India but which will spread from class to class and land to land until the property of the whole civilized world has been brought to an equilibrium of shrunken values as measured in terms of money. Writers upon monetary questions in discussing the antecedent causes of the panics which from time to time have desolated the mercantile world have been unanimous in pointing out that these financial whirlwinds have invariably been preceded by great cancellations of values by wars, famines or conflagrations, the baleful effects of which were not immediately apparent because credit currency for a time concealed the vacuum. No destruction of value so great as this projected destruction of half the world's metallic wealth has ever occurred in the records of history; for silver is wealth because it is the enduring and universal acceptance of both the precious metals which has made them of permanent value as the only secure basis of the huge fabric of credit and the universal tools wherewith to carry on the exchanges of trade.

It is very improbable that such a protracted period of commercial "malaise" happens only by accident to coincide with persistent efforts to demonetize and thus write off the value of one-half the world's real money. It is much more likely that all these symptoms are closely connected. The depression in prices is not local but universal in Europe and America. It commenced with the fall of silver in 1873, when Germany took the final step of throwing out silver money and buying gold to replace it. Up to that period 66 per cent. of the coin in circulation in Germany was of silver, estimated to amount to $375,000,000; of which $145,000,000 was thrown on the market before the great increase in the production of silver which did not take place until six years later. The cost was great; but, by the aid of the war indemnity, the change was possible. It has, however, never been shown what Germany gained by it. She sold silver in an artificially depressed market and bought gold at a high price, but France could spare nearly all her gold and was nevertheless able to return, after the war, to specie payments; for she retained the double standard and silver was sufficient for her purposes. The finances of France in spite of the immense indemnity paid, are, at least, as sound as those of Germany, for no commercial revulsion occurred there as in Germany and it does not appear that the French people have suffered inconvenience in any way. In fact the silver using people have not suffered from commercial crises and seem to be in a better condition than others; for Mr. Bagehot pointed out, in his evidence before the House of Commons Silver Commission, that, in India, although the rupee had fallen in value as measured in gold, prices had not risen but, while the English officials in India and English exporters of cotton goods from Lancashire were suffering because they were obliged to change into gold the silver prices realized in order to make their remittances to England, Indian manufacturers, whose whole interest lay in that country were greatly assisted in the competition for the trade of Asia as the English manufactures were oppressed by the whole weight of the premium on gold.

The only serious reason adduced for the adoption of a universal gold standard is the difficulty of maintaining a staple ratio between the two metals. This has always existed, but it was never serious until the recent onslaught against silver; for bi-metallism is no new thing. That has existed for centuries and was the normal condition of the currencies of Europe until recent times; nor were disastrous consequences ever attributed to it. England stood alone on a single standard of gold; for Portugal and Turkey need not be taken into account. Germany and the northern nations had a silver standard, while France and the Latin union, and the United States before the war, were bi-metallic countries with a double standard. The inconveniences of the varying exchanges is a surface inconvenience familiar for centuries to all bankers. It does not call for so desperately revolutionary a remedy as an attempt at the destruction of one-half of the world's property in the precious metals; and more especially not, in the face of the constant expansion of the inverted pyramid of credit currency which is reared upon the diminishing bulk of the other half. The silver certificates of the United States represent real money actually existing in the Treasury, available still throughout more than one-half the world in exchange for all the necessaries of life and for all the raw materials necessary for manufactures. They came in fortunately, to prevent the utter collapse which the gradual withdrawal of the national paper currency was inevitably bringing on. Let it be granted that, in the existing artificially depressed state of the silver market those certificates are not at par value with gold; the specie on which they rest would make them more widely useful on an emergency than any legal tender credit currency, for although the national currency of the United States based upon the national credit was as sound as any currency can be supposed to be it could never be externally available, while, to quote again from Mr. Bagehot's evidence, "silver is the normal currency of the world." From 1851 to 1872 it was the fall in gold which disturbed the old ratio of 1 to 15 1-2, and Belgium and Holland, in premature alarm demonetized their gold coins; because the production of gold was then quadrupled, while the annual supply of silver was, if anything, growing less. The present output of silver is not greater in proportion nor more likely to continue; but, instead of allowing it to flow freely over all lands to work a similar beneficent revival of profitable trade like that effected by the new gold, immense effort is being put forth to check its passing into circulation. What difference can there be in the effect upon the general business of the world of the increase of one metal now than of the other then? Bagehot, who advocated the gold standard for England, did so because it suited the circumstances of domestic English trade; but he feared a general change. The present conditions of English home commerce may be best suited by a gold standard, but it does not follow that English finance would gain by a universal adoption of the English standard of money because English trade lies chiefly with the silver using nations. The present disturbance of the exchanges is mainly the result of the present agitation against silver. It is worthy of careful note that, from the year 1679 to the year of the demonetization of silver by Germnay, the ratio between the two metals oscillated very slowly within the limits of 1 to 15 and 1 to 16; that was the extreme limit of variation during two hundred years; but the heroic surgery of Germany, which cured a limp by cutting off a leg, and the obstinate attempt to discredit that which since the time of Abraham, has fulfilled the function of money has packed into twenty years more disturbances of the exchanges than are shown in all the previous records of history. A progressive nation needs an expanding currency and specie is the only safe basis for expansion. If Germany, with the war indemnity in hand, found the task difficult and costly, how ruinous will it be if the other western nations attempt to throw out silver? There is not gold enough in the world for such a task and the present rate of cent.
production has fallen off twenty-five per

It is then clear that, from time beyond record, the precious metals—silver and gold—have been the ultimate measure of all other things. Not two distinct measures but one composite measure throughout the world. If owing to local circumstances the use of one prevails temporarily over the other in any one country the exchanges nevertheless equalize prices by the automatic operations of natural laws; but when legislators enhance the purchasing value of gold by cancelling that of silver they disturb prices violently and legislate values from the pockets of one class into those of another. For prices have been adjusted, throughout the ages, to the total sum of the precious metals, and, if one of them be eliminated, the total values of all other real property must shrink to the reduced measure; for the two sides of an equation must be equal. Then loans for long periods must become heavier to a proportionate amount, for two bushels of wheat will count in liquidation for one bushel, and two yards of cloth for one yard. The produce of the farm and factory will not pay the mortgage, the margin of the farmer is swept away and the fixed capital of the manufacturer is reduced to half its value. In process of time the new level will be reached and all property will have settled down to a new measure of value; but a continuous contraction is like the scarcity of the seven lean years of Egypt, it changes the tenure even of the land. Hewers of wood and drawers of water will continue in all conditions of society to exist; for those who do the disagreeable work of the world will always receive enough to keep themselves alive; the poor will always be with us, but the foundations of society will be more unstable because of the absence of gradations. In the meanwhile much money will be lost but the longest purses will win in the end; until perhaps the working classes get enough sense to stop their foolish strikes and learn to fight their battles at the ballot boxes.

This tendency to the concentration of property is too much overlooked by economists who are chiefly concerned with the aggregation of wealth, heedless of its distribution; while it is historically true that the permanence of society depends upon the latter rather than the former. Aristotle demonstrates this (Politics Bk iv, chap. ii), but in fact all the great politicians insist upon it; and Lord Bacon expresses their thought in a sentence: "Good "policy is to be used that the treasures