which lending and borrowing rates of the provincial banks should be regulated. The loans here mentioned refer to corporation stocks and other investments. The *Economist* adds that "whether the Bank of England moves or not, it is surely high time for the provincial banks to consider whether they are justified in exacting from their customers such high rates as those they are now charging, or whether by doing so they are not injuring themselves as well as those who do business with them." For a whole month, while the bank rate was five per cent., the market was never higher than 3⅜, and during two weeks it was 3 per cent. Under these circumstances, it is not surprising that the Bank of England has lost control of the market; while the State banks of other countries exercise a fair control over the rates of discount. Mr. Montague treats this high rate as a scramble for gold, saying the Bank of England is keeping the rate one per cent. higher than is made necessary by the commercial demand; an excess which, if kept up for three months, would inflict on the industrious classes a loss of £750,000.

THE BRITISH CURRENCY COMMISSION.

For some time before the appointment of the British Currency Commission, there appeared to be a growing feeling in favor of a double standard. The Commission was composed of persons of different views, some favoring a single gold standard and others a double standard of gold and silver. The bi-metalist found an opportunity of presenting their views, in opposition to the mono-metalists. But the Commission has changed nothing. The bi-metalists are in a minority in the country as they were on the Commission. There will be no change in the standard at present; so much the Commission may be said to have made certain. But there remain grounds of dissatisfaction, on which the bi-metalists, with whatever success, will work, and the mono-metalists admit that the last word has not been said on the subject.

The effect of the report will extend beyond the limits of the British Empire. If Great Britain had adopted the double standard of gold and silver, other countries would have been induced to join her; while her adherence to the single gold standard will have a tendency to cause other nations to do the same. And in proportion as the double standard is abandoned by other countries, or the gold substituted for the silver standard, where the latter prevails, the evils resulting from the depreciation of silver in comparison with gold will increase.

The report is divided into three separate parts, the first of which contains views which all the commissioners were able to accept; part two upholds the single gold standard, while part three contains the views of the bi-metalists." To sum up our conclusions on this part of the report," [part I.] the commissioners acting as an unit, say, "we are of opinion that the true explanation of the phenomena which we are directed to investigate is to be found in a combination of causes and cannot be attributed to any one cause alone. The action of the Latin Union in 1873 broke the link between gold and silver which had kept the price of the former, as measured by the latter, constant at about the legal ratio; and when this link was broken, the silver market was open to all the factors which go to affect the price of a commodity. These factors happen since 1873 to have operated in the direction of a fall in the price of that metal." It does not necessarily follow from this statement that if the Latin Union had not disturbed the state of things existing in 1873, the price of silver, as measured in gold, would have remained substantially the same; because the factors which have operated since that date might hav eproduced some, if much less effect, on the relative prices of silver and gold. If it could be shown that the action of the Latin Union caused the entire fall in the price of silver, it would have been a fair conclusion that to revert to the state of things existing prior to 1873 would reverse the consequence of that action. But confessedly new factors have been in operation since that date, and it is reasonable to conclude that they would not have been without their influence, if the Latin Union had not introduced a disturbing element. And the Latin Union will not of its own motion and alone reverse the order of things it has established.

In favor of the single gold standard, the fact is signalized that British trade has grown more rapidly with silver-using countries than with those which have a gold standard. From the same point of view, the statement comes that "to circumstances independent of changes in the production of, or demand for, the precious metals, or the altered relation of silver to gold," the fall in the price of commodities is mainly due. And the difference in the relative price of gold and silver is declared to be "mainly due to the depreciation of silver." And that depreciation is in part due to the action of the Latin Union in 1873. The result of the depreciation of silver is severely felt in India. This is fully admitted by the members of the Commission who are in favor of the gold standard. These evils and inconveniences, they admit, ought to be remedied, if a remedy could be found and applied without injustice to other interests and without causing other evils and inconveniences equally great. Indian finances have suffered severely from the fall in the price of silver, and unless expenditnre can be diminished taxation has to be increased, or a deficit cannot be avoided. On this point the mono-metalist commissioner remarks: "If the view be correct that there has been a substantial fall in the value of the silver, which has prevented the silver prices of Indian produce being as low as they otherwise would have been, then to that extent, the Indian taxpayer has escaped the increase of his burdens which would have resulted, assuming the taxes imposed to have remained the same." These commissioners—the mono-metalists—do not doubt that if the great nations adopted the double standard and agreed upon a fixed ratio of silver to gold, that such ratio could be maintained. And while they admit that bi-metalism would be the best of all remedies that could be accepted, it must be considered whether it might not produce as great or greater evils than those whch it would cure. They are adverse to trying experiments which might produce evil consequences, or excite apprehensions of danger. If bi-metalism were adopted, contracts in gold, unless prohibited, might be made, and in this way an unnatural strain might be put upon gold. And the nations which agreed to a bi-metalic basis might not continue to adhere to it; they might refuse to do so, if not from self-interest, from the desire to inflict an injury; and if the international compact were broken, Great Britain would find herself in a worse position than at present, when her action is unfettered and is not dependent upon any other power. "Dangers from this cause," the mono-metalists say, "would be aggravated, if it were found necessary, as we think it would be, to embody in an international agreement? detailed stipulations with regard to the coinage, currency, or internal financial arrangements of the several countries joining in it. "Banks and financial institutions might desire to accumulate gold, for the sake of convenience, if not from sentimental preference. This would happen if there arose an apprehension that the bi-metalic arrangement would come to an end, causing financial disturbance in countries where this practice was not followed. The possible dangers of adopting the double standard are not capable of accurate measurement; the change would to a great extent be a leap in the dark, and one which Great Britain is not prepared to take. For these reasons, the mono-metalists are not prepared to recommend the change. But they do not consider their inability to act as necessarily final. They admit that the question requires further consideration and discussion.

Should India carry out her proposal to close her mints to the further coinage of silver, a still greater depreciation of that metal would occur. The nations forming the Latin Union, and outside of them the United States, are interested in maintaining the value of silver. In this state of the case, say the mono-metalists on the Commission, "it is worthy of consideration whether foreign governments might not be approached," by that of Great Britain, "with a view to ascertain whether they would open their mints to a greater extent than at present to the coinage of silver. for a given term of years, on an understanding from India that she would not close her mints during the same period. In order to assist such an arrangement, we think that part of the bullion in the Issue Department of the Bank of England might be held in silver, as permitted by the Bank Act of 1844." The suggestion is not new, having been made and rejected in 1881; but at that time the possibility of India following the example of the Latin Union in closing her mints to silver coinage, had not to be met.

Three of the commissioners recommend an issue of one pound notes based on silver; one pound notes may possibly be issued, but if so, gold and not silver is pretty cer-