

that these institutions are now labouring to obtain the power to take unlimited interest with a view to the public benefit, possesses a faith that might be better bestowed. The object of the Banks is to increase their dividends by an increase of the rate of interest and the circulation of their notes; and to this end they will form a combination which will not only be irresistible here, but will also prevent the influx of foreign capital in competition. Money instead of becoming cheaper by the abolition of the Usury Laws will be dearer, for the private capitalist will not be able to compete with the Banks in lending actual money, while they lend drafts upon public credulity, a species of capital cheaply obtained, and almost inexhaustible in quantity.

"Great fuss have been made over the fact that in the fall of last year the Canadian Banks were lending money at 6 per cent., which they were borrowing in London at 10 and 12 per cent., and upon this solitary instance of a few weeks duration the whole loss by which many have equalled the profit on the issue of their copper tokens, is founded the cry for the privilege of an restricted interest. No mention is made of the many succeeding years in which the same institution employed their European credits at 6 per cent., while they cost from 2 to 4 per cent. or of the additional profits by forced deposits without interest and unconscionable shaves upon exchange.

"The price of Bank stock shows that Banking is a sufficiently profitable business; the premium which it commands represents how much more valuable it is than ordinary investments, having the same facility of conversion. It is evident therefore that no addition to the present rates of interest is required to make Banking profitable, and that no new privilege is wanted to encourage investment in it. When we find Montreal Bank Stock down to 90 per cent. and dull at that, under the best of management, we may conclude that the rate of interest is too low, and relaxation in that or other respects is needed; but with, even in these hard times, a brisk demand at 116, it is clear such is not the case.

"We do not think it wise to place the trade of the country under the heel of an irresponsible and unconscionable despotism in order to double the value and profits of Bank Stockholders, nor do we consider it necessary to sacrifice the high reputation which the management and currency of our Banks have hitherto deservedly obtained by relaxations which must be fatal to them.

"Give the Banks the privilege to charge any rate of interest, with no further limit of circulation and Canadian Banks and Canadian currency will soon possess the unenviable notoriety of the Wild Cat Institutions of the West."

The writer of the above appears to be labouring under a kind of Quixotic idea, that to abolish the Usury Laws and give the Banks unlimited power without any check upon their circulation, would turn the country upside down in about three months; all our sober, solid, old established Banks are to be suddenly transformed into wild-cats; South sea bubbles and visionary speculations will spring up instantly, inducements will be offered for all kinds of projects and no doubt if a company was formed for the purpose of building a railroad to the moon such would be the desire of the Banks to increase their circulation and profits, that the money would be advanced im-