

the "Provident and Savings," of Quebec." But, as it was not certain whether they all would or could subscribe the amount of stock required by law, they were offered a choice of the following alternatives :

- 1st. To continue their business and subscribe the stock, paying it up according to the requirements of the Act ;
- 2nd. To hand over their assets to a Chartered Bank which might continue the business as a Savings Bank Department and by which means the depositors would have the guarantee of the whole capital of that Bank, or
- 3rd. To hand over their assets and business to Government.

But in any case the law stipulated that the books of the various Savings Banks then existing should be balanced, and whatever profits existed at that moment were to form a Poor Fund to be invested in municipal or Government securities approved of by the Treasury-Board, and the interest distributed every year to the various charitable societies of the cities in which the respective Savings Banks were situated. The law further enacted that henceforth those institutions which should elect to continue business, would be prohibited from investing their funds in mortgages or in anything but municipal debentures and Government securities. They might accept, but only as collateral security, bank stocks and the other securities specified ; but twenty per cent. of the total amount on deposit should consist of Federal Government securities or cash on deposit in Chartered Banks.

Of the then existing Savings Banks, two chose the first alternative, and subscribed the required amount of stock, which now, with the profits they may possess, are a guarantee to depositors : the " City and District," with two millions subscribed and \$600,000 paid up and " La Caisse d'Economie " of Quebec, with one