"over production of manufactured goods" and "the appreciation of gold." Our own belief is that while there is much force in the arguments advanced by the supporters of each of these theories, that in neither of them is the whole truth contained. We think rather that the cause can be found in a combination of both theories, although in our opinion the growing scarcity of gold is the more serious of the two. The able article of Mr. Morton Frewen in the October number of the *19th Century Magazine*, has, we think, demonstrated beyond a peradventure that the excess of consumption of gold over its production, or, in other words, its growing scarcity is one of the most disturbing elements, if not the principal factor in the present universal depression. Mr. Frewen's contention is that as the demand for gold exceeds the supply by some $65,000,000 per annum, it is only a question of time when gold will become so scarce that it cannot be used as the recognized standard of values, but must give place to something else. That his view is not confined to himself, is evident from the persistent efforts that have been put forth from year to year by those advocates of a bi-metallic standard, both in Europe and America, who wish to see silver placed on the same platform with gold as a recognized standard of value. We fail to see, however, that it is possible to have a double standard such as is proposed by these bi-metallic advocates. You might just about as well try to have two yard measures as two standards of money value. The value of gold or silver, like everythingelse, depends upon the laws of supply and demand, and it is just as possible to make the earth stand still as to regulate by Act of Parliament or Congress, the relative values of gold and silver. If anything were wanting to prove the soundness of this contention, the present anomolous position of the American silver dollar would amply establish it. This coin, when first minted, was supposed to be worth one hundred cents in gold; to-day, however, owing to the depreciation in silver and the appreciation of gold, it has shrunk in value so as only to be worth eighty cents. The person, therefore, who is innocent enough to sell either goods or labor for it at its face value, loses twenty per cent. on every dollar he thus exchanges, and has literally to take the advice the Government has stamped upon its face, "In God we Trust," for the other twenty cents If gold were as plentiful as silver, it would be of no more value than that metal, while if silver were to become as scarce as gold now is, it would materially appreciate in value. The same reasoning would hold if the supply were reversed. A few years ago seventeen pennyweights of silver would buy one pennyweight of pure gold, but to-day it takes twenty pennyweights of silver to buy that quantity. This depreciation in silver arises from two causes, partly because gold has become scarcer and increased in value, and partly because silver has become more plentiful, and consequently cheaper. Thus it is, the law of supply and demand, acting in opposite directions upon the two metals which are used as money by all civilized nations, is slowly but surely forcing them intrinsically apart. From present appearances, we should say that the relative positions of these metals is not liable to any startling change that will serve to bring their values any closer together. On the contrary, everything points in the opposite direction. The production of gold is slowly but surely decreasing, with little or no prospect of any great addition to its ordinary annual output, while on the other hand, silver is being found in increased quantities, and unless its production is in some way restricted, bids fair to become a glut in the market. In the meantime, most civilized countries are adhering to the gold standard, and hence the appreciation of gold and the apparent shrinkage and cheapness of silver as well as of everything else. Exactly the same causes which are tending to depreciate the value of silver, are at work in lowering the values of natural products and manufactured goods of all kinds, for it is a self-evident proposition that the scarcer gold is the greater must its purchasing power become, as long as it remains the sole standard of value. As Mr. Frewen quaintly puts it, "If all the gold in the world had shrunk to five sovereigns, and it still remained the standard of value, the owner of one of them would be able to buy Koh-i-noor diamonds for shirt buttons." Speaking on this subject a few weeks ago at a public banquet in Chicago, Mr. L. T. Gage of that city, and one of the leading bankers of the United States, in the course of his remarks said that when "gold becomes worth a premium of twenty per cent. as it certainly will in the couse of time—I do not say how soon the banker can then sell his reserve for the full equivalent. It is true that his profits may be realized in a kind of money that will have purchasing power of twenty per cent. less than the kind of money that he now realizes his profits in. But isn't that true of you all? Isn't it true of every laborer in the United States? Isn't it true that the savings fund of the laboring people, the humble classes of the United States, now amounting by statistics to $1,100,000,000 in the savings banks, will shrink in purchasing power $200,000,000? That is as certain as water is to run down hill"

To our mind, the present indications seem to point to the fact that, owing to the demand for gold, and its inadequacy to meet the wants of commerce, a new metallic standard will shortly have to be decided upon, if we are to have a return to solid commercial prosperity, instead of continued or spasmodic depression. The producers, and those interested in its production, are naturally anxious that silver should be the coming standard, but its bulk, combined with its rapidly decreasing value, furnish weighty reasons why it should not be adopted. As we said before, we believe that a dual standard is as impracticable as two yard measures, and that we must seek for the new standard in some one metal or alloy of metals, which shall dethrone gold as king of metals and arbitrator of values. For this purpose we would suggest an alloy of the two metals at present used by all civilized countries, gold and silver. We think that if adopted it would not only settle this vexed question for centuries to come, but give trade the world over an impetus equal to that caused by the discovery of the gold fields of Australia and California. If say one dwt. of gold, valued in round numbers at one dollar, were alloyed with one oz. of silver, valued at the same price, the result would be a coin the size of the American dollar, the value of which would be two dollars. One dollar of this alloy would be the size of half a dollar; half a dollar of a quarter dollar, and a ten cent piece the size of a five cent. piece. The advantages of such a coinage would be numerous. Although about ten times more bulky than gold, it would be only one-half the bulk of silver, and for ordinary commercial transactions it would be more convenient than either. Its adoption would have an effect upon trade equivalent to the doubling of our present reserve of gold. Its principal advantage however, would be its perfect equilibrium as a standard of value. In this respect it would act somewhat similar to the compensation balance of a chronometer, which is composed of two metals, the expansion