deposits, they are not willing to open an account under L.10. But few poor persons are able to save so large a sum, except by a lengthened course of economy. The truth therefore is, that, until savings banks were establish­ed, the poor were everywhere without the means of securely and profitably investing those small sums which they are not unfrequently in a condition to save, and were conse­quently led, from the difficulty of disposing of them, to neglect opportunities of making savings, or, if they did make them, were tempted by the offer of high interest to lend them to persons of doubtful character and desperate fortune, by whom they were for the most part squandered. Under such circumstances, it is plain that nothing could be more important in the way of diffusing habits of forethought and economy among the labouring classes than the esta­blishment of savings banks, where the smallest sums are placed in perfect safety, are accumulated at compound interest, and are paid, with their accumulations, the mo­ment they are demanded by the depositors.

But, notwithstanding the soundness of these views, various objections have been stated against these institutions. To a few only of these objections can we at present allude.

It has, for example, been objected to savings banks that the money depositcd in them being sent to London and invcsted in national stock, is withdrawn from the spot where it was saved, and that thereby that spot is impoverished in proportion to the amount of the sum thus transferred. This objection is more specious than solid. In the first place, nine tenths of the money invested in savings banks would not be saved at all, but spent as it is earned, if these insti­tutions did not exist. The savings bank does not transmit to London money already saved. It causes money to be saved which otherwise would have been spent. It may be said to *create* money ; and it is only the fund which it cre­ates that it transmits to London and invests in national stock. But, in the second place, no man is obliged to put his money into a savings bank, and thus to send it to Lon­don ; nor will he ever dream of doing so, if he can invest it more profitably at home. Profitable and safe invest­ment is the sole object, and money is always sure to go where it can be most profitably employed. The circum­stance of an individual putting his earnings into a savings bank, affords a proof that such a mode of investment is re­garded by him as the most eligible. Besides, he will at once recall it from the savings bank, which he is entitled to do, if he find he can invest it elsewhere more profitably. The savings bank, therefore, is not merely the parent of saving, but its deposits embrace only those sums which can­not be otherwise so profitably employed. It withdraws no money from productive industry. It merely embraces funds which cannot otherwise be so favourably employed, or which might not have existed, or have been placed in improper hands, and lost to the individual.

But there is no objection, no general or national objec­tion to money being sent to London. The money thus disposed of is invested by the National Debt Commissioners, as agents, in stock ; which is the same thing as if it were directly invested in productive industry. These commis­sioners, for example, have bought stock with the twenty-two millions of money belonging to the savings banks through­out England, Wales, and Ireland ; and when they so bought in, other parties must necessarily have sold. out. For any given amount of buying there must be an equal amount of selling. Now the money thus sold out will not lie idle, because money in a free country never lies idle, but will be invested in productive industry ; and it iιs evidently the same thing for the country as if the twenty-two millions of the savings banks, instead of being converted into stock, had been at once employed in productive industry, as the money in the stocks which it displaced is so invested.

The only other objection of which we shall take notice

is the following ; namely, that as the money of savings banks goes into the hands of government, the minister of the day may avail himself of it, and use it for public purposes ; that the depositors have only government security ; and that if a revolution should lake place, the funds would all be lost.

These objections, however formidable in appearance, are in reality quite fanciful and untenable. It cannot, with any degree of truth, be said that the money of sav­ings banks goes into the hands of government. The money is invested in the Bank of England, and the Na­tional Debt Commissioners are appointed by law to pur­chase national stock with it. Government does not touch a fraction of the funds. Such money no more goes into the hands of the minister of the day, than the funds of any corporate body or private individual who purchases stock. Parliament passed a law for the encouragement of savings banks, and for the safe custody and increase of their funds, which law, under certain conditions, provides that these funds may be sent through the Bank of England to the Na­tional Debt Commissioners ; that these commissioners shall buy stock with them, or, in other words, invest them in government securities, and allow the depositors a certain rate of interest, or, at their option, to withdraw their funds in full, without reference to the existing state of the public securities. Now, these commissioners, when the money comes into their hands, *must* buy stock with it, and return proper vouchers to the savings banks. The commissioners have been exposed to much additional labour in conse­quence of the great spread of savings banks ; but they cost these banks nothing ; for though their duty is impcrative, their services are gratuitous.

It is thus evident that the funds of savings banks neither go nor can go into the hands of government. The law provides the very reverse. As well might it be said that any funds invcsted in national stock has this destination. But though the government does not and dares not use one fraction of the funds of these institutions, it is undoubtedly security for the money. But can the world afford higher security than that of this intelligent, free, and wealthy na­tion ? As to a revolution, the people of this country are too intelligent, and value too much the institutions under which they live, to render such an event at all probable ; but even should a season of anarchy occur, the constitution lias so much elasticity and solidity in it, that, under well-direct­ed public intelligence, it would soon recover and right itself. Besides, in all civilized countries, as was recently proved in France and Belgium, a revolution generally respects private property. In this case, the funds of savings banks would certainly be as secure, indeed we should say a great deal more secure, than any other species of property what­ever. Besides, the very circumstance of a large portion of the people, as the depositors in savings banks, having a deep interest in the stability of government, would make them constitutionally to resist, not wantonly to promote, civil commotion. “ Every person,” says Mr Tidd Pratt, “ who has vested his savings in the public funds, has a stake in the security of the country, proportioned not merely to the sum total of those savings, but to the value of that sum to himself, and will be deterrcd from compassing the disturbance of his native land by a personal motive, added to the influence of duty. He will feel the importance of public peace and public credit with that strong conviction which individual interest never fails to inspire; and in answer to the objections of those who would be jealous of the support thus obtained to the ruling powers, it should be observed, that he who possesses property in a country is not interested in the stability of the administration for the time being, but in the perpetual stability of universal order and good government.”—"(Hist. of Savings Banks, p. 2.1, ed. 1830.

(c. i.)