

partly due to the transference of two banks to the postal system ; and if the interest allowed to depositors is deducted, the total excess of withdrawals over deposits amounted to \$2,960,964. This decrease, however, has not been caused by any depression of business, but is owing to the reduction of the rate of interest paid by the Government from 4 per cent to $3\frac{1}{2}$ per cent, and to the consequent raising, by the chartered banks, of the rate allowed by them to 4 per cent, this change naturally resulting in the attraction of a large amount of savings from the lower to the higher rate. This is shown by the increase in deposits in banks, payable after notice, exclusive of Government deposits, from \$68,785,421 in 1889, to \$75,357,924 in 1890, and to \$83,249,807 in 1891, an increase in the two years of \$14,454,386.

728. 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, and the amount of this floating capital, which is at the disposal of the Government, is necessarily curtailed by the decrease above mentioned.

Disposal of balance on deposit.

729. The decrease in the number of depositors, together with a decrease in the average amount to the credit of each account, would seem to imply that the withdrawals have been made by the wealthier depositors, leaving the savings, more particularly of the working classes, for whose benefit these banks were specially intended. In that case it is fair to assume that the condition of the working classes has been materially improved of late years.

Deposits by the working classes.

730. In the United Kingdom, in 1890, the amount on deposit in Post Office savings banks amounted to \$329,156,061, and averaged \$8.72 per head of population. The number of depositors was 4,827,314 and the average amount of each deposit \$68.19, an amount, as will be seen, much smaller than in Canada. The average amount of each deposit in the Post Office savings banks in New South Wales in 1889 was \$110.30, in Victoria in 1889, \$88.81, and in Tasmania in 1889, \$74.60.

Deposits in the United Kingdom and some colonies.

731. A comparative statement of the liabilities and assets of loan companies and building societies in each year since 1874 is given below. Thirty-three companies made returns in 1874 and 76 in 1890, 63 of which were in Ontario, 10 in Quebec, 2 in Nova Scotia and 1 in Manitoba. In the period between 1874 and 1890 the companies increased in number by 43, their paid-up capital increased \$26,617,155, and their total loans \$94,355,987.

Loan companies, 1874-1890.