

The causes of depression have been much discussed in various publications of the Club with especial reference to the Free Trade controversy. There does not seem to be much prospect of any responsible English Minister adopting Protection as a means of reviving our trade. The interests involved are too numerous and too antagonistic to give rise to any general demand for Protective duties. A manufacturer who demands Protection for himself, clings to cheap food and cheap raw materials; and the farmer who longs for a duty on cereals desires to have clothes, machinery, etc., at the lowest possible prices.

But it is quite possible for those who differ as to Protection to agree in the proposition that "something must be done" for the good of all. Producers feel keenly the loss arising from a fall in prices, and they snatch at any proposals which may possibly check so disagreeable a process, without reflecting much on the ultimate consequences of hasty changes.

The general principles involved do not seem to be disputed on either side; but differences arise as to their application where facts are so complicated and numerous. Money being used both as a measure of value and as a means of making exchanges, it is obvious that, if the demand for purposes of exchange should greatly increase without an increase of supply, we might have a real scarcity of money, so that its "value," by reason of this demand, might rise, or "appreciate," when compared with other articles. So money might lose in part its fitness as a "standard" of value. On the other hand, supplies of bullion being pretty constant, the value of money might "depreciate" in exchange, if through changes in the machinery of credit there should arise a decrease in the demand for actual money for exchange. Perfect stability cannot be secured by any arrangements, so long as commercial changes are so continuous and important. We cannot have a perfect standard; but the question now arises whether we are not safer with "a pound" or unit of value consisting of a given weight of one metal, than with a pound payable in either of two metals at the option of the payer.

The first point seems to be that we should clearly understand the facts as to the supply and demand of the