

## BUSINESS FAILURES IN CANADA, 1877 TO 1886.

1877.....	\$25,523,000	1882.....	\$8,587,000
1878.....	23,908,000	1883.....	15,872,000
1879.....	29,347,000	1884.....	18,939,000
1880.....	7,988,000	1885.....	8,743,000
1881.....	5,751,000	1886.....	10,387,000

646. The system of Post Office Savings Banks was first established in the United Kingdom, and proved so successful that it has been almost universally adopted by other nations.

Post Office  
Savings  
Banks.

647. The principal object of the system is to encourage the habit of saving among the working classes by providing a place where they can deposit their surplus earnings at a fair rate of interest and with absolute security, no practical limit being made to the smallness of the deposit. This latter provision is one of the main features of the scheme, as the ordinary banks do not value this class of business, and in many cases will not receive deposits under a sum which would compel many people to hoard their money for a length of time, before they could save enough to place it in a position of safety.

Object of  
the system

648. The Post Office Act, which provided for the establishment of this system in Canada, was passed on the 20th December, 1867, and was limited in operation as regards the Savings Banks, to the Provinces of Ontario and Quebec. Under its provisions a deposit must not be less than \$1 and must not exceed \$300 in any one year, neither must the total amount on deposit exceed \$1,000.

Provi-  
sions un-  
der Post  
Office Act.

649. Government Savings Banks, under the management of the Finance Department, have been established in the Maritime Provinces and in Manitoba and British Columbia, in which banks deposits are allowed to the extent of \$1,000. The number of offices under this system is 50, viz., 29 in Nova Scotia, 14 in New Brunswick, 2 in Prince Edward Island, 1 in Ontario, 1 in Manitoba and 3 in British Columbia.

Govern-  
ment Sa-  
vings  
Banks.