

APPRECIATION OF GOLD.

THE first point in this discussion seems to be the definition of our meaning when we speak of "appreciation of gold." These words may mean that a given weight of gold will purchase more of most articles of consumption than it would have purchased in years gone by; or, in other words, that prices generally, as measured in gold, have fallen; or it may include the hint of an opinion that gold has become scarce, and therefore dear. That many prices have fallen is a fact which no one disputes; but much dispute arises when we inquire into the cause of such fall. Of course prices may have fallen (1) because, with a tolerably even supply of gold, the supply of other articles has developed with astonishing rapidity in consequence of modern inventions affecting production or distribution; or (2) because the supply of gold has fallen away, so that a scarcity of money available for exchange has arisen; or (3) possibly these two causes may coincide—that is to say, the supply of gold from the mines may be contracting at the very time when other articles are brought forward in greatly increased proportion.

The importance of the question involved in this discussion arises from the fact that the existing depression in many trades is by some attributed, mainly, if not entirely, to the fall in prices arising from a change in the supply of gold, so that a remedy is sought in some change of currency and especially in an endeavour to increase the use of silver as money, in order to counteract the alleged scarcity of gold.