Stock Banks had succeeded in establishing themselves in London under the new law of 1833. In 1839 the Bank of England, to save herself from the necessity of suspending specie payment, had to accept a favor from the Bank of France by the exchange of two millions of gold for two millions of silver. The limitation of the issues of the banks by the Act of 1844 did not, however, accomplish the purpose designed, as the Joint Stock Banks continued to increase and to crowd into London, until their deposits amounted to something near one hundred millions sterling, supported only by ten or twelve millions of capital. The toleration of the increase of Joint Stock Banks in London was certainly one of the weak points of the law of 1844, though an act was passed in 1845 to limit their increase, and afterwards repeated, on account, it must be assumed, of its apparent unequal operation. This Act, as has been previously intimated, also admitted the free coinage of bullion, so that really, there has been no effective check to the increase of money in England through the limitation of bank issues. Now, with respect to the limitation of bank issues in the Dominion, the law appears hitherto to have been a dead letter—the issues never having reached to half the amount of the limitation, and seldom to a third of the sum of the capital. This state of things must of course limit the profits of the banks. It no doubt arises chiefly from the practice of discounting on deposits, and from the credits and transfers on the books of the banks, all of which practices limit the active demand for money, and have the same effect as an increased circulation. According to the Banking Report for January, 1879, although the paid-up capital was 58 millions, the circulation was only nineteen, and the specie something under five millions, ($4,872,056). The debts and credits of the banks each amounting to 160 millions of dollars, inclusive of all debts, good and bad, real estate, &c. What is called available assets, inclusive of specie and Dominion notes, amounting to less than twenty-five per cent. of the whole of the indebtedness. So that in the event of a sudden panic or demand for cash they could only pay about that percentage on the dollar; the gold only covering one-fourth of the notes, leaving nothing for the rest and the depositors but what might be gleaned from the general liquidation. A more unsafe and unsound system of currency could hardly have been invented, as the constant disasterous failures of the banks sufficiently testify. To assume that the present system of money is superior to a well-regulated Government currency is to assume that which both reason and experience denies. Every one knows who has happened to live in a country where a Government currency and a bank currency have circulated side by side that the former has always been preferred, as is the case at present with our Dominion notes. Within the five years ending in 1874 the banking capital of the Dominion was nearly doubled, and the deposits and the circulation was increased accordingly. The consequence was exactly that routine we have just described, an increased price of imports, a lack of the usual consumption, an era of bankruptcy, and a depression in trade, &c. It is impossible to have a better guarantee for the value of paper money than its being a legal tender in payment of debts and taxes. So long as any