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## THE DOUBLE STANDARD.

When the United States, in presence of a heavy decline in the value of silver, demonetized that metal, it did a wise and honorable thing. It refused to acknowledge a payment in silver, which has undergone a depreciation as compared with gold, as a specie payment, and it prohibited the Government from paying its bonds in the former metal. There can of course be no such thing as a double standard, if the two metals which it could alone comprise, are not so rated as to make a dollar in either be of the same value. A standard implies something absolute, in coin, like a foot or a yard. The United States, however, still finds itself with a silver question on its hands. The Congressional monetary committee, whose report has been presented to the Senate, takes the ground that "the legal right of the United States to pay its bonds in gold or silver, at its option, is so clear that no serious denial of it is made." We venture to say, however, that the operation would not pay. It has not been customary, at any time, for the United States to pay large sums in silver; and the public creditor could not have expected a departure from the ordinary rule, in this respect. The legal right may be clear; but to insist on paying the public creditor in a depreciated currency would be a moral wrong, which a debtor nation could not commit with impunity. The four per cent. loan has not been the success it was expected to be; and to insist on paying bonds in silver would depreciate the public credit. The act would be regarded as a great government taking a mean advantage of its creditors; a trick that would discredit an Old Bailey lawyer. The loss would be greater than the gain. For this reason, we do not think the experiment which the Congressional monetary commission favors will be made. That commission argues that the fulfilment of the letter of the contract is all that is required. But the public honor is concerned to do more than this—to fulfil the spirit of the contract. The creditors expected that they would be paid in a standard which the United States

had always used in cancelling large obligations towards foreigners.

The United States indebtedness to Europe, public and corporate, is set down at \$2,000,000,000, on which the annual interest is \$100,000,000. The argument is that a nation owing this large sum is interested in paying in a depreciated metal. We doubt this. The interest is only apparent. Large borrowers require to keep their honor bright. Of course, if it were possible to pay in silver without suffering a loss of moral strength, the gain would be clear; but it would not be possible, and the commission shows a strange want of instinct when it imagines the contrary to be true. By demonetizing silver, the United States, so argues the commission, would cause "a diminution of the world's measure of value." But a false measure is in no true sense a standard; and its use would be morally on the same level as the use of light weights.

Figures are marshalled to show that silver ought to be a good measure of value. The Big Bonanza is said not to have produced more than \$52,000,000 in four years; and the whole of the Comstock mines have produced, in sixteen years, only \$240,000,000. California, on the other hand, we are told, has added twenty-five per cent. to the entire pre-existing stock of gold. But what is the use of chopping logic after this fashion? What is the use of producing figures to show that silver ought not to have depreciated relatively to gold? The fact that it has so depreciated remains, and no amount of argument or figures can get rid of the fact. There can hardly be a doubt that Chevalier was right in insisting that the great increase in the quantity of gold depreciated its value. If, on the whole, gold measures less than it formerly measured, the depreciation would seem to be proved. However this may be, there is no doubt about the fact that silver has depreciated relatively more than gold.

In Canada, the question of paying bonds, or any large sums, in silver, cannot be raised, because the legal authority for such payment does not exist. But must not the depreciation of silver make itself felt among us? Practically, the only precious metal in circulation—unless we are to regard the gold in the banks as in circulation—in this country is silver. Apparently it maintains a fictitious value; but does it not in fact, if imperceptibly, pull down other currencies not to, but towards, its own level? One thing is certain: many contracts, especially those which take the form of mortgages, stipulate for payment in gold. This is done not to meet the danger of being offered silver, which is a legal tender only for ten

dollars, but to meet the possible contingency of a depreciated national paper currency; still, it covers the whole ground.

Whether the depreciation of silver has reached its extreme limit is very doubtful. The announcement of new discoveries of silver of enormous richness—which, like all such announcements, should be received with caution—may prove to have some truth in it. Should the downward tendency go much farther, there can be no doubt that the relative value of the two precious metals would require to be adjusted. In fact, it is not certain that that necessity has not already arrived.

## MANUFACTURE OF IRON AND STEEL DIRECT.

The Iron and Steel Institute of Great Britain held its autumn meeting about three weeks ago at Newcastle-on-Tyne. The papers read and the discussions which followed were remarkable as showing the extraordinary scientific skill and practical experience which are brought to bear at the present day in the manufacture of iron and steel. Some of these subjects we may refer to hereafter, but what has for us the greatest present value is a paper on "The Production of Iron and Steel by Direct Process," by Dr. C. W. Siemens, F.R.S., President of the Institute.

Dr. Siemens is one of the most distinguished metallurgists and electricians of the day. During the last ten years, he has, by experiments in many different ways, produced malleable iron and cast steel without the intervention of the blast furnace. Although he has succeeded in making both upon a large scale, and of excellent quality, yet, financially, the process has not been a success for the companies which have undertaken to work it. He claims now, however, to have simplified the arrangement and reduced the cost; but so far the successful treatment of ordinary British iron ores has been beyond his reach. Indeed this has never been expected; as the quantity of earthy impurities associated with thirty or forty per cent. ores is so great that it can only be removed by thorough fusion in the blast furnace. From rich Spanish and Swedish ores, or pure Cumberland hematites, free from sulphur and phosphorus, Dr. Siemens obtains a superior quality of iron with a small expenditure of fuel and labour, and consequently at a very moderate cost. Our pure Canadian ores would answer equally well.

In this process, Dr. Siemens uses his well-known regenerative gas furnace, and his first plan was to place the pulverized