

The present situation seems to be as follows. Since 1850 there has been in Europe, America, and Australia (which include the great civilised communities, and those where gold is chiefly used as money) a great increase of population, estimated at about 117 millions, or nearly 45 per cent. During the same period there has been a great increase of productive power over the whole world (probably 50 per cent.), especially in the same countries; and, along with this extension of population and production, a great development of trade.

The trade of the world is at least four times as great as it was in 1850, and the mere weight of goods moved is six times as great as it then was. Such changes cannot occur without causing a need for more money available for exchange of commodities, and this increased quantity has been supplied, partly by the discovery of great supplies of gold and silver, and partly by a great extension of credit; so that, as a final result, we have large stores of coin and bullion in circulation or reserve, and the interest paid on money lent for short periods has been lower than in any recent period of our commercial history; but we have, at the same time, a scale of prices lower than that of 1850. All this trade has been done—and that with fewer panics and alarms than in former times—great masses of produce have been moved and exchanged, and the enormous increase in the total produce has only caused a slight fall of prices in thirty-five years. The fall may be great in some cases, when measured from 1873; but it is slight when measured from 1850. It would seem probable that, all other things being the same as they are now, we must have seen a far greater fall in prices if there had been no increase of gold and

circulation takes no account of real needs. But he is hampered by the state of the silver market. He dares not ask America to act alone.

The following figures are interesting :—

Total gold in United States Treasury on January 30,		
1886	... ..	£50,000,000
Total standard silver dollars coined same date	...	£44,000,000
Gold certificates outstanding	{ including }	...
	{ those in }	£27,800,000
Silver	{ Treasury. }	...
“	“	£25,000,000
Total gold in United States, January, 1886	...	£106,000,000