

## SILVER AND GOLD.

SIR,—In your last issue appears a most valuable contribution on "Silver and Gold," by Mr. F. G. Jemmett. To those who take an interest in the metallic money question Mr. Jemmett's article (and the one to come, from his pen) will prove a great boon. Permit me to add one fact, suggested by a paragraph in Mr. Jemmett's article, which has some bearing on his chain of reasoning. The silver money advocates, with one accord, deplore the "shrinkage of the world's money available for the world's commerce," supposed, by them, to have originated about the year 1871, and continuing for some years thereafter, when the European demonetization of silver created a vacuum which the increased gold supply, injected into Europe's currency, in these years, failed to fill up. Silver money was taken away (they say) and hence the money supply for commerce was curtailed by the sum of that abstraction. All silver men assume that the world's supply of money was ample in 1871, but ceased to be sufficient in 1878. The fall in prices, they allege, began at the same time as the demonetization of silver "therefore" (?) they stand in the relation of cause and effect. The silver advocates seem to assume that the percentage of metallic money employed in commerce in 1871 should for ever afterwards have remained, and they utterly ignore the other stupendous agencies then at work, but in their then infancy, which were destined in the then near future to revolutionize the old system of settling international trade balances. An eminent metallurgic officer of the American mint recently contributed most instructive tables, showing the rapid contraction in the volume of metal money employed in commerce from the year 1880 onwards. He selects the gross commerce of England, France, the United States and India, as his basis of analysis, the statistics from these countries being reliable, and their commerce being over 40 per cent. of the commerce of the world. In 1860-64 the commerce in question in round figures was \$18,000,000,000, and the movement of specie at the same time was \$3,000,000,000. It took nearly seventeen dollars in specie to effect the exchange of \$100 in merchandise. For a similar period, 1886-90, the commerce was \$36,000,000,000—the movement of specie \$2,500,000,000, shewing that for some reason seven dollars in specie moved as much commercial merchandise in 1890, as it required seventeen dollars to accomplish in 1865. Commerce had increased 95 per cent., the specie required had decreased 13 per cent. Curiously enough between the two extreme periods, the production of gold and silver had increased 62 per cent. The decrease in the volume of commercial metallic money had therefore not arisen from any scarcity of the precious metals. What was the cause? There were numerous causes. Chiefly the invention of the submarine telegraphic system; the creation of ocean ships with the speed of the "grey-hound"; the extension of railways and inland telegraphic systems; the telephone, and the marvellous development of the banking system, which, according to Mulhall, has increased in its monetary operations during the last 45 years, thirty times faster than population. The "balances of trade" between nations nowadays are settled by a "cable," where formerly they involved a shipment of specie. In 1866, ships met upon the commercial seas, laden with specie—one load for the east, the other for the west—when, in these days, neither would leave port. It is doubtful whether the world's commerce today requires 2 per cent. in specie to move it. That is to say, that one sovereign, or 25 franc gold-piece, is as effective, for the movements of commercial merchandise, in 1895, as 8 of those coins in 1873. In addition to all that, the domestic metallic currencies of the nations must go on contracting. The paper money of the nations must steadily increase, and its metal money decrease. One of these days the Bank of England will have restored to it its old issue of one pound notes. That will at once set free four hundred millions in dollars of sovereigns, from their mechanical functions of "currency," to productive capital. The United States might, with ease, displace a thousand million dollars of gold and silver domestic money by the issue of a similar sum in paper money quite as safe as Bank of England notes, and at no greater expense to the Treasury than the cost of printing the paper. Why not? That issue would still leave a margin of five hundred millions for the paper money of the United States Banks, which could be rendered as safe as the bank notes of the Canadian banks, which no one doubts. The whole efforts of economists is to economize the volume of

metallic money, and the development of banking is the agency by which that economy is to be brought about. Let anyone contemplate the abolition of the "Clearing House," "bills of exchange," "bank drafts," "cheques," etc., etc., and where would the "money" come from to effect the exchanges? There are silver maniacs in the United States who would regard the injection into their money system of two thousand millions of silver money, and a corresponding displacement of bank drafts, cheques, and bills of exchange, as a "stimulus" to trade, by an instantaneous increase of "prices." Were I the owner of a dozen silver mines, perhaps I also would become a maniac.

JOHN CRERAR.

Hamilton, March 27, 1896.

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## Recent Fiction.\*

ANOTHER story from the school of Scottish writers, one which originally appeared in the Cornhill Magazine, is "Cleg Kelly," by S. R. Crockett. Taking it all round we are inclined to consider it the best work of which we have read. It is not so unified a story as "The Raiders," but there is better and more vivid character-drawing, and it is written throughout, with some necessary exceptions, in a vein of the richest humour. The book is concerned with the adventures of Cleg, his friends, and protégés, and though here and there he is side-tracked for a time, we follow his career with great interest till he settles down as a respectable member of society and no longer a street Arab. There is a startling and dramatic finish to the story, much more realistic than the close of "A Galloway Herd." The latter book is sure to be compared to this, dealing as it does with the life of a country lad, and this with that of a city gamin. There is a very curious repetition in one place of the scene in "A Galloway Herd," where Walter gets lost on the Moors. Here it is "Boy Hugh" who finds out, among other things, the nature of a kiss. Three whole chapters are, in parts, word for word the same. This is annoying to those who have read them before, and it is a distinct and gratuitous blemish on the work. But "Cleg Kelly" is a much stronger book, and is one that we can heartily recommend. The author seems to have been careless at times, e.g., he carefully explains that Cleg inherited from his father the pronunciation of anything "annyything" and half a page further on he comes out boldly with "onnything," like any one of his companions. When published in book form, such mistakes should have been corrected.

Cleg himself has already appeared in "The Stickit Minister." He is a street Arab of the "Sooth Back" in Edinburgh, his mother is dead, his father is a brutal Irish professional burglar, whose tools Cleg steals at an early stage of the narrative, and the man himself disappears in jail and elsewhere till near the close. Cleg's language at times "became as bad as that of an angry Sunday-school superintendent. The wise men say the Scot's dialect is only Early English. Cleg's was that kind but debased by an admixture of Later decorated." Fortunately, perhaps, we are not given examples. When his mother called Cleg in from fighting, he always came—after the fight was over. The book deals largely with the waifs whom Cleg takes under his protection, viz., Vera Kavannah and her two little brothers. Their father is away in Liverpool and their mother is worse than Cleg's father. Eventually they find refuge in the house of a railway porter in the country. His name is "Muckle Alick," and he figures in some most amusing scenes, notably his adventure with the Irish drovers who got in a first-class compartment and refused to move till Alick proved by the persuasion of his arms that, as he warned them, "ye see boys, ye had to come oot," and the scene when he goes to a neighbour's to borrow a cradle for Vera's little brother, the night these three waifs are first taken to his house. Alick has never had any children and Mrs. Fraser, the mother of eleven herself, gets on a false scent and asks how Alick's wife is:—

"Cleg Kelly, Arab of the City. His Progress and Adventures." By S. R. Crockett. Author of "The Raiders," "The Lilac Sunbonnet," etc. Illustrated. Toronto: William Briggs. Montreal: C. W. Coates. Halifax: S. F. Huestis.

"Tryphend in Love." By N. Raymond. Macmillan's Colonial Library.