

**THE SILVER
QUESTION AND THE
GOLD QUESTION**

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The Silver Question and the Gold Question by Robert Barclay

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ROBERT BARCLAY

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BY

ROBERT BARCLAY,

AUTHOR OF "THE DISTURBANCE IN THE STANDARD OF VALUE."

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CONTENTS.

	PAGE
INTRODUCTION	1
CHAP. I.—BI-METALLISM—GENERAL VIEW OF THE QUESTION	11
II.—THE NATURE OF MONEY	42
III.—THE FUNCTIONS OF MONEY	52
IV.—THE VALUE OF MONEY	68
V.—INTERNATIONAL TRADE	75
VI.—FOREIGN COMPETITION	85
VII.—THE PERVERSE RUPEE	102
VIII.—HISTORICAL ASPECT AND PRESENT POSITION OF THE QUESTION	130

APPENDICES.

A.—FRENCH MONETARY LEGISLATION	145
B.—VARIATIONS IN THE PRICE OF SILVER PRIOR TO 1873 ..	147
C.—THE LATIN UNION	150
D.—THE INTERNATIONAL MONETARY CONFERENCE OF 1867..	153
E.—GERMAN MONETARY LEGISLATION	157
F.—ACTION OF FRANCE AND THE LATIN UNION IN CONSEQUENCE OF GERMAN LEGISLATION... ..	160
G.—THE INTERNATIONAL MONETARY CONFERENCE OF 1878..	162

	PAGE.
H.—THE INTERNATIONAL MONETARY CONFERENCE OF 1881..	165
I.—THE BRUSSELS INTERNATIONAL MONETARY CONFERENCE OF 1892... .. .	167
J.—LORD HERSCHELL'S COMMITTEE, 1892-3	171
K.—EARLY AMERICAN MONETARY LEGISLATION	177
L.—AMERICAN "BLAND" ACT	179
M.—SHERMAN SILVER ACT, U.S.A.... .. .	181
N.—ENGLISH MONETARY LEGISLATION	186
O.—THE BULLION REPORT OF 1810... .. .	193
P.—MR. ERNEST SEYD'S PREDICTIONS	201
Q.—EXTRACT FROM SPEECH OF M. EMILE DE LAVELBYE ...	204
R.—EXTRACTS FROM FINAL REPORT OF ROYAL COMMISSION ON GOLD AND SILVER, 1888	206
S.—TABLE SHOWING ANNUAL PRODUCTION OF SILVER IN TROY OUNCES, ETC.	215
INDEX	217

INTRODUCTION.

THE silver question and the gold question as monetary questions cannot be separated. When the disturbance of the old relative value of the two precious metals began to show itself, it was the fall in silver only that at first engaged attention; but it soon became apparent that while silver had fallen, gold had at the same time become appreciated in its purchasing power, and evidence to this effect has of late years become overwhelming. Is this rise in the value of gold connected with the fall in the value of silver? How much also of the apparent fall in silver is due to the enhanced value of the gold standard in which we measure it? These are questions not of mere curiosity, but of great practical import, for this disturbance in the relative value of these two monetary metals is interfering with commerce everywhere, and it behoves us to inquire

into the causes to which this disturbance has been due. Are they simply natural causes which cannot safely be meddled with, or are they, on the other hand, causes under human control—the result of legislative action, or of the want of it? A belief in the former of these views, that nothing can be done to remedy the present state of matters, has been at the root of the apathy with which so many have regarded this question. They admitted the evil, but believing that only the stern law of supply and demand was involved, they gave the matter no serious consideration, and regarded the opinions of those who took a different view almost with contempt. I think, however, that a better disposition as regards the investigation of the subject now prevails. In the difficulties with which we are now face to face we have the fulfilment of the predictions of such men as M. Wolwoski and Mr. Ernest Seyd,* and surely when actual experience is corroborating those predictions it is well to examine the arguments on which they were based, and the proposals to remedy the anticipated evils which they so earnestly urged.

* Appendix P.

How also are the opinions of those who opposed them standing this same test of experience? I select two who in the early days of the controversy were most prominent and influential in their opposition. In his book on "Money and the Mechanism of Exchange," published in 1875, Professor Stanley Jevons wrote:

"Within the last year or two the predictions of M. Wolwoski may seem to have been verified in some degree. The price of standard silver, which was at one time 62½d. per ounce, has already fallen as low as 57¾d., while the demonetisation of silver in Germany is only partially accomplished. . . . but it is by no means certain that it will fall further than it has already done. That a great rise will really take place in the purchasing power of gold is wholly a matter of speculation. We cannot do more than make random guesses on the subject, and as a mere guess, I should say it is not likely to rise. Gold has since 1851 been falling in value, and the increased demand for gold is not likely to do more than slacken, or, at the most, arrest the progress of depreciation."