

In the United Kingdom in 1885, the amount on deposit in Post Office Savings Banks averaged \$6.32 per head of population.

657. It is generally admitted that the amount on deposit in the savings banks of the country is more or less an indication of the saving power of the people, and the increase in these deposits in Canada of late years has been very large. Mr. Giffen in his address before the British Association in September, 1887, the purport of which address was to show that in spite of the depression, England had made and was making material progress, said: "Another fact is the steady increase of savings banks deposits and depositors. These deposits are not, of course, the deposits of working classes only, so called. They include the smaller class of tradesmen, and the lower middle classes generally. But *quantum valeant*, the fact as to a growth of deposits and depositors should reflect the condition of the country generally, in much the same way as the returns of pauperism." If then the figures for this country are taken, relating to post office saving banks alone, it is found that between 1870 and 1877 the number of depositors increased from 12,178 to 24,074, an increase of 97 per cent., and the deposits from \$1,588,848 to \$2,639,937, an increase of 66 per cent.; while between 1878 and 1887, the number of depositors increased from 25,535 to 90,159, an increase of 253 per cent., and the deposits from \$2,754,484 to \$19,497,750, an increase of 607 per cent. "Whatever special explanations there may be, facts like these are at least not inconsistent with a fuller employment of the population in the last ten years than in the previous ten."

Significance of increase in Savings Banks deposits.

658. The balance of deposits is not now required, as formerly, to be invested in Canadian Government securities, but forms part of the unfunded debt of the Dominion.

Disposal of balance.