

policy of protection has vastly benefited the laboring man in the United States. Sir, nobody upon a fit occasion can speak upon that great policy with more enthusiastic encomium or more intense conviction than myself.

I do not question the fact that protection has had a beneficial effect upon wages; but, sir, organized labor is also largely to be credited for the maintenance of wages.

Diminishing the number of hours of labor, lessening the number of apprentices, organizing against proposed reductions, they have fought their way by one method and another and have succeeded to a large degree in warding off the natural effects of an appreciating money.

Experience of France.

Frequent reference is made in this discussion to the experience of France in the early part of this century. Now, that government, from 1803 to 1805, and the Latin union—France, Italy, Greece, Belgium and Switzerland—from 1805 to 1873, did maintain the bimetallic system with mints open to both gold and silver, and kept them practically at par at her mint ratio

gold is one simply of giving it enough to do, subjecting it to large enough demand. But to return to the French coinage. The figures above given are authoritative. In considering them it must be remembered that they are London market quotations, and that coinage in France was free, but not gratuitous. All gold and silver brought to the mint was coined as desired, but a charge was made for expense of coinage of three-tenths of 1 per cent on gold and 1 1/2 per cent on silver.

The following table, on the authority of the distinguished economist, J. Barr Robertson, shows, in five year periods, the French coinage during the time in question of both gold and silver. It is given in English money because taken from an English document:

Table with 3 columns: Year, Gold (average per annum), Silver (average per annum). Rows include 1803-1810, 1811-1815, 1816-1820, 1821-1825, 1826-1830, 1831-1835, 1836-1840, 1841-1845, 1846-1850, 1851-1855, 1856-1860, 1861-1865, 1866-1870, 1871-1875.

Silver was tendered and coined every year and gold every year but 1835 and 1872. When England in 1821 resumed specie payments after a long paper regime, the coinage of gold in France, as will be noticed in the table, fell off very much, and when in 1850 and following years the greatly increased production of gold came into the world's supply it was tendered and coined in immense quantities.

Two Metals Really One.

Nothing could more beautifully or triumphantly illustrate the fundamental principle of bimetalism. The two metals became in effect one metal, one primary

metals, it kept the market price of silver approximately steady at the ratio fixed by law between them—namely, 15 1/2 to 1. Sec. 10. Nor does it appear to us a priori unreasonable to suppose that the existence in the Latin union of a bimetallic system with a ratio of 15 1/2 to 1 fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

The view that it could only affect the market price to the extent to which there was a demand for it for currency purposes in the Latin union, or to which it was actually taken to the mints of those countries, is, we think, fallacious.

The fact that the owner of silver could in the last resort take it to those mints and have it converted into coin which would purchase commodities at the ratio of 15 1/2 of silver to 1 of gold would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio and would tend to keep the market steady at about that point.

The situation in France and the nature and theory of the bimetallic adjustment are admirably set forth in the following eloquent words of Cernuschi in the monetary conference of 1881:

"Until 1874 a clear and sonorous voice was always heard resounding from the banks of the Seine. It said: 'I am France, rich in gold and rich in silver. I can arrange that in the entire world the two metals form but one money. Peoples and nations, bring to Paris all the gold and silver you like. I take it all. For a hundredweight of gold, or for 15 1/2 hundredweights of silver, I will always give you the same quantity of francs. Let the production of one metal or the other be more or less abundant, more or less costly, it will be immaterial to me. Peoples and nations, do you want gold? Bring silver. Do you want silver? Bring gold. As bimetallists the French have no preference for one metal or the other. They will always make exchange on the spot. If you know how to ask it, one metal for the other on the basis of 15 1/2, and in the two hemispheres the relative value of the two metals will always and everywhere be the same.'"

A Question of Judgment.

The reason why France was able to do this was that her commerce was great enough and varied enough to give employment and exchange to all the metals of either kind that were offered for coinage. As I have before said, the test of ability to maintain a parity between the metals is the power, founded on extent and variety of uses for money, to absorb them in commerce. Whether the United States could independently achieve this result is not, perhaps, absolutely demonstrable. It is a question of judgment. My own opinion is that the task is not beyond us, and that, though some international concert is preferable, independent action is much to be preferred to the indefinite continuance of the present system. In this connection I wish merely to call attention, in passing, to the fact that this was the powerful influence of the French mint that caused, first the gold (when our mint ratio was 16 to 1 and France's 15 1/2 to 1) and then the silver (when we had changed to 16 to 1) to leave the United States and go to France. It was exactly as if a commodity were to be the market. But if she took our gold she sent us her silver, and vice versa. The process was natural and not harmful. Both metals were somewhere performing full money functions for all the world.

When asked whether England could successfully alone undertake the maintenance of the parity of gold and silver with open mints, Sir Henry Hucks Gibbs said, "Any great commercial nation can do it."

We do not sufficiently realize what a powerful nation we are, and what we can do if we set about it. We need a little of the spirit of 1776. Why, we are now afraid of England now, after we have grown big enough to whip all creation, than our fathers were when they could count no more population than the state of Ohio has now. So long as we want her to do it England will manage our money system for us, and we may depend on her having an eye on England's interests while she is at it.

I make the assertion that in nearly every respect the conditions enabling a nation to support a system of bimetalism are today more favorable to us than they were to France from 1803 to 1873.

To begin with (see chart D), from 1803 to 1870 the average number of ounces of silver in the world in coin and available for coining was 30 times as great as the number of ounces of gold. Yet she made it possible during all that time to go into the market and buy as much with 15 1/2 ounces of silver as could be bought with one ounce of gold. Today there are only 16 times as many ounces of silver in the world's stock as of gold. Our rate of general capacity of the world than was France 25 and more years ago. Says Mulhall, the world's greatest statistician, in North American Review, June, 1895:

"If we take a survey of mankind in ancient or modern times as regards the physical, mechanical and intellectual force of nations, we find nothing to compare with the United States in this present year of 1895. The physical and mechanical power which has enabled a community of woodcutters and farmers to become in less than 100 years the greatest nation in the world is the aggregate of the strong arms of men and women, aided by horsepower, machinery and steam power applied to the useful arts and sciences of everyday life."

The relative extent to which a nation uses steam power illustrates perhaps as well as any one thing can the degree to which that nation is a factor in the world's business and can give money work to do. In 1870 the world's steam power, according to Mulhall's dictionary of statistics, was 18,460,000 horsepower. That of France was 1,850,000 horsepower, or little more than 10 per cent of the whole. In 1888 the total for the world was 50,150,000 horsepower, and of this the share of the United States was 14,400,000, or nearly 29 per cent. Our share today is 16,940,000, almost as great as that of all the world in 1870 and fully three times as great in proportion to the whole as was that of France in 1870. Here we see, say Mulhall, that "the United States possess almost as much energy as Great Britain, Germany and France collectively."

In comparing the two countries in respect to commerce, a most important point is this: In proportion to the small increase of a nation's small relatively to the entire bulk of trade, it is easy to maintain a money system possessing independent features. In 1870 the total exports and imports of the world were approximately \$11,000,000,000, and those of France a little more than \$1,000,000,000, or about 10 per cent of the whole. In 1889 the world's total was nearly \$7,000,000,000, and the share of the United States was about \$1,600,000,000, or nearly 23 per cent. While it is impossible to obtain data as to the internal commerce of various countries with completeness and accuracy, enough exists to show us that a very much greater percentage of the total commerce of France in 1870 was foreign than the percentage of the foreign commerce in the total trade of this country today. It is commonly considered that not more than 4 per cent of our trade is with foreign countries, while it is safe to say that in France in 1870 fully three times that proportion in her trade was of that character.

In agriculture I have not at hand the figures for 1870, but Mulhall gives the total value of the world's principal agricultural products for 1887 at about \$19,740,000,000, of which the share of France was \$2,300,000,000, or somewhat less than 12 per cent, and that of the United States \$3,880,000,000, or nearly 20 per cent. There is no doubt that the statistics of 1870 and 1895 would show even a much greater relative advantage on our part than this.

In manufactures France, in 1860, produced approximately \$1,900,000,000 worth out of the world's total of \$12,000,000,000, or about 16 per cent; in 1888, \$2,425,000,000 out of \$23,000,000,000, or less than 10 per cent. If her share for 1870 be taken as the average of these two years, she would that year have produced about 13 per cent of the world's manufactures. The United States, in 1888, had about \$7,215,000,000 worth of manufactures, or over 31 per cent of the world's entire production. In 1870 the railway mileage of France was 9,770, and that of the world 128,385, the percentage of France being 7 1/2. In 1895, of the world's 370,381 miles of railway, the United States had 163,697, being about 44 per cent of the mileage of the entire world, and 26,732 miles more than all Europe combined.

In 1870 the railway freight tonnage of Europe was 401,000,000 tons, of which the proportion of France was 62,000,000 tons, or about 15 per cent. In 1888 her share was 78,000,000 out of 765,000,000 tons, or 10 1/2 per cent, while the tonnage of the United States was 590,000,000 tons, or nearly eight times as much as that of France and three-quarters as much as that of all Europe. Of like significance is the comparative tonnage carried on canals and rivers, being in France 14,500,000 tons in 1870 and 24,500,000 in 1885, as against 51,000,000 tons in the United States in the latter year. The total canal and river mileage of France is 7,730, and of the United States 51,834, or 30 per cent of the world's mileage of that character. Add to this the enormous capacity of our great lake system, and the unequalled facilities for the development of internal commerce can be partially realized.

A Convincing Comparison.

But the most convincing comparison as a basis of judgment of the matter in hand is to be found in the relative banking power of France in 1870 and the United States in 1890 (the statistics for 1895 not being at my present command) in proportion to the total banking power of the world at these respective dates. In 1870 the world's banking power was about \$8,000,000,000, and that of France was \$320,000,000, or 4 per cent. In 1890—and the proportion is still more favorable to us in 1895—the world's banking power was nearly \$16,000,000,000, and that of the United States was \$2 per cent of that tremendous aggregate, or \$5,150,000,000.

Of course the gold standard men will point to the doubling of the banking capacity of the world in the last twenty odd years as proof of the diminished need of money and will cite the very exceptional equipment of this country in that respect as an argument that we cannot use any more primary money. But it is too plain for dispute that this great growth in the world's means of economizing gold, coinciding, as it does, so closely with the steps by which the volume of ultimate money has been deliberately curtailed, gives convincing support to our position that more primary money is a crying need of the world. Credit has been expanded to the utmost, far beyond the safety limit; gold has appreciated beyond all precedent, and to try to meet the demands of business this banking power has been evolved. It is an exact index of the increased need for primary or real money and shows conclusively that the capacity of the United States today to absorb a new supply of real money is almost incalculable. These considerations are much enforced by the fact that our vast territory of just touched possibilities, with its constantly multiplying population, affords incomparable scope for the operation and expansion of the energizing functions of an adequate supply of primary money.

Now, sir, as we have seen, there is a demand in the world for a large additional amount of primary money. The enormous appreciation of gold and the almost incalculable multiplication of credits are incontestable proofs of it. The supply of gold has not for many years come anywhere near keeping pace with the demand, so that even the increasing facilities for using it, of which our gold friends have so much to say, have not availed to keep it from rising ruinously. Dr. Soetbeer and others have exhibited the immense growth of the demand for gold in the arts and manufactures. He showed how the gold available for coinage averaged \$92,000,000 a year from 1851 to 1870, but \$24,000,000 a year from 1871 to 1881. Mulhall says that during the 50 years, 1831-1880, the consumption of gold was 160 tons more than the production. In an article in The Nineteenth Century Magazine for November, 1889, the great statistician and gold monometallist, Giffen, said:

"The precious metals, it is admitted on all sides, have an extensive nonmonetary use. They are merchandise as well as money. But few people realize that probably this nonmonetary use is preponderant over the monetary use itself. About two-thirds of the gold annually produced is taken for the arts, and if the consumption of India is included, as being either for simple hoarding or for the arts, then the demand for gold for nonmonetary purposes appears almost equal to the entire annual production."

Mr. Walker of Massachusetts—Will the gentleman tell the house how much the economic power of gold in commerce has increased in the last 50 years? Has it not increased several thousandfold? Mr. Towne—Mr. Chairman, I understand the gentleman's question to refer to the common argument of gold standard theorists that the conclusions drawn by

all statements and economists down to recent years as to the limited ability of coin to discharge commercial functions have been abrogated and overturned by modern inventions that have facilitated exchange, as checks, clearing house certificates, bank credits, and such things. Is

which is sometimes implied in the word "confidence." No, sir; these gentlemen use it as a business word, in a practical sense, and so used it has reference entirely to the confidence which you must feel in the ability of a man or an institution that is making unlimited and multiplying promises at some time to redeem those promises. That is what it means, and how such confidence operates is illustrated from time to time when, under the spur and whip of this pernicious doctrine, credits are expanded on the basis of a few gold dollars, the gold itself constantly growing relatively less and the various forms of its credit representatives becoming constantly and absolutely greater until finally you have a huge, distorted, swaying, inflated fabric of credit upon an ever narrowing base of gold, and while you stand there making your boast in the very face and eyes of the world of what a tremendous amount of business you are able to do upon an infinitesimal amount of gold you ask men to have "confidence" in the operation. Ah, sir, let not gentlemen deceive themselves. The world has not outgrown either the obligations or the limitations of honesty. All these instruments of credit, Mr. Chairman, are themselves but the expression of the gold measure. If you extend credit to a man, you extend so many dollars of credit, and if the stuff out of which the dollar is made is growing scarcer the credit is correspondingly growing bigger, eating up more and more commodities, just as the gold dollar does that measures the credit.

Says the great English economist, Jevons: "Prices temporarily may rise or fall independently of the quantity of gold in the country. Credit gives a certain latitude without rendering prices ultimately independent of gold." ("Investigations in Currency," page 32.) And Huxkisson, the famous British statesman and financier, in his pamphlet on the depreciation of the currency, sustains the proposition: "Price, therefore, is the value of any given article in the currency with reference to which that article is measured, and must, of course, be varied by any variation in the quality of gold and silver contained in such currency." An acute writer, Dr. W. H. Smith, in a recent work, says: "The volume of basic money fixes the volume of representative money (paper money issued by the government). In turn, the volume of both representative money and basic money controls the volume of credits that act as money, and the quantity of all these, with the exchanges to be made and payments to be met, fix prices. Thus indirectly the price of commodities is today a very much greater than it was 40 years ago. Says a great authority, Professor Kinley (Journal of Political Economy, March, 1895): "After a certain point of development in the use of credit instruments there is no further relative increase, but rather, possibly, a slight decrease."

The True Flatist.

The true flatist, Mr. Chairman, is your modern American gold standard advocate. The logic of his argument leads to a money base so small and a credit top so large that "confidence" is to take the place of redemption, and confidence never realized is only another name for irredeemability. For "populism" that our Populists our Populist commend me to our gold standard extremist. Sir, I think I have heard the gentleman from Massachusetts speak of increasing the resources of the banks so as to permit them to enlarge their accommodations to customers. We are to assume, then, from these arguments that the extent of accommodation is limited to the present rate of expansion, and that there must be some way of increasing the reserves in order to permit the piling on of additional credits at the rate of \$4 or \$5 for \$1. Increasing the reserves means increasing the ultimate substance that must in the end make good every dollar of credit and every promise made by bank or government in the nature of credit. It is more ultimate money that the world wants and must have. And I warn gentlemen upon this floor—and as a prophet, but as one who has always lived near the people—our duty must not be neglected. I tell you I know what the people are thinking and what they are feeling in this year of grace 1896. They know that the constricting gold standard is existing by the permission and growing at the cost of the manhood and the enterprise of the universe, and that the time will come when a stop must be put to it.

Mr. Hardy—After your elaborate remarks will you now state in a few words what you want the Republican party to do? Mr. Chairman, it is to the great Republican party at such a crisis that the people turn with hopefulness, even as in times past when the hour was heavy and the way dark they groped anxiously that they might find and clasp with their hands the hand of the Republican party and thus be led again to the heights of peace and along the paths of prosperity. The Republican

party has not yet declared for a single gold standard—

Mr. Hardy and others—And never will. Mr. Towne—And I pray heaven it never will. But what is expected now, Mr. Chairman, of the Republican party is a prompt and definite proposition as to what it intends to do.

Sir, I am not strenuous upon having my way. While I should infinitely prefer that the nations undertake this regeneration together, yet I believe that the United States of America, with its unlimited resources, with its manhood representing an energy that Mulhall says is quite equal to that of the Englishman, the German and the Frenchman combined, with a population of 70,000,000, with an area equal to all Europe, and a large part of which is undeveloped and needs the quickening assistance of an affluent, banking money, with one-third of the banking power of Christendom, showing its absorptive capacity over the money of all the world that should seek employment here, with one-third of the steam power (which is the basis of industry and of business today) of all the earth I believe the United States could, with all this marvelous energy, with its multiplicity and variety of commerce, a proper care for which would enable it to become the clearing house for this hemisphere, as Bialine fondly hoped it might become, I say the Republican party might, by opening the mints of this government and giving to silver the same privileges now bestowed upon gold, maintain the two metals at a parity at the old coinage ratio. It would be easier for us to do it than it was for France, because France had to do it and did it when the natural bulk ratio of silver to gold was 32 to 1, while with us it is proposed to make the ratio practically identical with that which the metals maintain to each other by bulk today. Nor, sir, is there anywhere any "flood of silver" to swamp the mint. I cannot pause to prove this, but it is absolutely true. Nearly all existing silver now circulates at a token parity, or a virtual redemption parity, with gold and would gain nothing by coming here. What we want is to take the silver from the top and put it beside gold at the bottom of the money structure. If we cannot do the work in an independent way—if I am deceived in thinking that we can—we do it in the same other way. If somebody proposes in this congress to restore the ultimate money function to silver in any practicable way he shall have my vote. The main thing is to take away from gold its universal and exclusive necessity that keeps all the nations and all the men of the world in a scramble for it at the constantly growing cost of their happiness and their substance.

Restore the Full Money Function to Silver.

Restore the full money function to silver in some way and do it speedily. Say even that you will do it three or four years from now, with such other nations as you may be able to induce to associate with you, and I will vote for the proposition. Say that you will tax incoming silver and coin only the American product, and I will vote for it. Say that you will coin silver upon an international basis without the consent of England (which you can never get so long as the Rothschilds have that country by the throat); say that you will do it in combination with France and Germany (and there ought to be no question in the mind of any reasonable man that these three nations could sustain the parity of the metals)—say you will do that, and I will vote for it. I know that all legislation is a compromise, and even in this great matter I will compromise to almost any limit on the means if only the end be openly avowed and speedily sought.

But what I say, Mr. Chairman, is that the Republican party must at this time make up its mind to do something. The people of the United States have passed a vote of confidence in the Republican party; that is all. We must now justify that confidence by being equal to the emergencies that confront the people. Our platform pledges us explicitly to the rehabilitation of silver, to make it "standard money," even as gold is. The people want that done. They have had it only in a country and for the means if only the end be openly avowed and speedily sought.

Mr. Chairman, I did not think to have spoken so long. I did not think that I could have abused the courtesy of the house to such an extent. But the question is most important and well nigh exhaustless. Even now I am conscious of having omitted many things that I should have said. I thank the house very much for extending my time and for the unusual compliment of its general and prolonged attention. I desire to express my gratitude for this indulgence and shall endeavor not to be thus again a debtor during this session.

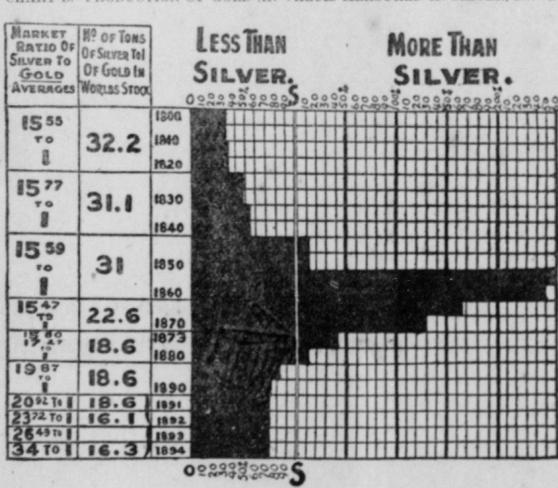
But, sir, I could not be silent. I love my country. I cannot endure to see her suffer without relief when relief is within call. And the Republican party is dear to me. My ancestors were Federalists and Whigs of New England. My father followed the standard of Fremont and Dayton to the glorious day of 1848. The infancy of the Republican party rocked my own cradle. Since my youth I have treasured the deathless fame of its great leaders, studied and professed its doctrines, benefited by its policies and wielded ceaselessly what little strength was mine in its strenuous contests for the confidence of the people. My anxiety that it shall now rise level with the emergency that meets us is greater than I can express.

Sir, we are told in an old German legend how a monster, Alberic, became possessed of a magic ring of gold which gave him unlimited power, and now he uses it in heaping up and hoarding all the gold and wealth of the world, and that he fashioned for himself a helmet of gold that enabled him at will to become invisible to men or to take upon himself any form he pleased. And the world, it is said, was at the mercy of that monster until the god Wotan appeared and took him captive while, in the insouciance of his power, he was boastfully wearing his most odious shape. If, sir, there is in this country today a malevolent power with ring and helmet of gold, now invisible and now terrible in aspect, as it either heedlessly or openly undermines the foundations of liberty, could there be for the Republican party a more glorious destiny than, like the god in the story, to come to the relief of the people!

Raised His Own Coffin.

Judge Orin K. Farthing of Bartholomew county, Ind., who is now 87 years old, was in his day a prominent lawyer and a judge. He is wealthy and eccentric. Fifty years ago he planted near his front doorstep a walnut with the avowed intention of securing from the tree lumber for his coffin. The tree thrived steadily. The other day, feeling strongly the infirmities of age, the judge ordered the tree cut down and sawed into boards. Then the carpenter took his measure and began the coffin.

CHART D.—PRODUCTION OF GOLD (IN VALUE MEASURED IN SILVER, 1800-94.)



of 15 1/2 to 1. This great fact is of such conclusive significance that the advocates of the gold standard have not hesitated to fly in the face of history and flatly to deny one of the most notorious accomplishments on record. Such denials have been made in the course of this debate, and for that reason I propose to say a few words upon that subject.

Soetbeer gives the following as the extreme variations of the market ratio of gold to silver in each decade from 1803 to 1873:

Table with 2 columns: Year, Ratio. Rows include 1803, 1810, 1820, 1830, 1840, 1850, 1860, 1870.

\*Extremes during Napoleonic wars.

An examination of chart E will confirm the lesson of these figures. For 80 years the line of market value of silver as compared with gold runs almost coincidentally with the line representing the ratio at which the metals were coined at the mint of France.

Mr. Williams—I want to ask the gentleman a question for information. That, as I understand it, is the price of silver bullion in the London market?

Mr. Towne—In the London market. Mr. Williams—it did not vary at all in the French market?

Mr. Towne—The gentleman from Mississippi is right. Sir Henry Hucks Gibbs, for 40 years a director of the Bank of England, some time its governor, a monometallic gold delegate to the international convention of 1878 and a monometallist now and for the remainder of his life, declares—and he had personal knowledge for many years—that from 1803 to 1873, notwithstanding the fact that the law requires nothing of the sort to be done, there was not a day when any person could not go to the Bank of France and get either gold or silver for the other at the mint ratio.

And here it occurs to me to call attention to the fact that mints do not, under systems of free coinage, purchase bullion, nor do they exchange necessarily coin of one metal for bullion of the other. I have seen on this floor indications that some gentlemen appear to think that one way we should lose our gold—if we opened the mints to silver—would be in handing it over to designing individuals who should bring silver bullion to the mint and "demand" gold. The open mint exists merely to coin the bullion brought to it and pass it back in coin to the owner. The government stamp cannot create value. Whether a coin when stamped shall be effectual to pass at the value it claims to represent will depend upon the use it can command. In this respect I agree wholly with the honorable gentleman from Maine (Mr. Dingley), who opened this debate, and who now does me the honor of listening to me. The whole question of maintaining freely coined silver at a parity with

money mass, to respond to the demands of debts and business and to support with broader basis the credit fabric of the world. Said Mr. Cernuschi, French delegate to the monetary conference of 1881: "The law of placing the yellow metal and the white metal on the same footing, by establishing a fixed and invariable ratio between them, has made them really a single money."

Thus, fellow citizens, they must be considered. Thus treated they become such a money, and if so we can regard with perfect equanimity, when the system is once established, the going out of one and the coming in of the other metal. The ebb and flow would be a perfectly natural and healthful movement, marking the frictionless adjustment of the money volume to the demands of trade and of localities.

If gold starts to leave us today, we have nothing to take its place, and so we keep hanging on to it, the amount of our desire to keep it the measure of our necessities for it, being registered in the fall of the prices of all we produce or make. This is the greatest and heaviest premium money can command. If silver were also primary money, when gold wanted to go so badly it might go temporarily and satisfy the wants of somebody who would give more for it for the time being than we would. Under present conditions we pay more than it is worth to keep it.

Sec. 10. Looking then to the vast changes which occurred prior to 1873 in the relative production of the two metals without any corresponding disturbance in their market values, it appears to us difficult to resist the conclusion that some influence was then at work tending to steady the price of silver and to keep the ratio which it bore to gold approximately stable.

Sec. 12. These considerations seem to suggest the existence of some steady influence in former periods which has now been removed, and which has left the silver market subject to the influence of causes the full effect of which was previously kept in check. The question therefore forces itself upon us, Is there any other circumstance calculated to effect the relation of silver to gold which distinguishes the latter from the earlier?

Now, undoubtedly the data which forms the dividing line between an epoch of approximate fixity in the relative value of gold and silver and one of marked instability is the year when the bimetallic system which had previously been in force in the Latin union ceased to be in full operation, and we are irresistibly led to the conclusion that the operation of that system, established as it was in countries the population and commerce of which were considerable, exerted a material influence upon the relative values of the two metals.