

Bank, but I think it one of the most urgent acts of State policy to ensure that in all cases where private parties, be they incorporated as banks or not, issue cheques, or allow cheques to be drawn upon them, the full amount of such cheques is to be in deposit in the safes of the institution under strict supervision of the government. I mean thereby that the money has to be ready, not only when the cheque is presented for payment, but that in all cases where such an institution authorises other parties to draw cheques upon it for certain amounts, and never mind whether the said parties have deposited the amount, or whether the right of drawing such cheques be given without any previous deposit, the full amount has to be kept from the beginning in legal tender money in the safes of the institution.

The existing latitude given to our banks, or rather arrogated by them, confers upon them the privilege of creating money substitutes without money behind them, which practically are accepted as money by the whole business community, and thus allows them to infringe in an indirect way on the most precious monopoly of the community. Originally money deposited in banks was sacredly kept by them at the call of the depositor. Gradually the abuse crept in that the banks used for their own purposes as much of such money as they pleased, keeping only enough in stock to provide for what experience had proved sufficient for their daily needs. Whenever in troublous times the poor depositors demanded their property, they could not obtain it just when they were most pressed for the money. It could do them little good, even where some day the assets of the bank were turned into cash, and they were paid, when meanwhile all the depositors' remaining possessions had been sold for a song to satisfy pressing creditors.

It is high time that an end be

put to such an abuse, especially as the greed of our banks has proved so insatiable that, not satisfied with the immense interest profit made by them on other people's money lent out instead of being kept intact as a sacred trust, they actually charge these same victimised depositors ten shillings a year for the trouble of keeping their accounts. Their rapacity demands condign punishment, and absolves the community from all unnecessary respect for a wrong because it has grown venerable by age. The public's long neglected rights demand urgently the legislator's solicitous care. It is strange how bank legislation has left these rights out of sight altogether. The famous Peel's Act, for instance, is very particular as to the protection of note holders by providing that beyond a certain amount, which experience has shown never comes in for conversion, all bank notes issued by the Bank of England must be covered by gold. Not one word, however, to secure depositors in a similar way, to ensure to them the immediate refundation of the gold they brought for safe keeping. It is the same everywhere, and it is high time that an end be put to this state of things. A law forcing our banks to keep on hand in legal tender money the full amount of call or free deposits, including all other amounts for which they authorise the drawing of cheques, would not only render the long missing security to depositors, but at the same time would give back to the people a revenue produced by the people. It would at once give to the community the free use of about nine millions, if we only count free deposits and bank notes, and this, after deducting the proceeds of the present bank note tax, would mean a net profit for the public of not less than £300,000 a year, if we only count the interest on loans thus saved by the State; but much greater if we take into consideration the absolute impossibility of raising such an amount