

the rest of the western world followed suit. And so to-day, I believe, that if the British empire at the coming conference were to take the lead in restoring silver to its ancient and well-established position, it would not be long until the rest of the world followed her example. In 1816 following the Napoleonic wars Great Britain endeavoured to go on the gold standard, but from 1816 to 1873 a substantial portion of the British currency was used in the form of silver. In 1873 Germany collected the French indemnity of one billion dollars in gold bullion and promptly went on the gold standard. In the same year Great Britain and Germany closed their mints to the free coinage of silver, and they were followed by France, Italy, Spain and other countries. As a result in a few years silver was denied access to the mints of the world. This was an arbitrary act and was the cause of the very serious slump in the price of silver. In 1873 the price was approximately \$1.30 an ounce; in 1883, ten years after demonetization, it had fallen to \$1.11, in 1893 to 78 cents, in 1894 to 60 cents. During the war it jumped again to \$1.30, due to the fact that the warring countries of Europe, or as we might say, the countries of western civilization, Europe and North America, had an insufficiency of gold and of course, owing to the war there was a lack of movement of gold, so that they could not make their purchases of supplies in Asia; and silver was once again absolutely essential to the carrying on of business between Europe and the Asiatic countries, and it leaped back to about \$1.30 an ounce. But when the war was over it again fell, and in 1920 it had dropped to \$1.01, in 1921 it dropped sharply to 62 cents, in 1929 to 53 cents, in 1930 to 30 cents, in 1931 to as low as 26 cents, and to-day it is around 28 or 29 cents an ounce. It will be noted that the price of silver dropped steadily from the time it was demonetized in 1873.

A vast section of the world still continues to use silver as money, but it is not accepted freely by other countries. Silver is still the money of India and of China. India, in part, is endeavouring to use a paper rupee based on gold, but only with a varying degree of success. Not for generations but for centuries the oriental has been accustomed to the use of silver as currency. When Britain in 1893 closed the Indian mints to the free coinage of silver and attempted to force them on to the gold standard it was not received kindly.

Mr. J. F. Darling, who is an authority on the silver question, and whom most of us had the pleasure of hearing last year, said, in part:

Gold is the rich man's money; silver is the poor man's money; and there is a great disequilibrium between the values of the two metals. How great this disequilibrium is the following figures will show. The relative values used to be, and for hundreds of years, that silver was worth from fourteen to sixteen times that of gold. The value of gold to-day is seventy times that of silver, ratio of production of the two metals has not altered. It is about fourteen to one. There has been given to gold a purchasing power which is much greater than it ought to have, and you have made the other metal, silver, much less. The problem of the world to-day is how to restore equilibrium between those two metals, which are the foundations of the world's economic structure.

And may I quote also a gentleman well known to this house, one of the keenest minds in our public life to-day, the Right Hon. Arthur Meighen. Speaking on this question before the Canadian Daily Newspapers Association at their annual meeting in Toronto last year, he said, in part:

Mr. Darling is an authority we cannot lightly cast aside, and certainly in support of his principles there may be named many leading figures in the world. Julius H. Barnes, chairman of the United States Chamber of Commerce, is authority for the following words:

"The fatal mistake was made of treating silver as a commodity, although it still represented resources and capital and credit to more than half the population of the world. Silver, which had been the standard money of the world for twenty centuries, was in a few months to be treated in the market as a commodity, without mature consideration as to the effect on the initiative and confidence of a thousand millions of people. A price of silver which fluctuated from \$1.45 some few years ago to thirty-five cents to-day, and yet symbolizes the credit and resources of great people, could not but harm the business structure of the world."

Mr. Meighen continued:

Restoration of natural values between gold and silver would undoubtedly right the balance between Orient and Occident and help set going the vessel of the world's industry which is lurching very badly now. The power thus secured to enlarge the world's monetary supplies would undoubtedly tend to an improvement in commodity values, and, therefore, to a return to the old honest relation between debtor and creditor; that is to say, to the relation upon which the debts themselves were contracted.

The Romans fixed the parity between silver and gold legally at 12 to 1, and for several hundred years prior to 1873 Great Britain and France had fixed it at 15½ to 1, so that the relation as to price remained fairly steady throughout the centuries when both metals were on a monetary standard.

When Great Britain attempted to place India on a gold basis, they could not give them gold, but only a gold certificate—which was paper money. The oriental mind looks on paper currency as false, and consequently it