

on it at abnormally low rates, so as to be able to employ in other directions the cash secured, and with the recent realizing on the part of speculators for the rise, an altogether changed condition of the markets is presented. It has been known all along to those who have closely observed the state of affairs in Paris, that there has been an enormous speculation for the rise open, and a break has been expected. The development of weakness in Paris has not been without influence in other directions, and leading speculative securities in almost all departments have given way in price. There is a disposition to take an adverse view of the future of the home railway market, and recent operators for the rise in American railway securities have retired for a time until events clear up as regards the immediate money position and condition in Paris.—*London Statist.*

HOW AND WHY GOLD IS SENT ABROAD.—We have a communication from a very intelligent correspondent, which shows how generally is the misapprehension concerning the movements of the precious metal. The writer in question asks us to explain "the method by which gold is withdrawn from the sub-treasury for export." He cannot understand why "if this country does not owe any money abroad," the country's gold should be taken from the sub-treasury "for shipment. Nor can he see "what consideration is given" for the volume of metal thus transmitted. To those who look upon the movement in this light, the outflow is an unexplained mystery.

The sub-treasury has in its vaults a certain amount of gold that belongs to the holders of gold-certificates, and must pay it out either in the form of bars or coin when the certificate is presented and payment demanded. Neither the country at large nor the government has anything whatever to do with the outflow of coin or bullion. The shipment is wholly a matter of individual concern. The owner of a sum of money wishes to transfer it to Europe. For some reason he prefers to have it on the other side of the ocean. He can now get it in gold, dollar for dollar, and he may look forward to a possible future when gold will be at a premium, and he can only get silver for his capital. He exchanges his check on the bank for gold certificates, presents these at the treasury, draws out the coin, packs it in a keg or box, and sends it on board a ship. But some one may ask why he does not buy a banker's draft payable abroad, if this can be done as cheaply, and save himself the bother and risk of packing and shipping the coin which costs him freight and insurance, while the draft could be sent for simple postage. This is usually the course taken by those who have money to remit, as long as the rate of foreign exchange is below the cost of sending out real money.

It is not easy in every case to see why anyone having a remittance to make should choose to send out gold, when a draft payable in Europe can be obtained at less cost. But there are many reasons why this is often done. The sender of the money may have large remittances to make. If he keeps on buying bankers' drafts until the rate for exchange goes up to the specie point, and then must ship the gold, it would be far better for him to ship the money first, and buy the exchange in lesser amounts and at a lower price. But there are often conditions on the other side which make it desirable for