

suit their convenience, favour certain individuals with British silver or American dollars in exchange for their notes. Of course the banks could hardly be held responsible for the condition of the law of legal tender. Yet the existing condition of affairs was very unsatisfactory, and, as we shall see, was the occasion of much complaint against the banks.

To overcome these evils and to regulate the exchanges were the objects of Mr. Forbes's projected bank. He proposed to organize a company with a capital of £500,000, or more if necessary. To this company the Government was to grant permission to issue a colonial currency, to consist of re-stamped Spanish dollars, with the arms of the colony in which they are intended to circulate on the one side, and the chief features of the charter of the company on the other. These coins were to pass current at the rate of five shillings sterling and to be exchangeable at par, on demand, for bills upon the London office of the company. The re-stamped dollars would thus be simply silver bank notes redeemable in exchange on London. But, in addition to this, the company was to be permitted to circulate a certain proportion of paper notes. Apparently these notes were to be redeemable only so long as the colonies remained loyal to Great Britain, for it is held to be a special virtue of the scheme that financial ruin to the colonies would be the penalty of attempting to throw off the imperial yoke.

The company expected to undertake the whole of the home Government's colonial exchanges for America, then carried on by the Commissariat Department. It was also anxious to secure the business of the Canada Company.

As to the existing banks in the colony, it was proposed that they should simply be merged in this larger enterprise which, like the modern trust, would cover the whole field. Since the capitals of the existing banks would probably supply all the needs of the colonies, the capital subscribed in Britain would not require to leave that country.

Such was Mr. Forbes's comprehensive scheme, which was to unify the Empire, permanently maintain the exchanges at par, and enable the people of Britain to sell larger quantities of goods to the colonies, and get their returns for them in cash, without embarrassment either to themselves or the colonies.