SILVER MUST BE RESTORED.

Evils of the Single Gold Standard Portrayed.

ADDS TO DEBTORS' BURDENS.

Purchasing Power of Gold Has Increased Fifty Per Cent Since 1872.

Congressman Charles A. Towne of Minnesota Makes a Memorable Speech In Favor of the Restoration of Silver—Any Great Commercial Nation Can Maintain the Parity of Gold and Silver—Burden of the Gold Standard Can Be Measured Only In Blood and Tears—A Falling Standard of Value Is Preferable to a Rising One—Legislation, Not Overproduction, Has Lowered the Price of Silver.

MR. CHAIRMAN—If it were not for a profound, an almost overpowering, sense of duty, I should not on this occasion vex the ear of the house nor venture to do violence to that feeling of embarrassment which I assure you is most oppressive to myself and, I fear, all too evident to my auditors, particularly when I must follow the distinguished and eloquent gentleman from Iowa [Mr. Hepburn], whom the house is always glad to hear. Under these circumstances I am reminded of those familiar lines of Shakespeare:

> As in a theater the eyes of men,
> When a well graced actor leaves the stage,
> Are idly bent on him that enters next.

But, sir, I conceive that the general subject which is brought before this house by the pending measure is by all odds the most important one that will engage or has engaged the attention of this body at this session of congress. The eminent gentleman who opened the discussion upon this measure [Mr. Dingley], following a metaphor that had its origin, I believe, with Aristotle, and which has had frequent employment since, well likened the money of the commercial nations of the world to the lifeblood of the physical body. Sir, the comparison is most apt, for not more do the health and efficiency and happiness of the physical organism depend upon the quantity and condition of the blood than do the welfare, the prosperity and the progress of society depend upon the volume and character of the money that flows in the channels of its commercial circulation. This it is which gives importance and special emphasis to the question now pending, because there are hundreds of thousands of men in the United States and elsewhere in the world today who believe that there is a studied effort on the part of certain interests by subtle surgery to abstract from the blood of the body politic its white corpuscles and to allow to atrophy one of the ventricles of its great central heart whose harmonious pulsations give power and energy and movement to its organization.

The question, sir, is an imminent one. It is a question that, like Banquo's ghost, will not down. "Avaunt and quit my sight" will not banish it. Gentlemen may cry, "Peace, peace," but there is no peace. Politicians may say, "We will make this thing or that thing or the other thing the issue." But, sirs, it is issues that make parties, not parties that make issues. Some gentlemen say: "Let it alone. Let the question settle itself. Do not agitate it." Sir, that is not the language of brave men; that is not the language of statesmen; that is not the language of the whilom and customary leadership of the grand old Republican party. Its constant reiteration shows a decline in the ancient and salutary standards of self government.

Our institutions are founded upon and presuppose the fullest investigation, the genuineness of opinions, fair, free and fearless discussion. Had men in the past neglected to exemplify these requirements and to insist upon their guarantee, what would have been the history of liberty? To what unhappy condition would not mankind have been reduced had John Hampden been afraid to arraign his king for the unconstitutional exactions of ship money; had Sam Adams and Patrick Henry been obsequiously silent as to the stamp duty or hesitated to affirm the great principle of "no taxation without representation;" had Thomas Jefferson permitted himself to entertain politic doubts whether "all men are created equal;" had Washington deemed it safer to submit to British tyranny than to defy it; had Garrison, Lovejoy and Phillips been frightened from their high purpose by the calling of hard names and threats of personal violence; had Sumner, Seward and Lincoln thought it indiscreet to denounce the treatment of Kansas as a crime, to assert that the conflict between freedom and slavery was "irrepressible," and to make a new application of the old proverb that "a house divided against itself cannot stand."

No, sir. Let us not abandon our duty. Let us stand to it like men. Said Daniel Webster in answer to a similar argument 60 years ago:

"If any evil arises to destroy or endanger this medium or this currency, our duty is to meet it, not to retreat from it—to remedy it, not to let it alone. We are to control and correct the mischief, not to submit to it."

An Era of Investigation.

Moreover, a question of this magnitude and significance ought to be discussed in a spirit and manner appropriate to so high a theme. To treat it as if it were the claim of a small private interest seeking an avenue for self aggrandizement at the expense of the general good is to show a grave incompetence to weigh and handle the momentous concerns of the people. That so many in this house are unable to grasp the higher and only real issues involved is not complimentary to the standard of American statesmanship. Similar but much severer strictures must be drawn upon a considerable part of the public press. To call one's opponent in an argument "fool," "crank," "lunatic," "traitor," is as unprofitable as it is impolite. People are apt to suspect one who "doth protest too much." Better answer your antagonist's argument than abuse him, and if he really be a fool his argument ought to be easily answered. Nor can you escape the ordeal of critical examination by merely pasting a label on your faith. Calling it "honest" and "sound" does not by any means make it so. It only begs the question. Nobody contends for unsound and dishonest money. I will permit no man to call me dishonest, nor shall he affix such a brand upon any proposal of mine.

The people cannot be deceived. They are studying this question as never before. Epithets cannot deter them from penetrating to its mystery. The "craze" may have passed, but the era of sober and deliberate investigation has begun—nay, is already far advanced—and I warn gentlemen that there never has been so much interest in this great question as there is now. "What is 'honest money?'" men are asking. "Have we it now? If not, how shall we obtain it?" These questions must be answered by arguments, not by adjectives.

Nor, sir, on the other hand, does this discussion give proper place to wild talk of revolution, secession and bloodshed. Sir, that kind of declaration has no justification in this forum or in any other in the United States. This is a government of the people. It is the highest form yet known of that kind of government which a great commentator has called "a government by discussion," and it is by orderly, sane, passionless though earnest discussion in the presence of the intelligent public opinion of the United States that we must settle all large questions of policy. Duclos said, in reference to public opinion, "The man in power commands, but the intelligent govern, because in time they form public opinion, and that sooner or later subjugates every kind of despotism." We bow to the reign of law, and he who advocates any other way of settling differences is preaching anarchy and will find no sympathy in this country.

In the discussion of this question the first line of demarcation should be plainly drawn between the advocates of the single gold standard upon the one side and the advocates of bimetallism on the other. In this matter there is great confusion of terms. It has been noticeable in the discussions on this floor, it is noticeable in similar discussions everywhere among those who take part in this controversy. Men call themselves bimetallists, men have today upon this floor called themselves bimetallists who believe in a monetary system having one metal as a basis and another metal practically redeemable in it or resting upon it.

That is not bimetallism. That, I repeat, is not bimetallism. Nothing can be gained by a false use of terms. Everybody ought to favor the removal of all uncertainty in the meaning of the terms employed in this argument. If a man actually believes in the continuance of the present system—and I concede that there are two sides to the question and that a man may rationally contend for the one or the other—but if a man honestly believes that gold should be the sole measure of value in the world why cannot he say so and stand boldly and bravely up to his declaration? I have no patience with the believer in the gold standard who exhausts all the resources of ingenuity in an attempt to avoid stating his real position. Such evasion bespeaks a lack of confidence either in his own conclusions or in their acceptability to the country.

Bimetallism Defined.

Now, sir, a man who is honestly a bimetallist, who believes in the use of both gold and silver as standard money, as money of ultimate redemption, the final basis of all token and representative currency, cannot consistently stand up here and deny the evils of the single gold standard. It amazes me to hear gentlemen upon this floor loudly proclaim themselves bimetallists and then launch themselves into tedious argument to prove that the gold standard is wholly satisfactory. They are bimetallists, yet gold is a stable measure of values! They are bimetallists, yet there is no appreciation of gold! They are bimetallists, yet prices have not fallen! They are bimetallists, yet prices have fallen and entirely because of cheapened cost of production! They are bimetallists, yet the restoration of silver is impossible! They are bimetallists, yet the present system must continue indefinitely! They are bimetallists, but the single gold standard is good enough for them! Why, sir, this is the very acme of inconsistency. I know not which is the more pitiable—that such folly should be tolerated or that so many who commit it should be so unconscious of it.

It may be thought, sir, that I am spending too much time upon this matter. But in the forum where this discussion is soon to be taken—I mean the great tribunal of the public opinion of the United States—it is of the utmost importance to both sides that we agree upon the meaning of the terms used in the inquiry, and that men honest in their convictions shall boldly take their places under the banners they mean to follow.

Mr. Maurice L. Muhleman, deputy assistant treasurer of the United States at New York, in his recent book, "Monetary Systems of the World," page 12, says:

"By bimetallism, strictly defined, is meant the free and unlimited coinage of both gold and silver into coins of full debt paying power."

I refer to Mr. Muhleman's definition because he speaks with authority upon matters of fact, and because his book aims not at theoretical discussion, but at a clear statement of settled and existing conditions.

Let me cite another authority: The royal commission appointed in 1886 by Queen Victoria "to inquire into the causes of the recent changes in the values of the precious metals" reported in 1888, and the report was published by our government in 1889. I quote from page 59 of that report, section 116:

"A bimetallic system of currency, to be completely effective, must, in the view of those who advocate it, include two essential features: (a) An open mint ready to coin any quantity of either gold or silver which may be brought to it; (b) the right on the part of a debtor to discharge his liabilities, at his option, in either of the two metals at a ratio fixed by law."

That, sir, is bimetallism, and if a man do not believe in it let him say so, but let him not believe in something else and label it "bimetallism" for purposes of deception. The statement that the present system is bimetallic, if not ignorant, is not candid. The attempt to substitute for the well understood meaning of bimetallism a new definition, whereby it is applied to any monetary system in which both gold and silver are "used" without reference to the manner of the use, is a subterfuge unworthy of the honesty and dignity of American political discussion and one that will not impose upon the aroused intelligence of the American people. If their final judgment is for gold monometallism, it will not be pronounced under any mistake or delusion. You cannot promise them both silver and gold and satisfy them with gold alone.

Until recently it never entered into anybody's head since the word bimetallism was coined to have a doubt about what it meant. There can be no question as to the meaning of the word. Bimetallism means two-metallism. It was coined to mean and does mean a money system where two metals, gold and silver, are treated alike. It never meant anything else. It signifies the equal access of gold and silver to the mints at a fixed ratio and the option by the debtor as to the coin in which he shall discharge his debt. This matter is important. Gentlemen here and elsewhere constantly misapply this word. I do not propose to permit it any longer to the extent to which my little influence may go. I here and now challenge any gentleman upon this floor or anywhere else—and this is not a mere rhetorical defiance, but is intended to bring this confusion to an end—to produce a definition of bimetallism by any publicist or economist of authority or any statesman of standing made prior to 1895 which is not in substantial accord with the definition I have given. Let no gentleman who may do me the honor to reply to this speech neglect this point. Let him be either for the single gold standard or for bimetallism, and if for bimetallism let him discuss the means of reaching the end and frankly concede that the present system cannot be permitted to last.

Goldbugs Satisfied.

It has been, sir, only since the great parties of the United States have been every one of them unequivocally pledged to bimetallism, and that fact conflicted with the desires of certain people that they have sought to make a new definition of bimetallism, and under that new definition to hold the pledgers to the letter of their ancient pledge without its spirit. Why cannot men who do believe in the gold standard be honest and say so? I do not impute now, when I use the word "honest," any moral obliquity to any gentleman. I should perhaps rather phrase it in this way: Why shall not a man have the open and manly courage of his convictions and stand up and be counted? Why let him not say as the New York Evening Post said? That great representative of English opposition to the Monroe doctrine, protection and bimetallism and every other form of Americanism said not long ago:

"There are some people (a diminishing number, however) who hesitate to avow themselves in favor of the single gold standard, although they are opposed to any change from the present system. There are others (also a diminishing number) who think that because a certain limited number of silver dollars are in circulation we have bimetallism, or the double standard, in this country. This is a totally false conception, as false as it would be to assume that we have a paper standard because a limited number of greenbacks are afloat. The 'goldbugs' have no change of standard in contemplation. They are satisfied with the present posture of affairs, so far as that goes. The 'expulsion of everything but gold as real money' took place in 1873 and continues unabated."

Let every man who believes with The Post imitate its frankness and say so. Let him say so along with the distinguished gentleman from Massachusetts [Mr. Walker], chairman of the committee on banking and currency, who declared in his speech yesterday—I do not pretend to quote him exactly, but I remember perfectly the substance of the statement—that if all the nations of the world were to come together and agree upon a ratio for the free coinage of gold and silver it could not be maintained beyond a very brief space of time in face of the inevitable laws of trade.

Perhaps he believes it, sir. If he says so, I have no doubt he does, strange and incredible as it may seem to my poor faculties. But, sir, if he does believe it, then I undertake to say he cannot remain in the Republican party unless, when the Republican party next proclaims its doctrine in a national convention, it shall change its platform.

Now, Mr. Chairman, I am not using the words of excess and incaution. I say that the Republican platform uses unmistakable language. It may not have said what the convention meant. If anybody wants to assume the burden of proving that the Republican party, in national convention assembled, solemnly declared what it did not mean, he is welcome to do it; but, for my own part, I have never yet found it necessary to charge the grand old Republican party of these United States with deliberate misrepresentation. And that party in convention assembled proclaimed in the last authoritative national utterance that we have from that organization:

"The American people, from tradition and interest, favor bimetallism, and the Republican party demands the use of both gold and silver as standard money."

I care not what restrictions, limitations or qualifications were added to that sentence to complete the plank. They never could get away from that initial pronouncement pledging the party to the restoration of the full money functions of silver so as to clothe it with every dignity bestowed on gold. "Tradition" refers to some ancient system, not the present. "Standard money" is not token money.

I am not now discussing the means of reaching it, but I defy any man on the top of this earth to say that the Republican party is not by its platform pledged to achieve bimetallism in some way, and I affirm that you must change that platform before a man who believes in a single gold standard can consistently stand upon it. If I am wrong on this point, let some subsequent participant in this debate set me right.

Single Gold Standard Is Wrong.

Now, Mr. Chairman, if bimetallists are opposed to the single gold standard, what is the reason of their opposition? It must be because in some respects the single gold standard is wrong, because in some way it is an evil, because in some way it injuriously affects the people of the United States or the people of the world. Bimetallists contend that such is the fact. They contend that the single gold standard is and has been since its adoption by the leading commercial nations an appreciating standard whose unit has rapidly increased in general purchasing power and must continue so to increase; that this appreciation is evidenced by a progressive fall in prices throughout the gold standard world not accounted for by diminishing cost of production, and that the inevitable result must be to augment the burden of all debts and fixed charges, to discourage investments and enterprise and to undermine the productive forces of the countries where it prevails. And they affirm that if these things are so the evil is so tremendous and pressing as to call for some immediate remedial action.

Now, sir, in order to proceed intelligibly along the line of argument I have laid out for myself it becomes necessary to get a clear conception of certain words used in the terminology of this discussion. Standard and unit are examples, occurring in the expressions of "standard of value" and "unit of value." By the Century Dictionary standard is defined as "a weight, measure or instrument by comparison with which the accuracy of others is determined," and unit as "any standard quantity by the repetition and subdivision of which any other quantity of the same kind is measured." Thus by the expressions referred to the mind is centered on the thought of weight, dimension and quantity, and thus some persons are led to the notion that a "dollar" or "pound sterling" or "franc" means something as absolute and definite as to value as "ton," "yard" and "quart" are as to weight, length and capacity.

But value is neither "so heavy," "so long" nor "of such and such contents." You cannot see it. Value is nothing absolute. Value is a relation. It is the ratio at which one thing exchanges for another. One thing may be worth as much as another thing, more than another thing or less than another thing—that is, of equal, greater or less value. But it takes two things to express value—one is compared with the other. And the relation between exchanged commodities is perfectly reciprocal. When I pay $100 for a horse, as in the illustration used by the gentleman from Virginia [Mr. Tucker] the other day, the horse buys the $100 just as certainly as the $100 buys the horse, and if it be true to say that horses are high if they cost $150 it is equally true to say that money is high when you have to give two horses for $100.

Intrinsic Values.

Gentlemen here have much to say of "intrinsic value" and declare their willingness to vote for bimetallism when somebody shall show them how to make a gold dollar and a silver dollar equal in "intrinsic value." I should like to hear some of these gentlemen define "intrinsic value." They confuse, it seems to me, the meaning of value and utility. Things may possess qualities that make them useful, and hence will have utility, but the measure of their value is what they will exchange for. You pick up a piece of iron. It is useful for many purposes, but you cannot tell how much it is worth—that is to say, what its value is—until you find what you can get for it. Value in exchange is the only value with which political economy has to deal.

Originally exchange was by barter. Commodities were traded one for another. The cost of production and the relation of supply and demand regulated the ratios at which they mutually interchanged. Convenience necessitated the selection of some common medium into which all commodities could be converted and with which any of them could be procured. This medium was money, and its invention marked an advance of inconceivable importance in the development of society. Gold and silver, by reason of their special fitness, finally displaced all other things in the performance of this function. As a consequence the demand for them for money purposes, being equal to the sum total of the values of all commodities seeking to be exchanged, became so vastly more important than the demand for them for any other purpose that cost of production ceased to be a large factor in determining their value as expressed in commodities, but that value practically became the ratio between all the goods seeking exchange and the quantity of gold and silver in existence to perform the exchanges. Men carried about with them acid to test the purity of the metals and scales for weighing out the requisite amounts of them called for by numerous and various transactions. The exchange relation between a certain unit number of grains of gold or of silver and a given commodity being once determined, there was established in the minds of those who came to market the idea of its value, which, when expressed in terms of money, was its price, but when for any reason the number of grains of metal out of which those units could be formed grew greater or grew less, other conditions remaining unchanged, then the value of those grains of gold or silver—that is, their power to command the products which were there to be exchanged for them—became relatively smaller or greater, and prices rose or fell accordingly. And no change was made in this principle when society began to put its stamp upon those grains of gold or silver to show authoritatively the quantity and fineness of the metal. After the coin is stamped, whatever may be its name, what it is worth depends at any given time upon what it will buy—in other words, upon what is required to buy it. Commodity demand and supply remaining constant, an increase or decrease of the substance out of which the coins are made must correspondingly lower or raise the power of each coin, must raise or lower prices.

These observations, which seem to me to be comformable to reason and in precise accord with what history teaches us, are sustained by practically all economists of recognized authority. The following citations will illustrate. Said Adam Smith, the father of English political economy:

> Gold and silver, however, like every other commodity, vary in their value, are sometimes cheaper and sometimes dearer, sometimes of easier and sometimes of more difficult purchase. The discovery of the mines of America diminished the value of gold and silver in Europe. (Wealth of Nations, Worthington edition, pages 24 and 26.)

John Locke, the great philosopher, in his treatise on "The Value of Money," said:

> By which means it comes to pass that the intrinsic value of (gold and silver) * * * is nothing but the quantity which men give or receive of them, for they having, as money, no other value but as pledges to procure what one wants or desires, and they procuring what we want or desire only by their quantity, it is evident that the intrinsic value of silver and gold used in commerce is nothing but their quantity.—"Principles of Political Economy," by McColloch, and "Essay on Interest and Value of Money," by John Locke, edition of Ward, Lock & Co., page 233.

The same writer declares in another place (Works, volume 5, page 49):

> For the value of money in general is the quantity of all the money in the world in pro portion to all the trade.

In his "Principles of Political Economy" (Appleton edition, 1880, volume 2, pages 26-30), John Stuart Mill declares:

> The value or purchasing power of money depends on demand and supply. Money is bought and sold like other things whenever other things are bought and sold for money. The supply of money is all the money in circulation at the time. If the whole money in circulation was doubled, prices would be doubled. If there were less money in the hands of the community and the same amount of goods to be sold, less money altogether would be given for them, and they would be sold at lower prices.

Robert Giffen, the ablest champion of the gold monometallists, holds this language in his "Chapter on Standard Money:"

> In this sense to say that the quantity of money regulates prices is only the same thing as to say of any article that is bought or sold that its quantity is a material factor in determining its value. (Case Against Bimetallism, page 218.)

It is no answer to the quantitative argument to show, as some do, that the per capita circulation in Turkey is only a small proportion of that in France, and that prices in the two countries are not widely variant. Money is a world substance and adjusts itself to the amount of business, and the method of doing it, in each country. Let the person smitten with this Turko-Frankish fancy answer the question whether, demand for goods remaining unchanged, prices would alter if suddenly the amount of money in each country were multiplied by ten. To answer "No" would be foolish, and to answer "Yes" is to kill his argument.

Cruelty of Monometallism.

Thus, sir, attention is strongly drawn to the function of money as a measure of value. Nearly all who discuss this general subject from the standpoint of the gold monometallist treat of money almost wholly as a medium of exchange only, but they miss entirely the philosophy of the question. The inequity and cruelty of the single gold standard lie principally in its operation as a measure of values and criterion of deferred payments.

Now, Mr. Chairman, after this somewhat inadequate and very hasty examination of the way in which value arises and of the way in which price arises, price being simply the value of an article reckoned in money and a comparison of the worth of the material in the unit of money with the worth of the article against which it is exchanged, I come to the proposition which is made by those who are opposed to the single gold standard.

That proposition is that there has been and is going on an appreciation—that is to say, a rise in value—in this standard of gold which the major portion of the commercial nations of the world has adopted. In other words, sir, it is affirmed that the quantity of all commodities on the average required to buy a given number of grains of gold has been and is increasing, and that from that fact there follows a train of woes from which the world has been suffering in an increasing measure ever since the mistake was made in 1873 and thereabouts of going to that standard. How shall we ascertain whether there has been this rise in value? There is only one way, and that is to examine the general price level of commodities. When one thing is used as a common denominator of all other things, to tell whether it rises or falls you must look at the average level of those other things and find whether they fall or rise, for the relations of the two are entirely and necessarily reciprocal.

Now, sir, a general law of this kind—and I ask the attention of the house to this proposition—a general law of this kind as to the course of prices is determinable only by a very broad generalization from observed facts. The commercial world is a complex one. The causes that affect the rise and fall, the demand and supply and the cost of production of the infinite variety of articles that make up the modern market are difficult of investigation. A rise in the price of one commodity may accompany a fall in the price of another, as was shown by the gentleman from North Dakota [Mr. Johnson] the other day, who told us, as I remember, that there was a time when hay went up as wheat and corn went down, though what that fact scientifically signified is hidden in the inner consciousness of Brother Johnson. I mean no disrespect, for I know the gentleman from North Dakota as a scholarly man of distinguished ability and entire honesty in his opinions. But I say that when you undertake to deduce a general law from the course, up or down, of two or three articles for two or three years you are proceeding absolutely outside of the approved method of science, and a generalization of that kind has no value whatever.

Course of Prices.

But, Mr. Chairman, the scientific world has determined a way of investigating the general course of prices. It proceeds upon the selection of a large number of commodities of such character as to indicate the essential condition of the market and extends over a number of years. Thus special causes, whether of time or of product, are largely neutralized, and general results are obtained having value as indicative of the underlying law controlling the movement of prices. This method of inquiry is by means of a system of "index numbers." Thus the price of each commodity chosen is averaged for a certain number of years, and that average is called 100. If, as is done by the London Economist newspaper, 22 commodities be used, the sum of these averages is, of course, 2,200. Then for any other year with which comparison is sought the price of each commodity is ascertained and is set down at so many points above or below 100, according to the percentage of its rise or fall, as the case may be. These are then added, and if the total exceeds 2,200 prices are higher than in the years used as the standard; if the total is less than 2,200, prices are lower. By dividing the total by the number of commodities an expression is obtained on the scale of 100, which is conveniently used in investigation. Under normal conditions various causes make temporary fluctuations in the prices of different commodities, some rising and others falling in the same period, without special significance. But when, after allowing for all such variations and offsets, general prices—the average of the whole market—have fallen, then the conclusion is unavoidable that some general cause has operated on all alike, and, as we have seen, such a fall would mean an increase in the measure of values, a dollar that had grown larger, and which would require more of all commodities to buy it.

The authoritative figures for Germany are those of Dr. Adolf Soetbeer, a famous economic writer, as continued by Heinz, statistician for Hamburg. They take as 100, or the par for comparison, the average prices from 1847 to 1850 of 100 articles in the Hamburg market and 14 of British export. In England two sets of data enjoy great repute—those of the London Economist and especially those of Augustus Sauerbeck of the London Statistical society. The former are based on the prices of 22 leading commodities in the London market, using the average prices of 1845 to 1850 as 100. Mr. Sauerbeck's tables use as the par of comparison the average prices of 45 representative commodities on the London market for the years 1867 to 1877. In the United States no such scientific and exhaustive study of this subject has been made as in Germany and England. Practically the only attempt in this direction was that undertaken in 1891 by a committee of the United States senate, and whose results are embodied in the voluminous report which is customarily cited as the "Aldrich Report," after Senator Aldrich of Rhode Island, who was chairman of the committee.

This document deals with the prices of 223 articles and uses as its par or 100 mark the prices of 1860. Although hastily compiled and based on the prices of only one year, and that year one of exceptionally low prices, and although allowing the same influence to a mass of nonstable and unimportant articles as to the controlling and significant commodities, and notwithstanding that the operation of our protective tariff, by keeping out foreign competition and by stimulating home consumption, has tended during all the period covered by the report to maintain prices above the European level and to withstand to the utmost the influence tending to lower them, yet the results of that investigation are among the most instructive that we have. They confirm in a most emphatic way the lesson that primary money is a world substance, like the atmosphere, and that the law of an appreciating standard and measure of values is as inexorable as fate. Ingenuity may for a time postpone the catastrophe or mitigate the hardships that signal its approach, but the end is inevitable, and a common ruin waits on all nations that mistakenly suit themselves to the control of such a system.

By Dr. Soetbeer's tables it appears that prices in Germany fell about 22 per cent from 1873 to 1891. Since 1891 the fall there, as elsewhere in Europe, has been very much more than in the same proportion, unquestionably exceeding 30 per cent by 1895. This means that the purchasing power of gold in Germany has increased more than 40 per cent since 1872.

In England, by The Economist tables, the fall of prices from 1873 to 1893 was 30 per cent, and the last two years have witnessed a much greater fall in proportion, showing an increase in the purchasing power of gold to have been at least 45 per cent from 1873 to 1895.

I give here the very careful and reliable figures of Mr. Sauerbeck from 1818 to 1875. His standard, it will be recalled, is the average prices in London of 45 principal commodities for the period 1867-1877, which is also the average for 1853-1877. The arrangement below is by continuous ten year periods, thus equalizing merely temporary fluctuations and clearly showing the law controlling the fall of prices:

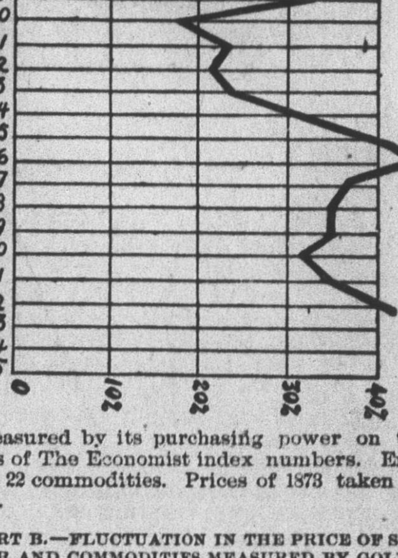
TEN YEAR PERIODS AND AVERAGE INDEX NUMBER.

1818-27	111	1854-63	100
1819-28	106	1855-64	100
1820-29	103	1856-65	100
1821-30	101	1857-66	100
1822-31	100	1858-67	99
1823-32	98	1859-68	100
1824-33	97	1860-69	101
1825-34	96	1861-70	100
1826-35	93	1862-71	100
1827-36	93	1863-72	101
1828-37	93	1864-73	102
1829-38	93	1865-74	102
1830-39	94	1866-75	101
1831-40	95	1867-76	101
1832-41	96	1868-77	100
1833-42	96	1869-78	99
1834-43	96	1870-79	97
1835-44	95	1871-80	96
1836-45	95	1872-81	95
1837-46	93	1873-82	93
1838-47	93	1874-83	90
1839-48	91	1875-84	87
1840-49	88	1876-85	85
1841-50	86	1877-86	82
1842-51	83	1878-87	79
1843-52	82	1879-88	78
1844-53	83	1880-89	76
1845-54	85	1881-90	75
1846-55	86	1882-91	74
1847-56	88	1883-92	72
1848-57	89	1884-93	71
1849-58	90	1885-94	69
1850-59	92	Year 1894	63
1851-60	94	February, 1895	60
1852-61	96	Year 1873	111
1853-62	99		

Thus by these authoritative data prices fell in England between 1873 and February, 1895, 46 per cent. In other words, the purchasing power of gold rose more than 85 per cent. Even comparing the 1895 prices with the average of 1864-73 the fall has been more than 41 per cent and the increase in the power of gold more than 69 per cent.

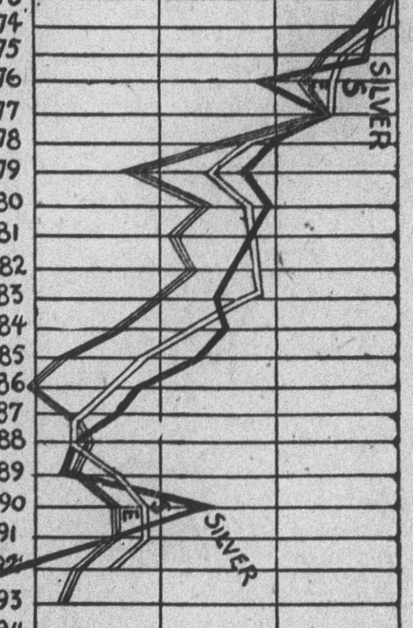
These results, as well as others to which I shall later advert, are impressively represented by the charts to which I will ask the attention of the house.

CHART A.—APPRECIATION OF GOLD.



Measured by its purchasing power on the basis of The Economist index numbers. England 22 commodities. Prices of 1873 taken as zero.

CHART B.—FLUCTUATION IN THE PRICE OF SILVER AND COMMODITIES MEASURED BY GOLD.



Prices of 1873 taken as zero.
E =, Economist index numbers, wholesale prices. 22 principal commodities. London market. Average prices 1845-50 taken as 100.
S =, Soetbeer's index numbers. 100 Hamburg articles and 14 British exports. Average prices 1847-50 taken as 100.
▬, silver.

Now, gentlemen, I call your attention to the fact that the lines of the two halves of the chart are continuous. Really these are two diagrams representing one idea. They indicate the reciprocal relation of the prices of commodities and the price of gold. For example, starting with 1873 as the zero point, the upper chart shows how gold has with few exceptions gone constantly up until it climbs off at the top of the chart and how the prices of commodities and of silver have, as a necessary and reciprocal fact connected with the rise of gold, gone relatively down since 1873 in the percentage indicated in my remarks. Upon the lower chart you will find the course of prices as shown by The Economist index numbers upon the London market indicated by the line marked E, the line showing the course of prices in the German market is indicated by the letter S, standing for Soetbeer, and the course of silver is shown by the heavy black line.