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account of the fall in its price, but the tender by Germany of its discarded millions; later the same statistician is said to have been in error in ascribing the occasional *agio* on gold in France before 1873 as due to anything but a demand for export.¹ As Mr. Gibbs shows, a greater *agio* sometimes existed upon silver for similar causes.

When speaking of India's present experiment, he is presumably unaware that silver there mostly finds its way into the artificer's hands, rarely returning to the mint. It is, therefore, evident that in many ways the peasant may be better off under a *régime* in which he can buy more silver for his rupee. It is, I believe, not true (page 85) that India's wheat rules the market when exported. The wheat of that country is of low grade, and, except in unusual circumstances, is only supplied to an inexacting class of consumers. Even those, however, who do not altogether share Mr. Gibbs's convictions, will probably agree in admiring the vigour and ability with which he expresses them. There is, indeed, much significance in the fact that the country has at length begun to look upon bimetallism as a possible system. After all it is cosmopolitan, and this is no small merit.

The Indian Currency Danger. By HERMANN SCHMIDT.
(London: Effingham Wilson.)

THIS pamphlet is the most masterly presentment we have yet seen of the arguments that are urged against the present currency experiment in India. We must demur, however, to the idea underlying much of the reasoning, that the scheme under trial is fairly comparable either to a token currency, or one of inconvertible paper. If (we admit fully that it is a big 'if') the balance of trade remains in India's favour, a system under which anyone can take at a declared par gold to the mint, either to have it, or an equivalent amount (at the declared par) of silver coined, is genuinely automatic and not open to the theoretical objections usually and justly taken to a system of inconvertible currency.

The necessary mention of the balance of trade brings us naturally to Mr. Schmidt's main position. Silver prices in India under any currency change must rise, remain stable or fall. But under a system involving the use of fewer rupees, prices cannot rise. They must therefore remain stable or fall. If they remain stable, India's exports contract, owing to the competition of silver-using countries. If they fall, Indian exports contract owing to declining production. Exports contracting in either case, the balance of trade alters, and the rupee no longer commands its heightened value.

Like most dilemmas, however, this is susceptible of attack. At the outset the objection may be taken that the effect upon international trade of variations in the exchanges is exaggerated. With regard to the one horn of the dilemma, it may be urged that China and other

¹ And also to the American ratio being different.

silver-using countries do not produce articles exactly similar to those of Indian production, and that if they did, their condition is so backward as to render competition impracticable. With regard to the other, that its soundness depends upon production being capitalistic. In Europe it may be true that falling prices check production by discouraging the employment of capital. In the east however, it is contended that the producers are mainly peasants who, selling cheap, will buy cheap. There is undeniable force in both aspects of the case. *Solvitur ambulando*.

The Industrial Competition of Asia. By CLARMONT J. DANIELL.
(London : Kegan Paul & Co).

THE author would, we think, be wise to compress greatly the volume of this book. The public are not fond of reading about Indian affairs, and will not do so even at the present juncture, unless the matter placed before them is short and easily readable. The observations upon bimetallism, moreover, lack grasp of the points in dispute. If the theory is to be successfully combated, the main ground taken should probably be that the value of the precious metals in the arts may diverge from that at which the several governments may agree to coin them, whereas Mr. Daniell occupies himself throughout many pages in knocking down various ninepins which were certainly not set up by any bimetallist of repute. He is, however, more at home when discussing, though at inordinate length, the effect upon international trade of changes in the relative values of gold and silver, and makes some pertinent extracts from the evidence tendered by Professor Marshall and others upon this subject before the Gold and Silver Commission. It is, we think, a matter for great regret that the evidence of the former is not more readily accessible to the student. When the discussion turns to Indian statistics Mr. Daniell is more seriously at fault. The statement that there are 289 crores of silver rupees circulating in India is preposterous. In another passage the quantity of gold hoarded is, we think, exaggerated in round numbers to the extent of a hundred millions sterling.

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