartered bank, and apportioning and accumulating the interest yearly, would promote, both among children and adults, habits of frugality and self-denial." In the second report, much of the success of the institution is ascribed to "its essential and seemingly, in Canada, somewhat original principles or objects; the one is, that it is materially of an educational nature, for training more especially the youth to habits of frugality and industry, and knowledge of the value and growth of small sums;"—"the other, the adoption of the practice of the earliest founders of savings banks." In the third report of the proceedings at a general meeting, the educational objects of the institution, and the peculiarly ample and favourable materials for establishing throughout Canada such banks, through the instrumentaliiy of the school teachers, is prominently brought forward—more than one-half of the deposit accounts being then, and still, increasingly in the name of the young.

It is gratifying also to find, as stated in the newly published "year book" of Canada, from figures there given that it is abundantly proved, that wherever, as in New Brunswick, facilities for depositing small sums at interest, are brought before the people by Government, they are availed of,—that "the frugal among the working classes desire safety rather than a high rate of interest," in