

of the public in such banks notwithstanding the apparent weakness of the system?

After careful study of the results of withdrawable and non-withdrawable capital, such an example appeared to us so conclusive that we thought we could safely follow it. As to the other leading principles underlying the people's banks, they are similar to those prevailing in the cooperative banks of Europe. Later on it will be shown that the system is still more strengthened by the accumulation of a guarantee fund belonging exclusively to the society; which fund, according to law, can never, even in case of liquidation of the society, be divided among the shareholders.

DEPOSITS

To come now to the savings branch, properly so-called. In the first place no one but members may deposit in a people's bank. Members may deposit sums which they expect sooner or later to withdraw. The purposes for which these small savings are often designed are current expenses, rent, wholesale provisions for the winter season, taxes, etc., together with the monthly contributions to the mutual benevolent societies to which many workingmen and agriculturists belong. Such savings also provide for occasional contingencies such as births, marriages, etc. Thus are members saved from appealing for credit to retailers and from the usurers' shops.

A man who does not follow the wise course of providing in advance for such expenditures often finds himself short of ready money, foolishly adopts a credit system and buys more than he really needs or more than his means justify. But the day comes when he must pay and then the amount due seems very high, and his uneasiness is great. It must also be observed that money is saved by buying for cash, for much more care is exercised when what is bought must be paid for on the spot. Under such circumstances buying is strictly limited to the amount of money on hand.

Deposits are always withdrawable and if a withdrawal notice is prescribed by the by-laws, it is one of but a few days and only for the purpose of giving the bank time in special