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precious metals since 1849, and endeavour to decide whether gold is or not really "scarce."

Comparing the two metals—gold and silver—it is curious that, whereas in 1850 the stock of silver was estimated at thirty-two times in weight that of gold, it is now supposed to be about nineteen times; and were their prices regulated merely by the stocks of the two metals at different periods, the price of silver should now be 102 pence per ounce, instead of 43 pence (Mulhall, "History of Prices," p. 17). Silver has fallen, although the stock of gold has increased far more than that of silver; but the demand for gold has increased more rapidly than that for silver, although India and China have absorbed great amounts of silver during the There seems indeed to be no past twenty-five years.* obvious and permanent connection between the price of silver in Europe and the stocks of gold and silver. did not rise materially from 1852 to 1857, when the annual production of gold increased, while that of silver remained stationary (see Appendix A), and in the period since 1872 silver has fallen in Europe far more than can be accounted for by changes in the production of the precious metals, considerable as these have been. The explanation would seem to be that in the former period there was no special change in the position of silver in Europe, no new supply and no altered demand, and France was able to absorb a very large amount of gold; whereas in the latter period there was an enormous new supply of silver from Germany and the United States, and a sudden destruction of

* The American figures are as follows:-

Total production of gold in 36 years from 1849 to 1884—£776,595,000 ,, ,, silver ,, ,, ,, ,, ,, ,, —£450,000,000

Dividing 1850 to 1884 in periods of five years, the supply of gold is as under:—

1850-5	4	£105,000,000	Or per year	•••	£21,000,000
18555	9	138,000,000	, ,,	•••	27,600,000
18606	4	112,000,000	,,		22,400,000
18656	i9	112,000,000	,,		22,000,000
1870-7	4	100,000,000	,,	• • •	20,000,000
1875—7	9	109,000,000	,,		22,000,000
1880-8	34	100,000,000	,,		20,000,000