

millions of Exchequer bills are paid off, on the strength of which they were put into circulation, — the Bank capital of eleven millions, with such portion of what is called "The Rest," of three or three and a half millions, as the Directors may find it desirable or convenient to employ, will be found necessary to serve as a fund on which the Bank will now have to base its own proper issues. The business of the Directors will be to discount commercial bills with their own or with government money; if with their own, they must purchase with their capital a sufficient quantity of government notes to be ready to take up their own with, on demand.

Throughout these transactions *government notes* will be the *sole legal tender*, with, of course, the *gold pound* at its *full weight*. That the country may have the benefit of any increased value that may attach to the gold pound when the system is in complete operation, it will be desirable that the bank of issue should at once take charge of all the sovereigns in the Bank, and when they have risen in their market price to a height in government notes which appears to be their natural value in that paper, then let them be sold to any purchaser at that price, and let the profit be placed to the *credit* of the government account. This can be done with the greater facility and advantage, inasmuch as paper money will be the universal medium of payment in all transactions at home, and the gold will only be wanted by foreigners at such