

within a specified period, the principal of the sum borrowed, and whatever interest may be due upon it throughout the duration of the loan. The other members who have not borrowed, and who are generally called Investors, receive at the end of a given number of years, a large sum, which is equivalent to the amount of their subscriptions with compound interest accumulated thereon. The idea of a Society upon this principle, correctly formed and afterwards properly managed, is of the most admirable kind; for, on the one hand, it holds out inducements to industrious individuals to put by periodically from their incomes, small or large sums, which are invested for them by the Society, and at the end of a certain time are repaid to them in the shape of a large accumulation, without their having themselves the trouble of seeking for suitable investments. While, on the other hand, the money subscribed being advanced to some of the other members, enables them to purchase houses, or similar property, and to repay the loan by small periodical instalments, extended over a number of years,"—[*Scratchley on Industrial Investment*.

Building Societies have now been in existence for more than thirty years, and on account of their number, as well as the large capital invested in them, are become of the greatest importance. If they go on increasing in the same ratio they have hitherto done, of which there is little doubt, they will take even a more prominent position than Savings' Banks, and will effect a greater amount of good among the industrious classes of society. These Societies not only create the opportunity and inducement to save, to that class of society which supports Savings' Banks, but they extend the same advantages to the middle class of society, who are necessarily excluded from the benefits of Savings' Banks, because their means of accumulation are too extensive.

The mechanics, the higher domestic servants, tradesman's assistants, the tradesman himself, the professional man, and gentleman of moderately independent fortune, may all of them greatly benefit by these institutions, and save money by its gradual accumulation at compound interest, with the utmost safety.

It is frequently supposed by persons in business that it would be unwise for them to join a Society of this kind for the purpose of accumulating money at compound interest, when they can make a much higher rate of interest in their own business of every pound they can collect together; but there must be a limit, and in nine cases out of ten it would be found that an accumulation of *cash* from time to time by the opportunity given in these Societies, would eventually be more productive. Even in trade it will be found better to be able to make an outlay of some amount, than constantly to fritter away opportunities by the expenditure of small sums of money. It cannot be said that the payment of small periodical amounts of this kind can be likely to interfere with trade capital; but on the contrary it would be the means of raising capital from time to time for trade purposes,