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Brown, William

PROPOSALS  
FOR  
AN AMERICAN BIMETALLIC UNION.  
BY WILLIAM BROWN.

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*In presenting to American readers the following reflections on a most important topic, the Author desires to state that he does not claim that the present paper by any means exhausts either the subject itself or the arguments which might be set forth in further support of bi-metallism. Those who have given consideration to the great monetary problems of the age will understand him when he says that he offers for public consideration only some of the more salient points of these problems. He has also endeavoured to avoid as much as possible those artificial intricacies of monetary science in whose endless mazes so many currency doctors but succeed in getting hopelessly lost, and which serve only to bewilder and perplex the general reader and to cast discredit on what is really one of the most important branches of human investigation.*

THERE are two precious metals produced by the hand of industry, in each of which, so far as the opposing laws of monometallic or single-standard nations have permitted them to circulate, labor has invested for safe keeping the produce of its toil. It is of the utmost importance to note that these two metals perform but one and the same species of work ; they are used in the exchange of relative values over all the earth, not as media of exchanging something outside of themselves, but as themselves the things exchanged. It is absolutely certain that a disk of silver of known weight and fineness, and embodying so much human labor, pays as well and as truly as a disk of gold of so much weight and fineness. There is no more paying or purchasing power, value for value, in a mass of gold than in a mass of silver. Hence there can never, by any operation of natural law, be such a thing as two prices, a price for goods in gold and a different price for goods in silver. *One price* is the fruit of the concurrent use of the two metals. These metals are not two independent units, but are mutually dependent in the formation of all prices and in the exchange of all commodities. As the removal of one horse from the team would double the draught on the remaining horse, so it is certain that the demonetization of one of the precious metals would demoralize prices, greatly increase the purchasing power of the metal left, and correspondingly degrade the prices of every commodity and product of labor. But prices have for centuries past been established on the presence of thousands of millions of dollars' worth of coin in silver and gold, in concurrent use throughout the world. So that such a thing as is understood by the gold monometallist when he speaks of his single gold standard does not exist at all. There is not a single metal—there are two metals : there are not two prices—there is but one price, and that price the fruit of the concurrent use of both metals.

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This great fact of *one* price flowing from the presence of *two* monetary metals scattered over the civilized world is proof conclusive that silver and gold form practically but one indivisible standard, and that only unitedly, or as they receive concurrent circulation, can their appropriate work be done. This mutual fungibility of silver and gold was well known to the old Romans, and commented on by the expounders of Roman law. Were the monometallic doctrines true, it is certain that, as regards the price of every commodity offered for sale, there would be a certain response when silver were offered, and another and different response when gold were offered. It is certain as any scientific truth is certain that one of the metals could not alone carry the superstructure of price. If it were possible to destroy entirely one of these metallic pillars, it is beyond doubt that the whole fabric of industrial and commercial life would give way—the centre of gravity would be gone. The two metals, though different coins, are as thoroughly united in their work as if they had been welded into one metallic bar. Under the reign of monometallism we can conceive of one nation being entirely emptied of its gold and of another being entirely emptied of its silver; but even this would not affect prices, for a determinate value in gold would be replaced by an equivalent value in silver or *vice versa*. Even the recent effort of Germany and the Scandinavian nations to destroy the monetary functions of silver, backed as it has been by all the power of England and the needless closure of so many mints, has not altered the purchasing power of the enormous mass of silver in daily use in all nations one whit,—the ratio of  $15\frac{1}{2}$  to 1 established and tested for a century past still reigns in all its force. All that has been accomplished is the degradation of the *raw* material, the bullion or bar silver, to a false price. I say false price—for, as the coined silver when protected by law as gold is protected and no more, still circulates everywhere at the old prices in the goods market of the world, or, as some hold, at enhanced prices; and as the value of coined metal should only differ from the value of bullion by the cost of mintage, it is clear to a demonstration that silver bullion is degraded to a false and unnatural position by the arm of law, or by main force, and not by operations in which industrial forces come into full and legitimate sway. From first to last the recent European demonetization has been a destructive, not an industrial process. Industry does not recognize it, and will have nothing to do with it. In continuing to exchange its goods at the old ratio of  $15\frac{1}{2}$ , it emphatically repudiates the entire movement.

Now, what is the ground for the raid made by the monometallist on all this orderly system? He alleges that the double standard, or what is known as the double standard, is an attempt to fix by law a constant ratio between two fluctuating commodities. This is the sum and substance of his argument. But he entirely misstates the case. He cannot deny that there must be a ratio between silver and gold, just as there is a ratio between every product of human toil. The mint weighs out and stamps portions of gold at a certain ratio to silver, and does the same with silver at the same ratio to gold. In the Latin Monetary Union of Europe it proceeds on the assumption that one pound weight of pure gold is the industrial equivalent in value of  $15\frac{1}{2}$  lbs. weight of pure silver. The mint really does no more than the

grocer who weighs out your pound of tea at a certain ratio to silver, and who may have stamped a certain trade-mark on his packages ; or who tells you of the ratio between the rice and the sugar he offers for sale. All the goods on the grocer's shelves have a distinct ratio, one thing with another, because they are all the fruit of human labor. Were the grocer to destroy his sugar or mix it with some deleterious substance on the ground that certain fluctuations had occurred in the prices of rice, it would be nothing more ridiculous than the monometallist proceeding to demonetize silver because of some alleged fluctuation between that metal and gold. But there have been no fluctuations between the metals to warrant any such proceedings. The truth is that fluctuations between two such mighty masses as the minted gold and silver now in the hands of men, and these two masses approaching so near to each other in relative values as a whole, are monetary impossibilities. The cost of producing that mass of gold as compared with the mass of silver is, bulk for bulk, fifteen and a half times greater in the case of the gold than the silver—hence the European ratio of 15.5 to 1. On that fact the market and the mint have placed their stamp for a hundred years. The 15.5 ratio has stood firm throughout all the eventful times of the Australian and Californian gold discoveries. If silver could not do all that gold can do, and even something more in regard to its capacity for small payments, the long-established ratio of 15.5 to 1 would have been broken down in a day in the face of these discoveries. The law never "fixes" the ratio between silver and gold. It could not do so even if it wished. It accepts the ratio provided by industry itself, and manufactures the bullion into coin at that ratio. Even industry could not arbitrarily fix a ratio. But the current European ratio has an eventful century at its back. It has outlived every change and every attempt to dislodge it, and has triumphed amidst all that that century has witnessed of panic, convulsion and war, and of kingdoms lost and won. Did England only know, it has demonetized England at its feet. Bimetallism is the perfection of monetary strength ; monometallism is weakness itself. There are no fluctuations as between silver money and gold money. They exist only in the monometallist's own brain. The recent fluctuations between the silver bullion offered on the markets of London, New York, or San Francisco, and the gold money for which that bullion is sold, are almost entirely the fruits of monometallism. The moment you destroy the monetary functions of one of the metals you necessarily introduce fluctuations into the bullion value of both metals, for the industrial attachment which formerly held both in place is broken up and gone. You unnaturally depress the one and you unnaturally raise the other ; for each being in perfect harmony with the other, each must suffer in sympathy with the other. It is impossible for a monometallic nation to injure its silver without injuring its gold. There are no statistics that I have ever seen to prove that these fluctuations are connected in the remotest degree with the relative out-put of gold and silver from the mines. They owe their existence entirely to the monometallist, and notably to England's demonetization of silver. Monometallism, or the demonetization of one of the precious metals, and especially if that metal be silver, means sheer destruction to the industry of the people, and disorganization and confusion to commerce itself.

It is no doubt quite true, as urged by that eminent American authority, Mr. Dana Horton (Report of International Monetary Conference at Paris, 1881, Exhibit A, 5th Session) that from a metrical point of view, and in its relation to the decimal system, a ratio of 15 to 1 would be more acceptable to the nations than one of 15.5 to 1. If we could conveniently lop off the odd half, or charm the coined silver now abroad in the world to ascend, or the coined gold to descend just a trifle, the question of a new ratio with the merit of even numbers might be entertained. But that would be asking silver money to assume or gold money to reject a difference in value of nearly 4 per cent., a difference which the one has no right to lose and the other no right to gain, and under which drainage of one of the metals would instantly begin. Margins of 4 per cent. are no trifles in questions such as these, and history tells us that drainage will begin at lower figures than 4 per cent. For the unfailing test of the accuracy of the industrial ratio is the fact of concurrent circulation of both metals, their presence known, seen and felt, side by side, in the open markets of the world. And whatever may be urged as to the exact ratio about the end of last century, the  $15\frac{1}{2}$  ratio has been fully established by its holding its position for all of the present century which has passed away. That drainage of one or other of the metals, under the reign of partial monometallism, will take place from the bimetallic nations to the constant profit of these nations, is as certain as that drainage of the *only* metal from the monometallic nations will constantly go on at a loss to these nations, a loss which is duplicated when the current again sets the other way. It is a monetary fact beyond all dispute that a monometallic nation must inevitably lose on all its direct metallic dealings with open-mint bimetallic nations. It is just as certain as that the span, drawing steadily on an even bar, will outstrip the one horse lumbering along under a similar load.

Moreover, the demonetization of one of the metals is not only a direct destruction of values, but an attempt to destroy the ratio itself. It is open war on industry, and war to the knife. It is worse—it is monetary suicide. There is not a single silver coin, from the crown piece downwards, which the Government of England permits its people to handle but is clipped and degraded by public authority before it leaves the mint. The monetary destruction of one of the metals must be the destruction of the ratio, for what is there left with which the full-fledged gold of the monometallist can now be compared? The silver is dethroned and the point of comparison is gone, the platform on which they stood broken up and destroyed. It is practically the Government of England saying to the people: There is now no ratio between silver and gold in our country—we have destroyed the full monetary functions of one of the precious metals, and you must all get along as best you may—we have been so exercised about foreigners carrying off our silver that we have now debased it so low that it will be worth nobody's while to carry it away—we have been so much troubled lest coiners and counterfeiters should clip, degrade, or deface our silver, that we have turned clippers and counterfeiters ourselves, and have ordered our Master of the Mint to clip and degrade every piece before he puts it into your hands—we have discovered that the sum of forty shillings sterling is the mysterious line which separates

all monetary virtue from all monetary fraud ; and thereupon we have passed a law that all may pay, without fear of legal prosecution, in our clipped coin, what they owe up to forty shillings, but that all may refuse these coins when they presume to overstep this charmed line—thirty-nine shillings in clipped silver is monetary perfection and integrity, forty-one is monetary blasphemy and fraud—and thus we have discovered the art of fattening our gold coin at the expense of the silver constantly in the hands of our working men. And so these good legislators sink back into a state of happy indifference, thinking that they have fully demonstrated to the people of England the perfection of monetary legislation and science. Shame on the people of England that they have so long tolerated so silly a delusion ! I do not like to use hard words, but if all this is not an exhibition of the most thorough monetary lunacy, then our “ cranks ” may be permitted to mingle amongst us as the wisest of men. And so the monometallist does not hesitate to proclaim in the public Journals that all this sort of thing may be done not only without suffering to England, but to her prosperity and advantage.

The monetary needs of the world can be met by nothing short of the two existing masses of gold and silver provided by the hands of industry, and you attempt the impossible when you demonetize one of the metals and expect the other to do that which can only be done by the two combined. You may just as well destroy one of the side wheels of a steamer and expect her thereupon to make a straight course to port. It is upon the combined mass of silver and gold current as money in the world, and never on paper promises, that *price*, with all the stupendous interests attached to it, has been built up and established. What a perilous thing, then, to tamper with either of these noble metals, and especially with the silver which is in a state of such constant activity in our hands, and which is so largely instrumental in determining and sustaining prices. The genius of Mirabeau pierced a truth hidden from the most of men when he declared in presence of the French National Assembly that true money and true liberty constitute a double torch to guide the nations on their way, and to ensure the confraternity of the human race. Well would it be for the people of this continent if they would but weigh in the balances these words from the tongue of the eloquent orator of France.

The monometallist further claims that he should be permitted to destroy the monetary functions of silver on the ground that a borrower will prefer to pay in that species of money most convenient for him at the moment, or when pay-day comes. But monetary laws take no account of creditors and debtors, borrowers and lenders. It can never be a disadvantage for a man to receive payment in that species of money which fully discharges a debt, and which will, any hour of the day, bring him in the full equivalent of what he lent. Government should exercise what I may call a sort of police supervision over the metals to the extent that it should never countenance men when they haggle over the species of money when tender is made of either silver or gold, each possessing equivalent value and full paying power. In truth it is beyond the possibility for men so to haggle if nations will but cease demonetization. If nations show a preference for one metal over the other, it is quite natural that a struggle should arise to

get possession of the coveted coin. Moreover, the monometallist forgets that the lender lends to the borrower that species of money most convenient for him at the moment, and that if there be any serious disadvantage about it, he will either compel the borrower to take what is offered, or will charge additional for the inconvenience, or will break off negotiations altogether; in any case as strong an argument on the side of the debtor as of the creditor. And yet it is on some such selfish and groundless claim as this that certain leading nations have taken up arms against our useful silver money. Moreover, if every debtor made a race to pay in so-called cheap silver, it would be a race which would soon put an end to its cheapness.

I have read economists who have gravely pointed to an occasional traveller on the streets of Paris carrying a bag of silver under his arm as good ground for the monetary destruction of the world's silver. Such a view cannot at any rate be termed either large or liberal. We must not be surprised at such notions cropping up. Many a strange creature has first and last raised its head in the current of political economy. Have we never met with men who, before they could determine the politics of an Irish question or the economies of an Irish rack-rent, had to boil down the Irish potato to discern whether it claimed a Protestant or Catholic flavour?

The United States Government very properly buys the raw material for its silver coinage in the cheapest market it can find. I have read articles in the monometallic journals of the seaboard cities gravely setting forth with pious concern such acts as symptoms of the decay of public virtue. Certain European nations have taken a dislike to silver money, and others, thinking to protect themselves, have for a season closed their mints against its coinage. The nations which have taken this step against silver are already pausing in their foolish crusade. They may shortly go back to the double standard, or to silver monometallism, or the mints may reopen their doors at any moment, when it is certain that silver bullion would at once command again its true industrial value. But, according to the journals I have referred to, it would be the essence of monetary virtue and the height of monetary wisdom to call in all the silver of America and all the silver of France, and remind it in obedience to the command of European destroyers whose acts may all be undone to-morrow! In fact the entire silver in the world, including even the degraded silver of England, would have to be called in and recoined, a task herculean enough, one would think, to stagger the most thorough-going monometallist. Suppose the people of India or of South America suddenly to take some fatuous dislike to the hides they export, and cast one half of the values into the fire; then, according to the monetary logic of these monometallic journals, it would be a grave crime for American boot and shoe manufacturers to reap a profit out of the folly of these exporters of hides, or to pocket the values which they had deliberately cast away; and the true thing to do would be, either to shut up all shoe factories, or reconstitute values on a rotten foundation which might all tumble to pieces in a week's time. Save us, we say, from the piety of monometallism as well as from its wisdom.

Let us not forget that silver money is really more useful to the human family than gold money. The silver is the more indispensable

of the two. There are, every hour of the day, a hundred silver coins handled by trade for one in gold. Everybody sees silver, few see gold. Silver can do all that gold can do and considerably more, for it can penetrate as small payments where gold cannot reach. In the past, silver has for hundreds of years moved the commerce of the world. It is emphatically the people's money. To destroy its monetary functions is therefore a heinous crime against labor, against trade, against humanity itself.

Here let me say that I have never entertained a doubt that the recent closure of the French mint against silver has been a disastrous step, not only for France herself, but for the entire Bimetallic Latin Union of Europe. I have not failed to point out this in my recent work on Silver. It is a serious backward step in the path of monetary reform. If France, or any other of the nations constituting that Union, is afraid of a flow of silver, then it is afraid of the most refreshing shower which ever fell on the seed bed of upright and honest trade and toil. If she has a spendthrift, Germany, by her side, and determined to continue a spendthrift, why should she refuse to take at so low a price the silver which that nation rejects from its circulation? I would entreat French statesmen into whose hands these papers may fall to reconsider the situation. The fear of too much silver is an idle fear. France *must* gain on purchase and sale of both metals so long as she has dealings with monometallic nations. The bimetallic mint of France has for a hundred years been the exponent and the practical support of true monetary science. Let us not discredit or imperil so grand and proud a record. An open mint in the Bimetallic Union, with England and Germany monometallic, cannot fail to enrich the nations comprising that Union on every franc passing through their hands. A closed mint is but paving the way for the impoverishment of the people, and fostering monetary panic and confusion. The open mint would simply exhaust the nations attempting to despoil silver, whilst enriching the nations protecting it. He has thought to little purpose on these questions who imagines that the silver cannot have its revenge upon its destroyers. Germany already staggers under the blow and begins to tremble at what she has done; not by any means that she cannot get just a little more per ounce for a little more of her rejected silver, but because she knows the costliness of her attempts to destroy her silver, and sees the monetary trials amongst her people consequent on straitened circulation and dear gold.

The Government of the United States should undo as speedily as possible the recent pernicious legislation as to silver mintage in so far as that legislation relates to coining on Government account. I am glad that efforts in that direction are being made in Congress. The mint is not now a free mint. It is thoroughly closed against the people. Her efforts to force silver dollars into circulation will be futile in face of shoals of one dollar notes, even though that silver be clothed with legal tender and full purchasing power, and though it should be minted at the rate of fifty millions instead of two millions a month. So far the recent important monetary reforms have halted by the way, and a sort of compromise been made with monometallic doctrine. The fatal error was made in the late silver

bill of permitting discrimination against silver. Not only the special industry of silver mining but the entire industry of the United States, calls for a free and open mint. To coin on Government account alone is to keep silver bullion in the low and degraded position to which it has been brought by the recent action of European nations. It tends to ruin the great silver industries of this Continent, and to close up altogether those mines from which there is but a lean output. It is a serious and flagrant wrong, a wrong before as well as after mintage. My conviction is that no Government ought ever to mint on its own account a single coin in either silver or gold. All this work is the prerogative of industry, and should be left to industry alone, for there is no other power competent to create and preserve values.

Some economists have proposed, as a final solution of the question, to issue coins of an amalgam of silver and gold, and I believe some of the mints have been practising their ingenuity on the fabrication of such a coin. It would be a final solution indeed. The amalgamation would be as thoroughly destructive as the demonetization. It would at a stroke destroy the nature and properties of both metals. It would be as practically annihilative of the relative values of silver and gold as monometallism itself, and would go about as far in the settlement of these great monetary questions as an amalgam of pewter and bees-wax.

The first effect of the demonetization of silver is to create a dearth, not of silver, but of gold. Under the true monetary *régime*, a dearth of either metal would be unknown, a fact which springs out of a great monetary principle on which I have frequently insisted—that the proper amount of money for the world is what industry itself turns out from the mines, not a penny less or more. But demonetization of silver necessarily creates a clamant and fictitious demand for gold on the part of the nations perpetrating the deed. Gold is thenceforth clothed with illegitimate power because of an apparent dearth of the metal. A range of gold prices is established which lays a constant tax on every hand which toils. Monometallic nations are compelled to put forth strenuous efforts to hold the gold, and to thwart its former natural and useful circulation. They become like bidders at an auction, each pitted against the other. The fear that there will not be enough of gold is not caused by any real scarcity, but by the destruction of its comrade the silver. Hence the natural flow of this precious metal is completely destroyed, and it is compelled to adopt all sorts of makeshifts and subterfuges in the vain attempt to work in harmony with the silver brother from whom it is divorced. I need hardly pause to point out to those who have given any thoughtful attention to monetary problems, how needlessly harassing all this must prove in practical monetary affairs. Witness the anxiety with which a drainage of gold is regarded in England. And well may she feel alarm, for by her demonetization of silver she has destroyed the only real monetary source competent to counteract the drainage. But strange to say, all this evil work is still insisted on at this time of day in English circles, although silver is knocking at a thousand doors loud enough to be heard by every ear.

Let me say to my bimetallic friends that I think they do our cause



a serious wrong when, following the monometallic example, they speak of a *fixed* legal ratio between the metals as if such a thing could exist at all. It is a phrase which should never be heard from the lips of a bimetalist except in unmeasured terms of condemnation. Such a thing as a *fixed* value is an utter impossibility, so that the phrase itself is absurd, even though used in reference to the all but unchangeable value of two such masses as the gold and silver in existence throughout the world. Government cannot *fix* a ratio—Government never once *fixed* a ratio—the utmost it can do is to accept of the open and well-known market values of the two metals as established by the market itself. Industry indicates the ratio—Government accepts of it and mints accordingly. Its employees simply weigh out the metals at the current market rate, a rate which the experience of a hundred years past has declared by countless millions of transactions between generations who have lived and passed away to be 15.5 to one. Every stamp at a true mint must be an echo from the halls of industry. The glory of the discovery of the true ratio belongs to France. To Mr. Dana Horton, an American gentleman who has given much attention to these monetary problems, and an expert of acknowledged skill, we are under obligations for a most interesting historical account of the formation of that ratio in 1785. It came upon the stage at a time of revolution and change, a time signalized by restless and unwonted mental activity. The name of De Calonne, the Finance Minister of Louis XVI, should be dear to every Frenchman and monetary reformer; for he it was, as we learn from documents presented to the Conference of 1878 by M.M. Ruau and Léon Say, who first placed the impress of the mint of France on the true relative values of silver and gold, and caused that mint to become the exponent to all Europe of the ratio which has stood firm amidst all the discoveries and changes witnessed by the last hundred years; which has, without even the shadow of retreat, faced the flow of all that California and Australia have poured from their mines; and which, I firmly believe, will accompany the race to the end of its journey. To this man of commanding genius let us pay all the homage that is due. Hardly a more precious legacy has been given to Europe than came from his hands. The monetary documents from his pen are worthy of the careful study of all economists. Though maligned by his enemies and driven into exile, his work has outlived him, and all civilized nations have more or less reaped the benefit of his quiet and unobtrusive investigations. I am sure that the recent closure of the French mint has not been accomplished by friends of true money. France ought never to forget her brilliant monetary history. Let her open her mints without fear to all the world, and let these mints again become as it were the teeming womb from whence shall issue the seed to fertilize and refresh the industry and commerce of the nations.

The Government of England imagines that out of a morsel of yellow gold it can fabricate what it calls a standard, to be carefully confined under legal lock and key. It believes it has now in possession a standard of value as reliable as a carefully guarded yard measure is a standard of length, or a gallon measure a standard of bulk, or a pound measure a standard of weight. It is on this stupendous

error that the entire monetary policy of the British Empire may be said to be built. Mortal man can no more fabricate a standard of value than he can gather the wind in his fists. Value does not specially spring from the acts of this man or that man, nor from the presence of an industrial force here or there, nor from this mass of gold nor that mass of silver, nor even from the presence of the entire mass of the precious metals. If value does not spring from these masses it is certain that you cannot construct a standard of value, either in silver or gold, out of a portion of the mass. But where is there a more popular delusion than that the English gold sovereign or pound sterling is the exclusive standard of the values of all things under the sun? You may just as well try to fabricate a visible standard of virtue or morals, one to be handled and measured, or tucked under your arm, as a standard of value made from a bit of gold stamped at the mint. You can give length a local existence in a yard or tape line, bulk in a gallon measure, or weight in an iron pound, but this, for the purposes of exchange, you can never do with value. *Samples* of values you may have just as you may bottle up a portion of air; but a *standard* of value, as a yard measure is a standard of length, is something of impossible attainment. For value springs from human labor; and no commodity ever made by the hands of man can become a standard for all other commodities. Human labor is the only measure of human labor, value is the only measure of value. Every act of exchange throughout the world has a determinate influence on every other act of exchange. In every exchange labor measures labor, value measures value, therefore labor is its own measurer. You can *estimate* values in dollars or sovereigns as you can estimate quantities in yards or gallons, but *in every act of exchange* there is a mutual measuring on the part of both the things exchanged; and what is this but saying that for the commercial world there is no such thing as English economy understands by a monometallic standard of value? You may lay a yard measure on a forty yard roll of cloth, and thus determine the length, but you can never in the same way lay a gold sovereign on some other commodity and thus determine its value. The cloth is quiescent, the yard is the active measurer—but, to attain that which you seek, the commodity is as active in measuring the gold as the gold is in measuring the commodity. The cloth submits to be measured by the yard stick, but no commodity submits to be measured in the same way by a bit of gold. It is not, What does the gold say? but, What do both commodities say? In the case of the cloth we do not take account of the cloth measuring the yard stick; but in the case of the metals, if you want a living trade at all, you cannot but take account of the commodity measuring the gold as truly and as fully as of the gold measuring the commodity, for it is simply one commodity measuring another, each measuring each. Hence may be seen, almost at a glance, the myth at the bottom of England's monetary system, and how thoroughly steeped in error is monometallism itself.

No doubt false conceptions as to value lie at the root of much of our monetary trouble. This is not the place to enter on so large and important a topic. I have given this particular branch of Political Economy a great deal of thought. My fellow economists will

permit me on this occasion merely to suggest in passing—what, if true, must have great weight as a scientific principle brought to bear on a yet unsettled problem—that value is not an abstract idea like length, breadth, height, bulk and so forth. Things in general may be said to have value as the word is often used in the current of ordinary language; but as a purely economic term, value is just so much human labor and practically identical with it, and therefore cannot be an abstract conception. It points in general to commodities, and these commodities on the market as the outgrowth of human toil. And as it may be correctly said of any and every commodity, that it has value apart from the act of exchange, that act only bringing into view that which previously had a sort of latent existence, so it seems to me that value is a purely concrete term having reference to a set of existing and established economic facts. Value and Human Labor, so far as they represent living and existing facts, are interchangeable terms; for when you have in your hand a determinate quantity of value, it is certain that you have in that hand a determinate quantity of human labor. But value is undoubtedly also a relative term, and has, in every case, reference to other values. So that it is perhaps most accurately described by saying that it is both concrete and relative. I throw out these suggestions for what they are worth. When true conceptions as to value prevail, there is more likelihood of Monetary Conferences arriving at harmonious decisions. I need hardly say to the intelligent reader that I take no stock in the current ideas as to demand and supply being the source of value. I regret also to observe that the heresy that “law” can create values, crops out so frequently at these Conferences. Perhaps there is really no more degrading delusion in all the field of economic science than this, and its practical evils are beyond reckoning. From the moment a piece of ore is dug from the mine until it is placed in our hands in the shape of a new and beautiful coin, it is wholly the work of industry. Law no more creates the money than it creates the boots in the manufacturer’s store, or the hardware on the trader’s shelves. Public authority, in directing the size, weight, and form of the coins, does no more than the manufacturer who tells his men what sort of boots or shoes he wants made. The classics, by a rather far fetched quotation, are invoked in favor of this notion—*nomos*, law,—*nomisma*, money—therefore law creates money! We can invoke the classics to do better than that on behalf of those who believe that law is the creator of value. Here is my offering. *Pecus*, cattle—*pecunia*, money—therefore cattle create money, or money creates cattle! Better, I think, shelve our classics and attend to our political economy.

The special error which leads the monometallists astray, and which is the main inspiration in their monetary literature, is the belief that the mintage of the two metals at the ratio of say  $15\frac{1}{2}$  to 1 is an attempt to establish, decree, and maintain a fixed ratio of value between them; an attempt which, it is said, must always end in failure. They represent us as fighting against nature itself, and therefore they conclude to destroy the monetary functions of silver. Our reply to this is, that it is a false representation which is made of bimetallism—that we never enter at all on the region of arbitrary decrees, or arbitrary ratios, or fixities of value. They represent us as

doing things we never attempt to do, and which it would be vain to hope to accomplish even did we make the attempt. It is not bimetallism, nor the followers of bimetallism, nor Acts of Congress or of Parliament, but industry itself which establishes a ratio of value between the metals—industry presents us with the ratio—industry utters her decree in the open markets of the world—industry maintains its own ratio. The mintage of the two metals at the ratio established by industry does not “fix” anything one way or another, it does not fix the ratio, it does not fix industry, it does not fix the mint. We do not decree any unchangeable ratio. We decree nothing at all either this way or that way, variable or invariable, as to values or ratios. In minting the metals at definite weights, we no more decree values or ratios than does the butcher when he carves up his meat among his customers. Fixity is outside of the question altogether so far as we are concerned. But the monometallist, in discharging silver, vainly tries to *fix* gold, and imagines he has succeeded in the attempt by entering on a propaganda against the only metal with which gold can work. He points to some local disturbances of the exchanges between London and Paris in days gone by, when there was some special tendency exhibited in the flow of either metal towards one or other of these centres, a flow consequent on the worn or degraded state of English coins, or on the adoption of a false ratio of mintage, or on the chaotic condition of European coins when there were as many ratios and conflicting standards as there were States in Europe, and then triumphantly demands if he is not therefore justified in attempting the destruction of the world’s silver. His is the arbitrary act of a monetary dogmatist who regards not the cry of nature herself on behalf of her own offspring. As between the metals, he destroys the liquidating forces with which each is endowed; that delicate, subtle, yet powerful *modus vivendi* existing between gold and silver; and sets up a bare and barren pillar of gold in his monetary wilderness. He might just as well decree the extirpation of one of the sexes as the best means of securing the growth of population and the progress of the race. His is the attempt to decree a sort of fixity for gold which has nothing common with industry or commerce to sustain it. And so he ends his work by destroying the only monetary metal with which gold can be compared, and thus altogether eradicates the idea of *value* between them. He sets up, as I said, simply a barren golden pillar for men to gaze at and worship; and in trying to give the world half a monetary standard only succeeds in giving it no standard at all. He ruins the mutual *fluency* of the metals, and imposes on the commercial world a sort of monetary crank whose erratic movements nobody can understand, and whose powers of destruction nobody can anticipate or limit. In arresting the natural flow of silver, he stops up one of nature’s great conduits, and expects his cistern to keep its former level. He rings the changes on the alleged contention of the ratios between silver and gold, and would have the world believe that there is as determined and endless a conflict between them as between two Kilkenny cats. But with the  $15\frac{1}{2}$  ratio there is no conflict at all. *It is a quiescent ratio.* It is established by the experience of a hundred years, and these years by far the most eventful in commercial enterprise which the world has seen. It is a ratio of perfect harmony and peace.

Even iron Bismarck with all Germany at his back has not touched it skin deep. There is no monetary fact in all our range of knowledge more thoroughly established than that of the interchange, in all the daily transactions of life, of the component parts of the two monetary masses of silver and gold at the ratio of  $15\frac{1}{2}$  to 1 wherever that ratio has been put to test or found a field. At that ratio there has been a mintage of silver the amount of which may be set before the eye in figures, but the vastness of which the mind fails to grasp. And it has never been known to fail in the daily purchases by hundreds of millions of people and in thousands of millions of transactions. It will yet be seen that the attempt to destroy the monetary functions of silver on the faith of the trumped up charges of monometallism is one of the wildest fancies which ever entered the disordered brain of man.

I hardly feel inclined to notice the silly argument so often advanced against silver on the ground of its weight. This has recently received the rather appropriate name of "the wheelbarrow argument," because it represents the bimetallist as a person anxious to see people breaking their backs or their limbs in the effort to move about ponderous weights of silver. There would be some color for the charge if we ranked ourselves as demonetizers of gold. We must have patience, however, with even such an argument. Do the tradesmen who are so hostile to silver on the ground of its weight ever refuse it over their counters? Has such a monetary marvel ever yet appeared? Are they not all only too glad to see its face? Are the monetary qualities of silver to be destroyed because a thousand dollars in that metal now and again manage to accumulate in a particular corner? Are you aware that the Express Company will transport for you a million dollars in silver at the same cost as a million dollars in gold? Because we defend silver, can you say that we therefore advocate that silver should be pushed into the sphere of large payments where gold is most suitable? Do we not advocate that both metals should be preserved in order that each may do its own proper work in its own proper sphere? Is it consistent for those tradesmen to take in silver at all who are so loud in their denunciations of the metal because of its weight? Does anybody repudiate iron or leather, or cotton or bread because of their weight? A cask of nails has a specific weight; so has a cask of silver dimes—if you demonetize the dimes why not repudiate the nails? Are not silver dimes as necessary for the work of silver dimes as nails are for the work of nails? Will not a porter or carter take your cask of dimes to the end of the street or to the depot at the same charge as for carrying your cask of nails? Would it not really cost the tradesman more in salaries to send his bookkeeper to the bank with a thousand dollars in gold than to employ the porter to carry a thousand dollars in silver? What do our tradesmen desire who make these objections to silver? Do they want shillings of the weight of sixpences? or quarters of the weight of dimes? Do they want each silver coin clipped in two? What do they propose to do about this weight, this alleged difficulty in movement, this solidity of a sound ten dollar roll which calls forth so many painful objections? They affect to be in dread of the nimble sixpence—do they want something lighter still? I see nothing left for our tradesmen to do who thus make war on their best friend, but to

bury all the silver in the earth, and then go out in search of some new metal. The intellect of the farmer is not more beclouded who would complain of the rain falling on his withered fields because it came down in multitudinous drops than is that of the tradesman who scoffs at silver because each specific coin has its own specific weight. We do not want silver in dribbles. An abundance of it in the hands of the people is a security and safeguard for which no substitute can be found. Retail counters barren of silver present but a poor prospect for wholesale shelves. The man who destroys or casts out a nation's silver strikes industry itself at the heart, imperils all trade, corrupts all exchange, and brings a blight on every product of toil.

A whole library of nonsense has been written as to the alleged instability of value, especially with reference to the precious metals. There is no instability in value. It is one of the most stable things in all the world. The whole art of exchange is the discovery of relative quantities of human labor. Values are rendered unstable only by man's foolish and improper tampering with values. A bushel of grain which is one dollar this year may be worth only half a dollar next year. This proves, not instability, but stability of value. As a mere matter of comparison the price of grain next year will materially differ from the price of grain this year. But value all the time is as stable as a rock. If the grain continued to sell next year at one dollar when it was only worth half a dollar, then indeed it might be said that value was something of no stability at all, and on which no man might place dependence. But the very fact of the change proves not only the absolute necessity for the change, but that value itself, or the relation of human toil to its rewards in the exercise of exchange of its innumerable products over all the earth, is one of the most stable things under the sun. A truth like this, rightly seen, opens up to us new fields of thought in political economy. And there is no conflict between what is here set forth and my previous statement concerning the representations of monometallists as to the legal *fixing* of the relative values of silver and gold.

But though there is not, as I have said, any such thing as a standard of value, to be seen and handled, it is nevertheless true that prices, and all the great interests directly affected by prices, spring from the use of coined metal in the hands of man. All the nomenclature of the money-market, as related to commodities, points to its origin in the existence of coined money, or to the fact of the precious metals in some shape or other, either now or formerly, in the hands of man. There is nothing on the market, as a sensitive index, to compare with prices. How needful, then, that the great metals should be carefully guarded and secured against influences foreign to the nature of those things from which prices spring, and especially from the rough and rude hand which would enter upon the market and attempt to destroy one of the two pillars on which prices rest throughout the world. For price, if it is to have a healthy existence at all, must of necessity rest on both metals. I am sure it needs no critical analysis to shew how tremendous must be the destruction when such violence is perpetrated on the industry of a nation; how ceaseless must be the strain on industry in the effort to make good the losses consequent on the demonetization of its silver; how uncertain and

fluctuating must be the prices of a people thus standing as it were on one monetary leg, and that a gold one; and how powerful and ruinous at the same moment must be the resources thus thrown into the hands of those who have at their command the only monetary factor left. All this, though it may not go without saying, may go without urging. Though I have said that "law" never can create values, what a noble work lies before the Legislatures of the world in defending, within their own spheres, the great monetary interests of the human family!

It is not by any means difficult to trace the origin of the serious economic error as to demand and supply being the source of value. I will endeavor to place the matter in a nutshell. A particular crop of grain is this year reduced one-half to what it was last. The tendency, aside from the influence of other cereals to add to or ameliorate the strain on the crop in question as a portion of our food, is to double the price of that particular product. Again, let us assume that that crop, instead of diminishing by one-half, is doubled this year as compared with last. The tendency, apart from the influences just stated, is to reduce the price of that particular product one-half. What more natural than that those who chase every passing fancy in political economy, should immediately lay hold of fluctuating prices as the grand elements in the formation of values, and cry out that supply and demand are the legitimate sources of value? But it is just here that the precious and indispensable work of metallic money on behalf of our race comes into view. That money steps forth at once and prevents, in the *raised* prices of the deficient crop, the sufferings and loss which would otherwise be the lot of the unfortunate husbandman; and restrains, in the *lowered* prices of the double crop, the exorbitant and illegitimate profits which would otherwise fall to the lot of those who raised that crop. What a thorough leveller, and how faithful to the best interests of the toiling world, is this metallic money! If demand and supply were the sources of value, it is certain that the lucky fellows with the double crops would instantly double their wealth, and that the poor men with the half crops would be brought to the verge of despair. But it is certain that human labor will receive about the same reward in the case of the half crop as in the case of the double crop, and that the lifting of the scale in the case of the half crop is the counterpoise to the falling of the scale in the double crop. All shewing that the source of value is something deeper seated than *price*. And that source is human labor itself. In a word, money helps to distribute the farmer's loss amongst all who consume the half crop, and distributes the advantage amongst all who consume the farmer's double crop. And the money, in thus faithfully distributing reward to toil, does no violence to any natural or monetary law. It points out, as with a finger of light, that human labor over all the earth is the only true source of value. If future Monetary Conferences recognize these great but simple truths as to value, many difficulties in the path of reform will be cleared away.

I have friends and correspondents on the other side of the lines who seem to be actuated by a strange and unaccountable hostility to metallic money. Little do these friends think how fatal would be the

blow to industry itself if they could accomplish their desires. Because men have done wrong with the precious metals, surely it is a silly thing to attempt to strike from the hand of industry its best protector and friend.

And now, let me offer some remarks having a practical bearing on the monetary problem as it affects this continent.

That America has a special interest in the subject is apparent to all. She is the principal producer of the precious metals, and cannot but be deeply interested as to the future course and history of these metals. Do they receive fair treatment at the hands of other Governments? Are they permitted to take their free course throughout the realms of commerce? Do the Governments of Europe accord them the fair treatment claimed on behalf of these great products of American industry? Or are they banned and divorced and forbidden free circulation? Is an unnatural embargo laid upon them hurtful to both exporter and importer? Are they curtailed and shorn of the strength imparted to them by the hand of industry? These, it is obvious, are questions in which America must ever have a deep and lasting interest.

Concerted action on these monetary problems is demanded on the part of the different American States. The entire continent, North, Central and South, is interested. A Congress of the different races represented here should be called together to utter, as in Europe, a voice on these great questions. Our monetary condition is in anything but a satisfactory state. What is wanted is such action as will give to the continent one monetary pulse throughout all its length and breadth. I appeal to the statesmen of the American Union, and to those who have the charge of public affairs in Canada, that they move in the matter. It is the interest of the Dominion to have not only an assimilation as regards money of account, but a mintage assimilation with the system of her powerful neighbor. In a word,

#### AN AMERICAN BIMETALLIC UNION

is what is wanted. It is time that every American State should agree to call its representatives into session, say at Washington, to discuss the entire question. Let a Conference of well-trying and thoughtful men be appointed to consider the problem of a Bimetallic Union, and an international money for the whole of America. A nobler theme could not at present engage the thoughts of public men. Its progress would be watched and weighed with deepest interest by every commercial nation. British India, silver monometallic, coining the white metal during the last twenty-five years at the rate of forty millions of dollars annually, and suffering under the heavy losses consequent on European demonetization (about ten million dollars yearly), could not but feel the liveliest concern in the deliberations and decisions of such a Conference on American soil. Japan, silver monometallic China and other Asiatic nations, including the entire Asian Archipelago, would be attentive listeners regarding so great a movement towards the rehabilitation of silver. I would urge again, as I have urged before, the necessity of a recoinage of United States money, either of the silver or gold, so as to bring it into harmony with the



long-tried European ratio of  $15\frac{1}{2}$  to one. Perhaps it would be best to follow the example set by France in 1785 and remind the gold. This would remove the most serious existing divergence between the American system, and that of her old ally, France. It would so far bring Europe and America into accord. I believe the European ratio of  $15\frac{1}{2}$  to one far more reliable than the American (or rather the Spanish American) of 15.98 to one. It has been tested and tried where under the same tests the American has failed. I think it may safely be said that the United States and France acting in concert on this great question may command the monetary homage of the world. Two of the principal nations doing right by their monies will get the master hand of a dozen of nations determined to do wrong. Has not bimetallic France held this master key for an entire century? Here I but echo the sentiment of Mr. Cernuschi, when he said in presence of the last International Monetary Conference at Paris: "The Bimetallic Union would be supreme in the world, even if composed only of the United States and France." I have long had a similar conviction. Mexico, the United States, and Canada should at once take the initiative. Mexico, as a producer of the precious metals, has long had a deep interest in the entire problem. A nobler subject, and one fraught with greater blessings to living millions and to countless millions yet to come, could hardly at present engage public attention, and I hope the American press may be induced from these reflections to take up and discuss the propositions now set forth. Here, in the Dominion of Canada, we are fully under the sway of the corrupt English system. We have not one true national coin though we are a growing nation of nearly five millions, owning a territory long enough and broad enough to take all the peoples of Europe twice told within its sheltering arms. England sends us over now and again a batch of degraded subsidiary silver, and we have not a single national gold coin to tell that Canada has any existence at all. Our legislation on the subject, I am glad to say, is so far progressive that the Dominion may be said to have put herself into an attitude of expectancy, awaiting, on this very question of bimetallicism, the monetary movements of her powerful neighbor the United States. I commend the subject to the consideration of every member of the Dominion Cabinet and Parliament. An international mint, identical conditions of coinage, a complete international monetary system, a series of international coins of gold and silver known at a glance by every dweller from Cape Horn to Labrador, and passing from hand to hand at the same current rates throughout the entire Continent, are no dreams of the imagination. It is the happy destiny which lies before us, and will come some day or other—among the nations a general pacificator wherever it holds sway; a benignant impulse pointing to the promised substitution of the ploughshare for the sword; and a movement so mighty in strength and volume that before it the monometallism of Europe, so far as it prevails, would speedily give way. It would go far to settle the monometallic troubles of even far distant India. Bimetallicism, though at present nowhere in Canada, has a powerful hold upon the intellect of the United States. Many of their public men take an enlightened interest in the subject, and not a few of them are working away at these problems with constant and untiring zeal. At the Paris

Conferences the American intellect has not by any means suffered when brought face to face with the intellect of Europe. The speeches of the American Delegates constitute a noble defence of what is popularly understood by the double standard, and to these gentlemen the world owes no ordinary debt of gratitude. The address of ex-Senator Howe at the 7th Session is replete with practical wisdom. I shall be glad if the present paper should aid in any way in drawing public attention more fully to the subject, and I would earnestly press the matter before my Canadian readers. One cannot but be encouraged by the fact that the American press has always shewn a readiness to discuss the questions at issue, and Journals not a few have handled the matter with all the skill of thoughtful bimetallicists. May I not express both the hope and the desire that the Governments of President Arthur and of the Marquis of Lorne may be signalized by the beginning, at any rate, of so great a movement?

It needs no argument to shew how powerfully the unification of the American coinage on a bimetallic basis would draw into closer bonds the different nationalities on our Continent. Even the preliminary discussions of a matter of such great international importance would be something full of promise. Barriers would be broken down. The existence of common denominators would simplify every monetary transaction between the nations. The different peoples would be speedily educated to speak as it were a common monetary language. What a spur all this would prove to healthful and remunerative industry, how greatly it would simplify all international exchanges, and how powerfully it would operate in drawing closer the commercial bonds of North and South America, I need not pause to shew. Hasty legislation on such a subject would have to be studiously avoided. The most calm, thoughtful, and thorough deliberation must precede any movement towards the new condition of things.

Furthermore, nothing can be urged against the present proposition as if it were a new and untried experiment. We have before us the example of the Latin Monetary Union or Treaty entered into in 1865 between France, Belgium, Italy, and Switzerland, and to which Greece, the Papal States, and Roumania subsequently gave in their adhesion. A mass of valuable monetary literature is at our hand. A degree of success which these States could hardly have anticipated has attended this now famous Monetary Union, a success which was unimpaired until France, quite recently, under the impulse of needless alarm, unfortunately closed her mints against silver, a movement which was followed by Austria and by most if not all the mints on the European Continent. Until this occurred, a more complete success could not have followed any new experiment. I am not aware that a single monetary jar has arisen to disturb the harmony during all the years in which the working of the Union received a fair trial. We have every warrant in saying that the question of monetary unification has been satisfactorily and completely solved, and that the different States on this Continent need not hesitate in adopting reforms which have proved so satisfactory to eighty millions of the most active and intelligent people in Europe. It seems indeed, so far at least as the Latin Union is concerned, as if the bimetallic question had passed beyond the Academic stage and entered on the final path of pure practical monetary reform.

Bimetallism has suddenly started into life even in England. A large and influential meeting favorable to the rehabilitation of silver has recently been held in London, presided over by the Mayor of that City. The people of England are at last awakening to the fact that monometallism is replete with danger to public interests, and not by any means the salutary thing represented. A great national movement towards monetary reform appears to be setting in at the heart of the Empire. The admirable bimetallic address of Sir Louis Mallet, one of the Delegates of British India at the last Monetary Conference, inspires us with hope and confidence. The speeches of Lord Reay, the other Indian Delegate, though more guarded, are far from being unfriendly towards bimetalism. Mr. R. B. Chapman, of the Indian Financial Department, in a thoughtful paper on the subject, dated from Simla, 2d June, 1880, entirely approves of a bimetallic standard for India at the  $15\frac{1}{2}$  ratio. Monometallism is on the wane and is a lost cause. Its ranks are irretrievably broken. Bank of England Directors who went to Paris monometallists, to their honor be it said, recrossed the Channel bimetalists, and now defend it with pen and voice. Mr. Vrolik, the Delegate of the Netherlands, a life-long student of the subject, and formerly Finance Minister, acknowledged at last Conference his complete conversion to bimetalism. The deliberations of these Monetary Conferences are indeed beginning to bear precious fruit. Conducted, as becomes the subject, with so much gravity and decorum, and embracing, as these conferences do, the best genius and talent of the nations represented, I see in these august deliberations the most hopeful pledges of monetary reform and the final solution of questions of profoundest interest to the human family.

No doubt the usual monometallic cry of alarm will be heard as to the drainage of our gold. Even some bimetalists may express fears at the proposition of an open mint for silver on American soil, in face of the present monetary condition in Europe. They affect to see the yellow metal all gone and the white metal all left behind. Such a phenomenon, let me say, has never yet been witnessed under a true ratio. France is a standing evidence in point. Gold or silver may have alternately increased and decreased in her circulation consequent on the demands of monometallic nations, but this has always left a substantial profit in the hands of France. To close up the mints against the flow of silver because it bears the stamps of the different German States is just as foolish as to close them up against the output from the mines of California or Nevada. It is, so far, a bid for the monometallic doctrines. Has England saved herself from drainage by her monometallic mint? From what bimetallic nation has gold ever been swept away in such masses as from the shores of intensely monometallic England? Have we ever witnessed bimetallic France in such mortal fears about a drainage as monometallic England? Has not the breaking down of the silver door removed a safeguard which no ingenuity can replace? Where does the silver bullion find a readier market than in London itself? Let us even imagine that we for once witnessed this monetary miracle—not a yellow coin in America, not a white coin in Europe—where would lie the peril? In silver America with every industry in intense activity and the hum of business on every hand? Or in gold Europe languishing under the

shadow of death, with every industry brought to ruin for want of that metal which can do all that gold can do *and a great deal more*. Moreover, there is a great economic truth lost sight of by the monometallists just at this point—that no nation can permanently retain more of the world's money than its just proportion; a monetary truth which shall expire only when goods shall have lost all prices and price itself shall have perished from the earth. Let us have no fear. An open mint in an American Bimetallic Union and an open mint in bimetallic France means the triumph at no distant date of true monetary principles over all the world.

The recent demonetization of silver in Europe will not prove an un-mixed evil if it awakens public attention in England to the dangers attending the condition of English metallic money. England, with regard to this question, occupies a peculiar position. The home country is gold monometallic, the Indian Empire is silver monometallic. Surely this, in monetary matters, is a house divided against itself. The fall of the Indian exchange, consequent on the demonetization of silver, has been a serious matter for the Indian Government. The loss on Government exchange alone, or on bills drawn in London by the Secretary of State for India, may be roughly estimated at one-sixth, or 17 per cent. on every rupee converted into sterling. Of course all mercantile bills, whether drawn in London, Calcutta or Bombay, must share the same fate. Though the coined silver in active circulation throughout the world has not fallen one cent—that fall only taking place with regard to uncoined bullion, or rejected silver coinage thrown into the condition of bullion—yet every rupee, or bill representing rupees, must submit to be filtered through the bullion market of England. As all who have dealings with the East know to their cost, there is no other way for the rupee of distant India to march into the bank parlours of London than through the avenue of an artificially degraded bullion market. At this remote distance, and more especially as I am far from being familiar with the details of Indian finance, it becomes me to speak with reserve. I may say this much, however, that I have never seen a statement quite satisfactory to myself which explains exactly where and how the brunt of the loss on Indian exchange is borne. It is certain that the silver rupee and its subdivisions, legal tender or otherwise, have lost nothing of their former purchasing power in India. If the loss fell on the people of British India it would no doubt manifest itself in increased prices for British goods consumed in India. But I find no rise or fall of prices in India within recent years which may not be at once referred to the ordinary influences at work in commercial nations. Even Manchester cottons, instead of rising, have rather fallen in price. Other textile fabrics have considerably fallen. Then it follows, I should say, that if the loss were distributed on the people of India through increased prices of British imports, there would be little or no disturbance in the prices of Indian exports in Britain. But since demonetization the prices of nearly all the leading staples usually exported from India have risen in England, some of them in a very considerable degree. All which leads me to the conclusion that the loss on the Indian exchange ends where it had its beginning, on the shores of Europe. The enormous annual loss, so far as Government finances are concerned, falls directly

on the Indian Government, which has to make good in the sterling money of England every year the equivalent of about 15 millions of pounds in Indian rupees. So far as mercantile interests are concerned, the loss is accounted for by increased prices paid in Europe for imports from India ; on direct reduction of mercantile profits ; on lowered prices given for English and other manufactured goods for export ; and probably on depressed rates of freight to and from India. Does it not stand to reason that it is not likely, or even possible, that the millions of India should at once empty their pockets of 15 to 20 per cent. of their contents at the bidding of the monometallic nations of Europe ? And what reason in the case would anticipate, events seem fully to verify.

There is an absolute test, one which never fails, to which the correctness or otherwise of the English doctrines must submit, and before which they must either stand or fall. An ex-chancellor of the English Exchequer, Viscount Sherbrooke, holds England's position to be so invulnerable that he has just declared in one of the London Reviews that, like the late Mr. Bagehot, he has no patience at all with those who advocate bimetallism, and assures us that he deliberately shuts his eyes to what is written on our side of the question. I hope, however, in what I am about to say, to catch the eye and the ear of even an English ex-chancellor. Here, then, is the test before which monometallic doctrine in England stands self-condemned. If that doctrine be what its advocates so strenuously claim for it—if it be the case that silver, if raised to the monetary position of gold in England and endowed with its true par, would be the ruin of the gold standard of England—if the circulation of silver at par with gold would ruin the gold metal of England—then it is certain that that gold, defended in that country on every hand by all that the most thorough-going monometallist has ever claimed for it, must be of far more value than the gold of France and of all other double-standard countries. Living in a monetary atmosphere so pure and so aristocratic, the gold of England must be of matchless superiority when compared with the gold metal of France, of the United States, of Belgium, Spain, Italy, Switzerland, &c. It is, in that case, beyond all dispute that a kilogramme of pure gold in France must be far inferior to a kilogramme of pure gold in England, or a pound of pure gold in New York to a pound of pure gold in London, and that never once would exchange in Paris on London have risen to par. In France the very test that England dreads, and on the alleged falsity of which it stakes its monetary character and reputation, the equal legislation for silver as for gold, has been in force for a hundred years, and never once in all that period has a kilogramme of pure gold in France failed to be the equivalent of a kilogramme of pure gold in England ; never once during all that century has a kilogramme of her coined gold failed to exchange for  $15\frac{1}{2}$  kilogrammes of her coined silver ; never once has a bill of exchange been bought or sold, except at the standard of the par of exchange of exact equivalence between English and French gold. And all this has occurred, not because French legislation did this thing or that thing, but because it did no violence to true monetary principles. If English doctrine be true, it is absolutely certain that the par of exchange between France and England would not rest on the quantity

in English circles, although silver is knocking at a thousand doors loud enough to be heard by every ear.

Let me say to my bimetallic friends that I think they do our cause

of pure gold in the coins of the two countries. Some other par would have to be found, and what that par could be, or in what secret depth or distant region it is to be found, only a monometallist can tell. If Lord Sherbrooke turns his back on facts like these and still shuts himself up in his monometallic castle, there is nothing for bimetallics to do but to leave him with the men who dread silver as a currency because God has endowed it with the special weight to which it owns, and without which it would be neither silver nor currency. In a word, we have gone to the utmost verge of reason with our friends, and further than that we cannot go.

The mintage under an American Bimetallic Union should be not only assimilated to the ratio, but, as regards both metals, to the weight and fineness of the legal tender coins of the European Latin Union. We would thus enjoy a real community of money between America and a large portion of Europe. The assimilation of values would be complete although the monetary system on the other side rested on numeration by francs, and on this side on numeration in dollars. And there ought to be little difficulty in so arranging matters as to give international currency to the coins of both Unions, by some sort of international stamping or otherwise. This, however, is a matter to be left in the hands of skilful experts. One thing we should carefully avoid—the fabrication of any degraded or “subsidiary” silver coins, a monetary error on which the Latin Union unfortunately set the seal of its approval. The mints should be free to all, but there should be no straining after that economic impossibility, *gratuitous* coinage.

Lastly, there are not the same difficulties in the way with us as in Europe relative to the adoption of a monetary unit. The dollar, born long ago in the heart of the mountains of Bohemia, has had a history and influence in human affairs surpassing that of any other coin. There is hardly a nation but has seen its face or become familiar with its name. The Mexican dollar, like the best goods on the market, has always been in extensive demand and ranks as a great traveller, its superior weight having caused it to be more generally sought after for shipment than other varieties of the Spanish dollar. The Frenchman will naturally stick to his franc, the Englishman to his pound, the Austrian to his florin, the Russian to his rouble, the Scandinavian to his krone, the German to his mark, the Italian to his lire. National feeling in such matters is not to be overcome in a day. But on this Continent the dollar reigns supreme. It is familiarly known throughout its length and breadth. It is the sum and substance of all our monetary thought and discussion. And the silver dollar, as a recognized unit, has travelled far beyond the American seaboard. It is the only legal tender in Hong-Kong, and, concurrently with a Japanese dollar, is legal tender in all the Straits settlements of the East. In the British West Indies, the subsidiary silver of England has gradually displaced the long current doubloon and dollar, owing to the fact of that degraded silver having by law been elevated to the rank of unlimited legal tender. And thus these British pieces have driven out the more valuable gold and silver coin. Such a currency is in the highest degree unsatisfactory, and cannot but do serious injury to the commerce of these Islands. England, like every good parent, can have no other desire than to see her children adopt-

sion a standard of value as reliable as a carefully guarded yard measure is a standard of length, or a gallon measure a standard of bulk, or a pound measure a standard of weight. It is on this stupendous

ing the policy and the practice which suits them best. As the monetary Colonial policy of England has of late years tended towards the adoption, for her smaller settlements, of the currency most convenient for the people of these dependencies, even though that currency should be that of the neighbouring nations, it is highly probable that the British West Indies, would, as a whole, gladly fall in with an American Bimetallic Union of full standard gold and silver coin, and that no serious objection would be offered in England to a Canadian movement in the same direction. In British Honduras, as we are informed by Mr. Goschen, to whose published notes I am indebted for much of this information as to Colonial currency, the circulation consists almost entirely of the dollars of the United States and of Central America. In the Bahamas and smaller islands the coins of the United States occupy the field of circulation.

The following appears to be the present condition of the monetary metals on the American continent. The double standard countries: the United States (with, however, its mints at present closed against the public), Chili, Paraguay, Venezuela, Uruguay, Hayti, San Domingo, Cuba, French and Dutch Guiana. The single gold-standard countries: Canada, Brazil, the Argentine Republic, British Honduras (nominally), Jamaica, British Guiana. The single silver-standard countries: Mexico, Peru, Ecuador, Colombia, Bolivia, Costa Rica, Honduras, San Salvador, Nicaragua and Guatemala.

In conclusion, we may gather from all that has been set forth that everything is hopeful for a unification of coinage, of standard, and of money of account on this side the Atlantic. It would be the recognition on a great scale of the prophetic words of Napoleon on his prison rock, "a common law, a common measure, and a common coinage, express the chief wants of Europe."

I respectfully commend these thoughts to the consideration of the American press and people, and venture to hope that the attention of the different Governments interested may be drawn towards the subject. Everybody knows how difficult it is to clothe in popular language anything treating on monetary science. The present is an attempt, at any rate, to draw public attention into a new and practical channel on questions which must always command precedence in the affairs of men. How to assimilate the coinages and establish the monetary standards of this great Continent on a basis which shall be at once international, equitable, stable and permanent, is indeed a noble subject for debate, a theme of profoundest interest to every thinker who wishes well to the peace of the world, the security of industry, and the general happiness of mankind.

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Journalists making any observations on this paper will confer a favor on the Author by addressing to him a copy of the same, care of John Lovell & Son, Printers and Publishers, Montreal.

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