

It is interesting, as showing the real condition of the money market, that in the decade from 1866 to 1875 inclusive there were 109 changes in the Bank rate of discount, whereas in the decade from 1876 to 1885 there were only 61 changes. The condition of affairs must have been far more "feverish" in the former than in the latter period.

The history of the great banks of Europe, during recent years, certainly lends no aid to those who dwell on the scarcity of gold, and even M. Cernuschi, the eminent advocate of bimetallism, in a letter to the *Economist* dated in April, 1886, says that the scarcity of gold is "purely imaginary," and he refers, in confirmation of this view, to the great store of gold now existing in the world.

The stock of the Bank of England (April, 1886) was £21,400,000, £4,000,000 less than in 1885; but the stock of the Bank of France was £51,800,000, showing an increase of £10,000,000 since April, 1885. The Imperial Bank of Germany had £34,000,000\* (in gold and silver), and the Treasury and banks of the United States held about £65,000,000 (gold).

It is remarkable that while the stock of gold in the Bank of France has doubled since 31st December, 1881 (£25,800,000 in 1881, now—April, 1886—£51,800,000), her stock of silver has fallen £2,000,000—from £46,000,000 to £44,000,000.

The only material falling off in recent years has been in America, and that is far more than compensated by the great increase in Europe. Recent legislation, as well as the course of trade, has tended to cause an export of gold from the States to Europe.

The general result confirms the opinion of M. Cernuschi,

1871, excessive. Any one really engaged in the business of lending money can have no doubt on this head. There has been no "panic" since 1866, and this fact alone should be very instructive.

\* According to Soetbeer (as quoted in the *Financial News*), the stock of money in circulation in Germany in January, 1886, was £133,000,000, against £87,000,000 in 1871. Of this, £87,000,000 was gold, against £4,500,000 in 1871, and £44,000,000 was silver, against £75,000,000 in 1871.

Therefore the increase of gold (£82,500,000) was £30,000,000 more than the decrease in silver. This does not seem to point to a great "scarcity" of the more precious metal.