GOLD AND SILVER MONEY. PART 1: A PLAIN STATEMENT; PART 2: OBJECTIONS ANSWERED

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PART I.—A PLAIN STATEMENT

PART II.—OBJECTIONS ANSWERED

BY

PAUL F. TIDMAN

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THE ARGUMENT.

The Silver Question, treated from a practical point of view, is simple and interesting; it affects every individual. Metallic money has superseded barter, and an increase in its volume is necessary as the world's commerce expands, *p.* 3. The value of money consists in its fixity of value, which is the result of its being a patent article made only by the State, *p.* 6. The exchangeable use of money is second only in importance to its adoption by the State as a standard or measure of values, which to be effectual must be permanent and assured, *p.* 10. The State, by creating the demand for the precious metals in the manufacture of money, controls the market for them, *p.* 13. Money, as currency, will have more or less purchasing power according as it is scarce or abundant; but money as the standard of value is unaffected by the amount of the precious metals in circulation, *p.* 25. Gold and silver are universally allowed to be the best standard of value; some nations using one and some both, *p.* 26. A standard based on both must be less liable to variation than if confined to one, *p.* 29. England made a mistake in 1816 by discarding silver as joint base of her Standard, and Germany was similarly at fault in 1873, *p.* 30. The demand for silver being now so much reduced, and its character discredited, its value is falling and fluctuating, *p.* 31. Great danger to the world's commerce, and especially to the trade of England, is admitted to exist in consequence, and the question is, how can the value of silver be restored and made permanent? *p.* 45 The proposal of the Paris Conference of 1878, shown to be impracticable, *p.* 50, as is also an alternative scheme advocated by Professor Bonomy Price, *p.* 64. The proposal of the Bi-metallists stated, *p.* 55. The question can be disposed of, to the great advantage of this country and the benefit of international trade, if England will join a union of the Continental Powers with the United States, *p.* 67.

GOLD AND SILVER MONEY.

PART I.

A PLAIN STATEMENT.

A CABINET MINISTER said last year, to a friend who inquired of him, if he understood '**The Silver Question**,' that he had never ventured to go into it, because a theoretical financier, who had studied it for thirteen years, had confessed at the end of that period that he was hopelessly bewildered.

It may seem, therefore, presumptuous to attempt to popularise anything regarded as so abstruse and complicated. And yet, in these days, since almost every science, whether dealing with such phenomena as the transit of

Venus or the fixtures of a drawing-room, has been elucidated in shilling handbooks, there would seem precedent for venturing on a plain statement of one of the greatest questions which arise out of Monetary Science; a question moreover which is pressing for a settlement, and *which affects every individual member of the commonwealth.*

It will be admitted that it is practicable to take an interest in, and understand many phenomena, without having mastered the abstract principles which underlie them, or being equal to making mathematical calculations regarding them. It is so with that practical aspect of Monetary Science, called '**The Silver Question,**' which is now being so freely discussed, and which will be found both intelligible and interesting, when the disputes which have arisen out of the various definitions of 'Money,' 'Commodities,' and the like, are consigned to oblivion, and the common-sense view of the case (if I may say so without offence to the political economists) becomes the one on which attention is concentrated.

The men who conduct the commerce of the world, the men whose every operation is based upon money, the dealers in money, get but short shrift at the hands of *the dealers in theories about money.* Professor Bonamy Price, one of the ablest of the latter, has just favoured us with a portrait * of the 'practical man,' the author of all confusion, who 'pours out elaborate theories, with the fullest assurance that *he* knows.' The truth is that theoretical economists, as a rule, can see little on the ground beneath them. It is with them, as with the inhabitants of Laputa, of whom Gulliver tells us that in their heads, one eye turned inwards and the other was directed towards the Zenith. Their 'cause and effect—demand and supply' becomes as monotonous as the ticking of a

* *Contemporary Review*, February.

clock. No doubt, if their united wisdom could foresee every cause, they would be guides whom business men would be wise to follow, but a scientific treatise is not found in practice to be the best manual for a counting-house. Causes more varying than the waves of the sea, more subtle than the changes of wind and temperature, affect markets and make the difference between profit and loss. Often, indeed, the scientific formula, 'demand and supply,' brings no more reassurance to business men than it would do to the schoolboy gazing wistfully into the pastrycook's window, when his pocket money was exhausted. It is cold comfort in the midst of a panic to be told that 'confidence ought not to have been shaken,' and that the bank rate 'ought not to have been put up.'

We all prize Money, all strive to acquire it, because it means wealth, which may be best stored in this form, or may be at once exchanged for food, clothing, and luxuries.