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## APPENDICES.

## APPENDIX A.

[*Extracts from a Leader in the "Times of India," August 10, 1892.*]

THE late Mr. Mill once brought much deserved censure upon himself by telling an audience of working men whom he was addressing on land law reform that he wanted to "excite their feelings" on the subject. This was as bad a way of throwing light upon a dark question as could well be thought of, and the example is not one to be followed. Nevertheless something like John Stuart Mill's impatient desire to arouse the feelings of the people around him would have been excusable in India if the dull unquestioning acquiescence in disaster, which until lately seemed to characterize the attitude of the commercial classes in India in regard to the state of the currency, had continued. From that, at all events, this afternoon's meeting at the Town Hall reminds us we are being rapidly delivered.

The man who tells his neighbours that they are helpless in the matter; for the currency is, in the nature of things, at the mercy of certain inexorable laws which it is past the wit of man to control, no longer counts on a hearing, if indeed he has not already foresworn his folly. If now and again there should come, as the last suggestion of obstinate timidity, a solemn warning against "tampering with the currency," the answer is sure to come that this is pure nonsense so long as India is made the victim of tampering by other States who have robbed her of her substance, disturbed her finance, and imperilled the fortunes of the most energetic amongst the classes who are endeavouring to develop her trade.

The price of silver to-day is just threepence and a farthing below that, so that the natural level is a receding line, as defiant of indication as the horizon. When mines in Australia are turning out silver at a cost of *eighteen pence an ounce*, and when in some of the Nevada mines it is a waste product, it is obviously futile to endeavour to name any possible minimum to which the price of silver is to fall if the cost of production, even when conditioned as in the definition we have given, is to be the determining factor.

From America the most recent and the most reliable news warns us that of a certainty there will soon be a huge unburdening there, which will throw on the market the four and a half million ounces a month of silver which the Washington Treasury is now taking on its hands. So that we cannot to-day look westward without feeling that not salvation, but rather calamity, will come thence, unless in the meantime we raise up some barrier for our own defence.

India, we are told—and a comforting half-truth enunciated by Lord Lansdowne some months ago is cited in support of the pretence—is still able to pay her way. Taxation is not increased; debt is not increased; there is no deficit.

Upon this last source of comfort let no one draw too freely. Upon the two others let this be borne in mind. India is just paying her way, but all that a nation with a stable currency gains in the natural increment of its revenues, India has lost year by year to the extent of at least eighty crores in the aggregate. This, if India had not been the passive victim of other peoples' tampering with the currency, would have been saved to us in two forms. The country would have enjoyed substantial remissions of taxation; the administration would have been more generously equipped with schools, and hospitals and canals, and roads, and railways, and the defence works which the policy of other nations has forced upon us would have been no great burden. All this is hidden in the dangerous and misleading half-truth that we are paying our way in spite of our exchange troubles. But the argument that India is not the worse for her currency disturbances will soon be as little heard of as the other and more daring view, that the country is actually the better for them—the more daring view, because, with exchange lower than it has ever been, and with freights ruinously low, the prospects of neither the import nor the export trade of India have ever been more discouraging.

The "school bill" and "family remittance" and rupee pension aspect of the question—the only aspects that some people will bring themselves to see—must be absolutely non-existent to the Bannia piece-goods merchant and the Borah general dealer. And yet these people are coming in, in troops, doubtless with no very clear views about the bi-metallic ratio, and with as indefinite a conception of what is involved in the gold standard as of the aims of the Triple Alliance or even of the fundamentals of Mr. Gladstone's undisclosed dismemberment scheme. But they are clear and confident upon one point—and that is, that it is hazardous to carry on business upon a shifting and capricious currency basis, that their hands are tied by it as they would only be tied in a chronic financial crisis, the only difference being that, instead of each man distrusting his neighbour, he distrusts the money in which he carries on his trade, and knows no other certainty in his business than that his most careful calculations will be upset.

No one has been more frank than Sir David Barbour in acknowledging the risks that lie in the way of a gold standard, and we should not help this movement if we endeavoured to obscure or to minimise them. In Austria-Hungary—concerning whose currency difficulties Mr. Janni gives us some suggestive details to-day—the financial authorities only came to the resolution to adopt the gold standard after they had submitted the whole problem to the judgment of a committee of experts, to whom a series of carefully drawn up questions anticipating every risk and difficulty that could possibly attend the experiment, were submitted. This is an example which, we are sure, the Government of India will not lose sight of. Meanwhile we are confident that they will welcome such a manifestation as to-day's meeting will give them, that there is a growing conviction that the old policy of leaving the currency to be the sport of circumstances must be resolutely abandoned.

PROMISED LIGHT ON THE CURRENCY PROBLEM.  
TO THE EDITOR OF THE "TIMES OF INDIA,"

SIR,—As I have now in hand a work containing a thorough exposition of the present Currency Question, I should not have troubled you with these lines were it not for the fact that, on a close examination and reasoning, I arrive at the conclusion that any meetings, however influential, cannot induce any Government to fix a permanent ratio between silver and gold, or, for the matter of that, between the two currencies. With some diffidence, then, I would beg to warn all those who may be seeking to embark in an extremely hazardous task, that it would be as sensible to call upon the Indian or other Administrations to fix the ratio value under advertence, as to attempt to have the quality or volume of town atmosphere, or the growth or prices of the commodities of the world pre-defined by Legislature for any or all times to come. Beyond the many deceptive features clinging to the theory that is now deliberately placed within the range of practical politics, I must say I have not come across any public effort so impolitic and so fraught with impracticability and wrong as the one which, I am glad, will now be placed in light, I hope only to obtain that rest and maturer reflection which the tough problem undoubtedly needs. I was pleased to find Mr. Symons, the other day, adopting in his business-like speech that gentle and conciliatory method which, in my opinion, is far more telling than any hostile argument against the impracticable character of the proposal now advocated throughout the length and breadth of the land. Whether the proposal is looked at from the point of view of monetary science and national economy, or practical administrative wisdom and justice, there is hardly a ray of hope for the sort of relic sought. I may, therefore, be justified in expecting, (as I am now completing my work), that a legitimate and all-round remedy may have some light thrown upon it, instead of the keen exertions wasted after discovering a mare's nest, or a solution that verily belongs to the region of Utopia.—Yours &c.,

DINSHAH ARDESHIR.

Baroda, August 8.

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THE CURRENCY QUESTION: A PLEA FOR PATIENCE.

TO THE EDITOR OF THE "TIMES OF INDIA,"

Sir,—The currency agitation has now assumed some practical form; but it may produce either good or evil. It is time that you, Sir, raised your voice towards pacification, till a thorough authoritative investigation is completed on the Continent.

Meanwhile, it might aid the cause of patience and forbearance—so badly needed at the present moment—if some sturdy facts are briefly stated in anticipation of my exhaustive work now in the press. The facts that cannot be refuted are:

(a) No public action is possible as based on a subversion of the bullion value of the precious metals.

(b) No currency can ever be vitiated to redress the grievance of particular classes, which can only be dealt with on its own merits.

(c) It would seem an unrighteous and barbaric act to plunder the holders of gold and enrich those owning silver.

(d) As no nation or Government can permit such a barefaced robbery, and a thoroughly immoral and mischievous disturbance in local and international transactions, any attempt made, nevertheless, must either saddle India with a further enormous and increasing gold debt, or ruin both the export and import trade of India, simply adding to the commercial interests of those silver and gold countries who should have the modesty of abiding by prudent instincts in letting their currency alone.

(e) The fall of all gold prices in silver-using countries and elsewhere is a transparent march of commercial development, and, therefore, of the best influences of civilisation; the said fall, or, as I have explained in my work, the fast proceeding depreciation of *gold*—and not exactly of *silver*—cannot be rectified by any nation, or conference of nations, except by free circulation and production of silver till the crucial point is reached, not the point at which it seems the present fashion in India and England to strangle the currency, very much in harmony with the somewhat vulgar native adage—“Mauled till made a Mahomedan”: the equivalent: “Damn the silver, it won't rise; policeman, see it somewhere at 1s. 7d., if possible, for ever, please.”

(f) Both the Indian Council and Lord Lansdowne's Government being—as I may venture to presume—out of reach of the legislative syrens, among the remedies essential towards retrenchment and readjustment of land and other taxation, needing consummate courage and ability of both the Government and the country, as explained in my work, is the crucial point stated in para. (e): the production of silver must naturally stop, and, therefore, its constant fall in price when the working expenses will refuse to bear any profit. The legitimate value of silver after that will rise in proportion to the demand for it; and it is very likely that the increased monetary transactions of the world will render the re-opening of silver mines possible, the more so if gold continued to become scarce, and its stock was not enormously increased by fresh discoveries.

No choice is left to any country in respect of its currency except under circumstances of exceptional “finds.” The remedies are distinctly different, and must be followed without in the least demoralising the course of any currency, which can only result in mischievous retrogressions, for the silver currency of the world is a too forcible and luxuriant growth, and is likely in future to be predominant in all countries. There are many millions yet whose civilisation would bring them to the use of silver. One of the truest remedies is to promote the currency of silver in all parts of the globe, without dabbling with the intrinsic or relative value of this or the other metal.

I have gone through the cheering forest of figures and statistics which have been placed as a barrier before all, to genially persuade them into believing

in the disastrous results of the falling rupee—results which, though not all the best as they are, may yet be as much attributed to the inevitable copiousness of the silver currency as to the growing sins of the world which are believed by the orthodox to have reduced or deranged the once regular volume of rain.

I may, perhaps, be a little sanguine in believing that, before we see the end of the century, extensive and lasting reforms will have been carried out in the currency of all enlightened nations. Keeping this future in view, one cannot but the more deplore the present total misconception existing on the real issues of the agitation, which have been confounded with altogether a wrong cause and effect. It is the financial and administrative constitution of the Imperial Government which is now on its trial, and the rupee which has been doing admirable work in enlarging the Indian trade has nothing whatever to do with the real evils—whatever they may be. What a further development of India's resources and a greater and more grateful potentiality of the Imperial Government have to effect cannot be thrust upon silver, which requires to be cheapened still! Whereas India's dire want of many millions of more rupees annually is so well supplied by the West, as well as the East, and which ought not to be endangered by untrue remedies.

The *Times of India* has done such good service in laying before the authorities and the people the many sides of this great currency problem, that I fondly hope your influential journal may further help in dispelling the injurious illusions which may otherwise help to wrongly shape events. It would be grievous and more difficult to mend them afterwards.—Yours &c.,

DINSHAH ARDESHIR.

Baroda, August 27.

\*.\* We have given insertion to the above, with some misgivings as to whether the writer has divested the currency question of the obscurity that surrounds it, and rather as an example of the confidence with which recent efforts towards a remedy for the situation are being deprecated than as being itself a final solution of the problem.—ED., *T. of I.*

The Author could not help deferring fuller explanations as to the obscurity which surrounds the problem and his solution of the currency difficulties to the publication of his work.—D.

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#### HOPE FOR SILVER.

TO THE EDITOR OF THE "TIMES OF INDIA,"

SIR,—I beg you will allow me to express a few words of dissent from the general tenor of the concise and weighty leader published in the *Times of India* of the 29th.

I cannot but regard M. Haupt's view that the future of silver is "utterly hopeless" as being as startling as it is entirely erroneous. Though you have so ably reviewed his work—and with an impartiality and calmness which I wish the leaders of the currency agitation had shown—you could still have pointed out the misleading nature of the more important of his inferences which, I submit, have escaped your notice. And that about silver is the most

important. "Having already depreciated by 37 per cent.," he thinks it no longer "a good and honest money in any country having the double standard." M. Haupt might as well have said worse, since silver is far more depreciated in relation to pearls, or any other gems. What will he say of gold a few years hence, when the nations of the world must all combine and give gold comparatively the least, and silver the largest, room in the international currency of the world? The decline of silver value, as estimated in gold, is not, and any further decline would not be, a "downright alarming" event; but is only a happy and essential development of not merely silver, but gold-using countries. Were gold hypothetically supposed to disappear at once, the potentiality of silver mines would go far to meet the demands of the world's currency. As I have already told your readers, we have only cheerfully to face the natural level of the silver price, - which will certainly not be attained till its production ceases to afford the very least profit and the existing silver stocks put into use. That the mines continue to be worked with enormous profits unmistakably indicate the still growing and healthy demand for silver; and it cannot for a moment be doubted that the annual outputs of the mines prove that commercially, above all, the white metal has far outstripped gold, for the disinterment of the latter has often to be abandoned owing to the increasing expenses of working the mines. The Americans cannot do worse than cease altogether to purchase silver; but I believe they will look to their own demand and supply. Supposing, however, the American purchases cease, the world will soon tell us if it could do without more silver. I predict the price will run up, and the mines will have to be re-opened sharp—meaning, as the world's exchangeable commodities increase with increasing population, so must the silver currency continue to flourish on its own lines. This does not look like M. Haupt's total and emphatic ostracism, of silver, which is little too bigoted a view to adopt.—  
Yours &c.,

DINSHAH ARDESHIR.

Baroda, August 30.

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PART OF THE AUTHOR'S SCHEME FOR A SOLUTION OF THE  
CURRENCY DIFFICULTIES.

TO THE EDITOR OF THE "TIMES OF INDIA,"

SIR,—I am sure the Hon'ble Mr. Mackay unconsciously errs in stating in his representation to Lord Kimberley, that the petition of the Currency Association contains many thousands of signatures of "educated natives." I do not doubt the truth of that bland statement; what is pertinent to the point is, whether one per cent. of these thousands of natives has crossed the mere threshold of the currency problem and intricacies.

While willingly admitting that the question of the exchange-loss of Europeans serving our country, is one which has a distinct and just claim on our sincere sympathies, I am sure the eventual verdict will be that, whatever



may be presumed on behalf of natives in India, in relation to the proposals set forth by the Association, the expression of such presumption would rather be a cypher than any substance acceptable by Government.

It would not, perhaps, be fair to ask you to reproduce the elaborate chapters on my work in the Press bearing upon the phenomena of prices, as relating to silver fluctuations as affected by gold fluctuations (not, as is commonly supposed, fluctuations in silver as measured by gold), nor the other chapters which contain solutions worked out in detail.

I would, therefore, with your permission here aim at directing the attention of the authorities, not to a search after an Utopia, or a mare's nest—as all attempts to dabble with the silver currency in India, and hanker after a gold one, fully seem to be—but to some of those points, an authoritative discussion of which is sure to lead to a satisfactory conclusion. I will unreservedly state some of my conclusions here :—

- (a.) No national grievance exists simply on account of the cheapened value of silver, which India and every country in the world still require in much larger quantities both for currency and other purposes.
- (b.) The real national distress, which is now being developed, relates to the congested gold currency of mono-metallic countries, demanding, in my opinion, a certain amount of demonetisation of gold, and, to that extent, substitution of silver currency.
- (c.) The painful position of Great Britain, and the currency difficulties of the present times, are due to excessive concentration of gold, and an unwarranted and pernicious exclusion of silver by means of the semi-barbaric systems of bi-metallism and mono-metallism of old times, which have most seriously impeded the streams of currency as in relation to the parallel or concurrent volume of commodity-circulation.
- (d.) Among the several theories propounded by economists and other authorities, which we have decidedly to unlearn, one relates to stereotyping the values of currency metals—which will never possibly come to pass—in the only way it would be worth having.
- (e.) If any solution be found indispensably necessary in the present state of things, one is this : an Act should be passed by our mother-country, limiting the legal tender of gold coins, when, say, a certain sum in silver coins is reached, and restoring a national silver coinage—the values of both being carefully re-adjusted on an uniform basis.
- (f.) The proposal may be submitted for an investigation by the expert Committee ordered by Lord Kimberley, as also by the Conference to be held at Brussels ; for, I think, it is high time all nations agreed to demonetise gold to a certain extent carefully calculated, and to introduce a free silver standard, the antiquated idea of stereotyping the ratio value being given up as hopeless and impracticable.

I am sure I will be called upon to explain the grounds for my proposals. We have simply sinned in using up gold to a crucial point, and treating silver

as if it belonged to a sink, while it has proved itself an element of salvation in currency difficulties, and is yet destined to revolutionise the world's various currency systems.

Business and earnings have become difficult, because in the pharmacy of currency you have its richest, unsegregated, crowded essence, without the equally essential soluble elements of liquification, which could easily circulate that congested essence throughout the home and foreign trade systems. I must admit I have not been publicly giving the full solution of the currency complexities, as the publication of my work only can demonstrate the full validity of my proposals. There would be a move among all gold-congested quarters to buy up silver; the old silver coins of Europe will be righted in their value, because when all nations go in for the dualistic currency, as proposed by me, the value of silver must rise, and that of gold so far popularised, that the much-needed wealth will be more equally enjoyed by the world without causing any loss to either gold or silver holders, which is the most significant point scored in my proposals.

The silver mines which have been, or are being, closed are sure to be re-opened, the now redundant (as wrongly imagined) silver will not be a whit more than is required, and every person in the world who can possibly buy gold will hasten to do so. A fresh demand for gold, and, therefore, for silver too, will be created, which no one—much less a Government—can ever think of suppressing.

The greatest of all perplexities are likely to cease under a dualistic system, which if it became the more universal, the better; for the immense advantage of an automatic adjustment of currency metallic values will have been reached instead of finding a proposal acted upon, which might be tantamount to stopping a circulation, because it ran high, when it should be intelligently dealt with and modified.

The dualistic system admits of recognising both metals as essential for currency, though at what point the gold currency should be a legal tender—perhaps the meeting points may equal the figure of difference in the respective values of the precious metals, that figure standing for so many thousands of rupees, when a demand for gold coins, when not otherwise agreed upon, to be held legal—will have to be very carefully considered by all countries, keeping in view the proportions of the two metals needed and available for currency.

I have so solved the problem, that as the two metals will always be essentially required by the world, in ever increasing quantities, that such a volume of currency should be created for each metal as would nearly answer the respective productions, which also roughly, or indirectly, indicate the demand for them.

By giving an elastic, or a larger, or freer variation to the value of gold currency—the opposite of the present congestive point—and by raising, and not debasing, the value of silver by free and natural means, the shock all round in consequence of any currency change will be immensely moderated, which cannot possibly be by any other means.

The much larger use of silver will equally assist in a larger circulation of

gold, by cheapening it in a manner which would scarcely be injurious to gold-holders on account of the silver currency naturally raised, and as naturally taking place of the portion of the gold currency displaced; whereas the position of the latter, as a whole, will lie in such recess as would befit its rarer value without in any way detracting from its value.

My suggestions in reference to the use and prospects of silver having already received a favorable consideration, I have no hesitation in affirming that a unification of the silver standard for India and England will remove the present troublesome element of fluctuation.

I would anticipate a peaceful movement tending towards the sale of a very large portion of gold in London in favor of silver, where it can be most cheaply bought, and towards that circulation of capital in India which is so sorely needed.

If the world once ignorantly resorted to legislation—one good effect of which was, despite the legislation, a most beneficial spread of silver in the East—it would surely be but fair and just that artificial and mischievous disabilities be removed, by which silver may be restored, and gold may occupy its own dignified position on account of its much greater rareness.

Though I cannot here go into any more grounds and reasons for my proposal, I may be allowed to conclude, that it is neither a fixed ratio value, nor the system of bi-metallism nor mono-metallism, nor a nominal or real gold standard for India, which the currency difficulties of the world need, but a natural system of a currency in dualism, *minus* the absurd ratio tie, in which even the strength and extent of the respective currencies would fall within our practical and progressive knowledge in harmony with a natural trade development.

Having examined much of the conflicting facts and statistics, I feel almost sure that the effect of holding a monopoly in gold circulation, but little aided by a popular or diffusive currency, has worked towards a narrow monopoly of trades and professions, shutting out the more essential productions and a cheap and increasing employment of labor. The evils of what I have taken the liberty of calling, the present gold-congestion must in time be extended to all gold-countries, though close to each other in a concurrent currency.

Should this letter convince you, Mr. Editor, that I have, in some measure, solved the problem as I have humbly undertaken to do, I trust you may now give a more practical turn to the present controversy and rivet the attention of the authorities to those features and points of the problem which promise so satisfactory a solution.—Yours &c.,

Baroda, 6th October 1892.

DISSHAH ARDESHIR.

[From the "Times of India," September 15, 1892.]

The Chamber of Commerce yesterday afternoon, after a discussion which we report at length elsewhere, carried a resolution in which the serious results of the frequent fluctuations in the sterling value of the rupee were acknowledged, and Government were asked to submit the subject to the judgment of a commission of experts. The decision was arrived at after the Chamber had rejected by a majority of twenty-six to eighteen an amendment moved by the Committee, in which all expressions implying that the state of the currency

constituted an evil were avoided, though the amendment, like the original resolution, proposed the reference of the question by Government to the consideration of a commission of experts. It is an eminently satisfactory decision, and it will be helpful to Government in no unimportant degree. Whether the resolution or the amendment had been adopted, the vote of the Chamber would have been an important declaration of the need for inquiry into the state of the currency, and would have marked a distinct development of opinion in the right direction. But unquestionably the resolution as it was adopted yesterday was a more significant pronouncement than the amendment would have been, and we believe, now that the discussion and the division are over, that the Chamber as a whole will be quite content to let the resolution stand for an expression of its collective opinion on the question. On second thought the supporters of the amendment must feel that there is nothing in the resolution which as cautious men of business they are not prepared to endorse. The Hon. Mr. Beaufort, for example, must recognise that many of the objections which he raised yesterday, in an exceedingly able speech, had no relevance to the issue raised by Mr. Miller's resolution. He gave an answer to Mr. O'Connor's well-known arguments against the theory that low exchange benefits the external trade of India—an answer which claims respectful consideration. But that matter was not touched upon in the resolution, which dealt, not with low exchange, but with fluctuations in exchange. So with bi-metallism, with the gold standard, and with the closing of the mints. Upon all these points Mr. Beaufort brought into play a whole battery of arguments, which, well as they were put together, were not relevant. Not a word was said either by Mr. Miller, or by Colonel Bisset, who seconded the resolution, upon bi-metallism, or a gold standard, or the closing of the mints. Upon all these questions a complete openness of mind was observed—except amongst those who, in deprecating the expression of dogmatic opinion upon currency questions, have dogmatically pronounced against no fewer than three proposals in connection therewith. However, now that the resolution has been entered upon the records of the Chamber, we are confident that those who could not see their way to vote for it yesterday will accept it as a rallying point around which all parties in the Chamber may meet. Mr. Miller, discussing the matter from a commercial point of view, has shown very plainly where the shoe pinches the man of business. Colonel Bisset, who dealt with the question only as it came practically before him as an expert concerned in the management and extension of railways, shows how grievously the uncertainties in exchange affect railway development, an object to which the Bombay Chamber of Commerce has always directed its most strenuous endeavours. His speech derived its weight chiefly from its strict relevance to matters which came within his official experience, and in effect it constitutes a valuable contribution to that very judgment of experts to which both sides in the Chamber are anxious to appeal. However, the Chamber has at length spoken its mind in clear and decisive tones, and yesterday's vote will materially help the Government of India in their endeavour to arouse the Home Government to appreciate the seriousness of the situation.

## APPENDIX B.

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A TELESCOPIC TABLE PRESENTING IN ONE FORM THE NATURE AND  
QUANTITY OF VARIOUS INDIAN EXPORT AND IMPORT COMMODI-  
TIES AS STANDING IN RELATION TO THE FLUCTUATIONS IN  
THE VALUE OF SILVER OR GOLD AS MEASURED IN SIL-  
VER FOR THE PERIOD DATING 1870-71 TO 1891-92.

870-71 to 1891-92.

INDIAN EXPORT AND IMPORT OF TREASURE.					Silver Fluctuations as affected by Gold Fluctuations.	
Copper.	Silver.		Gold.		Year.	Rate or Price.
Imported.	Export.	Import.	Export.	Import.		
.....	1,72,00,000	2,66,20,000	50,10,000	2,78,30,000	1870-71	60½ p. o. = 22-49
.....	1,46,80,000	8,00,00,000	80,000	3,57,30,000	1871-72	23-12
.....	1,21,90,000	1,93,40,000	7,90,000	2,62,20,000	1872-73	22-75
.....	1,64,80,000	4,14,40,000	26,60,000	1,64,80,000	1873-74	22-35
.....	1,41,00,000	6,05,20,000	21,50,000	2,08,90,000	1874-75	22-15
.....	1,90,90,000	3,46,40,000	29,10,000	1,83,60,000	1875-76	21-62
.....	2,79,30,000	9,99,20,000	1,23,70,000	1,44,40,000	1876-77	20-50
.....	1,10,00,000	15,77,60,000	1,11,10,000	1,57,90,000	1877-78	20-79
.....	1,62,30,000	5,59,40,000	2,35,90,000	1,46,30,000	1878-79	19-79
.....	1,73,50,000	9,60,50,000	30,00,000	2,05,00,000	1879-80	19-96
1,62,00,170 (cwt. 381,683)	1,42,35,820	5,31,61,560	1,68,590	3,67,20,580	1880-81	19-95
1,46,74,620	1,08,73,390	6,46,63,890	1,24,080	4,85,63,920	1881-82	19-89
1,93,83,760	87,77,950	8,35,80,220	16,42,640	5,09,51,350	1882-83	19-52
2,20,78,410	1,00,33,550	7,40,85,060	69,520	5,46,94,570	1883-84	19-53
2,07,00,180	1,86,43,940	9,11,00,250	10,62,360	4,77,81,720	1884-85	19-31
2,09,38,400	77,96,320	1,23,86,260	32,86,060	3,09,15,410	1885-86	18-25
1,99,40,090	1,06,40,230	8,21,97,610	65,64,930	2,83,35,580	1886-87	17-44
2,00,19,280	1,36,10,520	10,58,98,030	24,35,720	3,23,60,530	1887-88	16-89
56,33,130	1,47,91,930	10,72,58,720	30,51,540	3,11,90,880	1888-89	16-89
2,22,23,540	1,45,05,080	12,38,84,740	45,57,240	5,07,10,270	1889-90	16-56
.....	.....	.....	.....	5,63,61,717	1890-91	18-089
.....	.....	.....	.....	2,41,37,992	1891-92	38½ d. p. o. = 1s. 2½ d.



370-71 to 1891-92.

[Compiled by the author from Official and other sources.]

INDIAN EXPORT AND		
Copper.	Silver.	
Imported.	Export.	l
.....	1,72,00,000	2,6
.....	1,46,80,000	8,0
.....	1,21,90,000	1,9
.....	1,64,80,000	4,1
.....	1,41,00,000	6,0
.....	1,90,90,000	3,4
.....	2,79,30,000	9,5
.....	1,10,00,000	15,0
.....	1,62,30,000	5,1
.....	1,73,50,000	9,1
1,62,00,170 (cwt. 381,683)	1,42,35,820	5,1
1,46,74,620	1,08,73,390	6,1
1,93,83,760	87,77,950	8,1
2,20,78,410	1,00,33,550	7,1
2,07,00,180	1,86,43,940	9,1
2,09,38,400	77,96,320	1,1
1,99,40,090	1,06,40,230	8,1
2,00,19,280	1,36,10,520	10,1
56,33,130	1,47,91,930	10,1
2,22,23,540	1,45,05,080	12,1
.....	.....	
.....	.....	

Silver Fluctuations as affected by Gold Fluctuations.		General Export Merchandise.	
Years.	Rate or Price.	Total Shipping Tonnage.	Value in Rupees.
1870-71 ...	60½ p.o. = 22-49	.....	55,33,60,000
1871-72 ...	23-12	464,198*	63,20,90,000
1872-73 ...	22-75	626,824*	55,25,10,000
1873-74 ...	22-35	816,527*	54,99,60,000
1874-75 ...	22-15	1,133,968*	55,35,90,000
1875-76 ...	21-62	1,440,270*	58,09,10,000
1876-77 ...	20-50	1,518,690*	61,01,40,000
1877-78 ...	20-79	1,617,839*	65,22,20,000
1878-79 ...	19-79	1,426,957*	60,93,70,000
1879-80 ...	19-96	1,609,769*	67,21,20,000
1880-81 ...	19-95	6,469,036	74,58,10,000
1881-82 ...	19-89	7,368,886	81,96,80,000
1882-83 ...	19-52	7,071,884	83,48,50,000
1883-84 ...	19-53	7,250,603	88,17,60,000
1884-85 ...	19-31	6,649,770	83,25,50,000
1885-86 ...	18-25	7,294,589	83,88,10,000
1886-87 ...	17-44	7,172,193	88,47,00,000
1887-88 ...	16-89	7,189,465	90,54,40,000
1888-89 ...	16-89	6,983,332	96,97,81,710
1889-90 ...	16-56	7,315,586	103,39,68,620
1890-91 ...	18-089	7,684,954	.....
1891-92 ..	38½ d.p.o. = 1s. 2½ d.	.....	107,85,10,000

Exp. & Y. per to  
18:  
18:  
18:  
18:

\* Entered and cleared via the Sues Canal, which was opened 17th November 1869.



## **APPENDIX C.**

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**APPROXIMATE STATEMENT OF PRICES OF THE NECESSARIES AND  
OTHER ESSENTIALS OF LIFE AS WERE PREVALENT FIFTY  
YEARS AGO CONTRASTED WITH THE PRICES NOW  
PREVAILING AT BARODA.**

Approximate statement of prices of the necessaries and other essentials of life as were prevalent fifty years ago contrasted with the prices now prevailing at Baroda.

	WHEAT.										
	Wajia.	Katha.	Jambusaria.	Malwi.	Rice.	Bajry.	Jowar.	Gram.	Karad.	Bawta.	Kodra.
Price in 1842.....	60	50	50	26	40	80	80	60	50	120	120
Price in 1892.....	20	18	18	16	20	27	28	20	25	40	40

	PULSE AND BEANS.														No.
	Tuar.	Mung.	Math.	Urad.	Watana.	Wal.	Salt.	Tobacco.	Granja.	Bhang.	Gudakhu.	Opium.	Betel Leaves.		
Price in 1842.....	60	60	80	40	50	80	120	40	7	20	20	1/2	512		
Price in 1892.....	24	32	40	20	23	26	20	10	1	4	4	1/2	768		

	MILK AND SUGAR CONFECTIONERY ORDINARILY CONSUMED.														
	Burfy.	Pandas.	Jeelaby.	Patasa.	Mawa.	Shakaria Chana.	Potatoes.	Dudhi.	Bhindee.	Yam.	Sweet Potatoes.	Giloda.	Carala.	Bhajy.	Turia.
Price in 1842.....	7	7	7	6	7	7	24	160	80	48	48	96	64	128	128
Price in 1892.....	5	5	5	5	5	6	16	32	16	32	80	16	48	64	64

	GREEN VEGETABLES.																		
	Green Chillies.	Dry Chillies.	Onions.	Garlic.	Green Ginger.	Turmeric.	Tamarind.	Mangoes.	Plantain used in Ghee in public feasts.	Pompion.	Gawar.	Kantola.	Carrot.	Brinjil.	Lemon.	Coriander.	Geelaka.	Radish.	Mogari.
Price in 1842.....	80	64	96	16	32	80	128	64	64	96	80	32	160	80	80	96	64	128	64
Price in 1892.....	12	5	32	16	8	32	16	16	16	48	48	16	64	20	16	32	32	64	32

	Ghee.	Sweet Oil.	Castor Oil.	SUGAR.			MOLASSES.		BETEL NUT.			Cocoanut.	Almond.	Raisins.	Charoly (Chirongia Sapida).	Dry Date.	Asaretda.	Black Pepper.
				Milk.	Mauritius.	Bengali.	Dabota.	Chaki.	Matala.	Mangaroli.	Bengali.							
Price in 1842.....	6	10	13	50	7	5 1/2	6	10	11	5	6	2 1/2	16	4	5	5	12	5
Price in 1892.....	1 1/2	4 1/2	5	26	5	4 1/2	5 1/2	8	8 1/2	6	6 1/2	3 1/2	16	5	4	5	10	3 1/2

	Cardamum.	Clove.	Saffron.	Dry Turmeric.	Methi (Fenugreek Seed).	Cumin-Seed.	Rajagira.	Dry Ginger.	Madarpathy.	Khadi.	Jagannathy.	CLOTH GENERALLY WORN.			Cow.	Buffalo.	Male Servant.	Female servant.	Cook.	Tailor.
												Dhotarjoda.	Wadodaria Turban.	Pyathani Turban.						
Price in 1842.....	5	5	10	10	6	20	4	5	8	7	2	2 to 10	25 to 40	15	25	1	1	2	6	
Price in 1892.....	3 1/2	3 1/2	4 1/2	5 1/2	13	4	16	2	8	4	1 1/2	3 to 7	15 to 25	30	80	3	1 1/2	4	10	

	Bricklayer.	Carpenter.	Blacksmith.	Labourer.	Rent for a house.		BUILDING MATERIAL.									
					Per Diem.	Per Annum	Teakwood.	Haladarwa.	Sadad.	Ambo.	Bamboo.					
Price in 1842.....	5	5	6	2	6	120	1	8	0	12	0	12	0	12	3	0
Price in 1892.....	10	12	12	4	20	250	3	0	1	8	1	8	1	8	6	0

	Rafter.	Poles.	Bricks.	Tiles.	Mortar.	Sand.	Copper.	Brass.	Bronze.	Pewter.	Lead.	Tin.	Silver.	Gold.
Price in 1842.....	8	1	8	2	8	1	4	10	1	8	1 1/2	1 1/2	1 1/2	20
Price in 1892.....	8	3	8	5	0	3	0	18	3	0	1 1/2	1 1/2	1 1/2	31



## APPENDIX D.

### EXTRACTS FROM OFFICIAL AND DEMI-OFFICIAL CORRESPONDENCE IN REFERENCE TO THE AUTHOR'S INTERNATIONAL SCHEME OF CURRENCY.

BOMBAY, 3rd September, 1892.

DEAR Sir,—I have to send you my thanks for favouring me with your valuable pamphlet on bi-metallism which I had not seen before.

What I meant by the natural level was that complete distribution of silver currency which has not yet been attained and which no nation ought to restrain.

I have gone through your treatise with pleasure, but regret to say have to depart widely from the style of advocacy you have adopted. I concur, however, in some of your views. How would you expect the rupee of a fabricated price to stand in the face of so aggravating a competition of the world as of the modern times? If the Government were so unwise as to fix any ratio in its present state of finances, it will, I am sure, ruin every interest. My sympathies are entirely with European workers in India; and my work will fully demonstrate the real remedies that may be adopted. The Currency agitation has gone to the wrong end of the pole altogether; and I fear it may do mischief if it ever succeeded in getting the Government to adopt the proposal put forward.

Yours truly,  
DINSHAH ARDESHIR.

WESTERN INDIA,  
BARODA, 18th November, 1892.

DEAR SIR,—I would respectfully venture to submit the proofs of a part of my work on the Currency Question as its completion will take a little more time yet.

The natives of India, I am sorry to say, have not been able to put their case before the Government of India. Had they done so, I am sure a statesman of such distinguished capacity and reputation as Lord Lansdowne would have paid adequate attention to their representations. Though I have dealt with numerous Indian questions for 30 years past, the present one is in some measure new to me, but I have conscientiously labored to arrive at unbiassed conclusions.

Being aware of your well-known desire to do justice to India, I have been encouraged to submit the papers on behalf of my countrymen, presuming that my contribution may prove of some little help to the Government of India and the India Office.

As most important interests of India and England are at stake and the various features of the currency problem are very complicated and perplexing, I may respectfully venture to hope that no action may be taken by the Indian Government till the Report of the London Committee is published in India and the full views of the country have been permitted to be formed and duly expressed.

I would beg to observe that the country at large is at present lamentably ignorant of the character of the various proposals placed before the Governments of India and England.

The present system of currency having been tried for centuries past, and as no calamity is at hand, it would, in my humble judgment, be a wise precaution to refrain from any radical action till the merits of the proposed changes have been thoroughly understood by all, and the need of adopting steps which would equally well apply to all nations is thoroughly comprehended by all concerned.

In my present work I have gradually developed what, I humbly think, would prove an efficacious and permanent reform of our currency without causing any widespread or mischievous derangement affecting the individual or general prosperity and peace of both countries. I have, moreover, applied my scheme to all civilised countries and already hope to have shown that it is one which, without injuring a single interest, would effectually suit the crying want of every nation. I have yet to formulate it briefly and in a more thorough compass than I am just now able to present, the concluding chapters being now in hand.

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WESTERN INDIA,

BARODA, 2nd December 1892.

DEAR SIR,—Pray excuse my intruding upon your invaluable time ; but the universal importance of the currency problem must be my humble excuse. I feel pleasure and honor in submitting herewith a part of my work on the question. The book will, I hope, speak for itself ; all that I have respectfully to draw attention to is that no palliative measure need be thought of when, according to my scheme, the unfettered utilisation of silver and gold can, in a much larger measure, meet the want of the world's commodities. All over-valued coins can and must be redeemed by a similar value paper tokens to be issued in their place, and the over-valued coins, which would be kept in reserve against the paper issue, can be gradually melted and reformed on the basis of the modern and truer inherent value international coins which I have humbly proposed. The inherent value of silver and gold coins—I am humbly of opinion—should not be touched by any nation, nor the course of exchange should ever be meddled with by any Government as being only one of the numerous more or less unknown factors of trade and commerce which no legislation can touch. Each nation should be left perfectly free to take in as much silver or gold at their own intrinsic, and no artificial, value, as it may need ; and, excepting the unavoidable charges and alloy, all coins should represent their natural value for all times to come. The metal to be employed should only be that wanted by each

country, the artificial principle being in all instances avoided by all Governments. The struggle of the precious metals is to evolve their own true value in all forms from time to time; and no legislation can for the present be permitted to vitiate their progress or course in any direction whatever, to prevent all unnecessary monetary and commercial disabilities and calamities. An unfettered coinage of both silver and gold in all parts of the globe must bring the much-desired natural rest; and European countries would thus stave off abnormal trade distresses in being benefited by cheaper and more abundant import and export trade induced by the natural dualistic currency scheme as proposed by me; and the plentiful use of silver of natural value and conversion of a part of gold coins, treating both precious metals as equivalents, free of the unnatural hostility so widely proposed in various forms, can alone remove popular distress. I have also made a rough proposal that silver coins everywhere based on intrinsic value should be a legal tender for some such amount as £3,000, the principle of discount or premium always supplying a natural guide to transactions of all places. I have only a few moments for this letter; my work explains the details of the problem.

(From the "Indian Spectator," December 25th, 1892).

MR. DINSHAH ARDESHIR OF BARODA ON THE CURRENCY QUESTION.

[This is the full text of Mr. Dinshaw's letter to the Financial Secretary, to a discussion of which we may return another time.]

BARODA, 1st December, 1892.

J. F. FINLAY, Esq.,

Financial Secretary to the Government of India,

CALCUTTA.

SIR,—I have the honour to submit herewith a portion of my work on the "Science of Gold and Silver Currency," in a printed form, which I hope soon to conclude. I beg to forward it with a hope that it may be placed before the Government of India as embodying views and proposals coming from a native of India on behalf of the general interests of the country.

I will not here recapitulate the grounds which I have advanced in the work itself against any measure which would tend to curtail silver currency, or so raise the value of the rupee that by attempting—what would virtually be the case—to obtain a higher gold value for Indian exports, or to have the imports set down for a less silver value; or to render production and wages dearer in India than now, the foreign as well as the domestic trade will suffer in about the same proportion that the flow into India of its usual metallic wealth would be curtailed.

The object of this letter is to point out, with every respect and deference, the feasibility of so reforming the local and international currency laws that all countries may be placed in a position to accept them with certain advantages to each and all of them.

The real meaning of the present currency troubles lies in the fact of the great supplying countries to Great Britain and other like countries not being capable of producing a larger amount of commodity in a cheaper form.

This would imply that the currency of the supplying countries is deficient and that the much-needed amplitude of currency indicates scarcity of silver in India and other Eastern countries especially. The distress in Great Britain is particularly due to the want of abundant quantities of consumable articles either of home or of foreign production. This abundance for the present can only be obtained by larger quantities of silver flowing to the supplying countries.

This larger flow may be secured by facilitating an unlimited introduction of silver in both the exporting and importing countries. If, however, silver currency is sought to be universalised by fixing its own value and its value in relation to gold and other commodities, the remedy, I am humbly of opinion, will prove worse than the disease. It is only when both gold and silver coins are based on their intrinsic value that a passage of them to all countries will be duly regulated and enhanced; for, as the value-measures of commodities in all parts of the world are ultimately gauged by gold through the medium of silver, an equitable distribution of convenience and wealth would be sadly interfered with if either the inherent value, or the volume of any of the metallic wealth, is sought to be artificially intercepted, in which case the production and exchange of commodities must suffer in every country which thus arrests the full integrity and a facile operation of its currency.

In the first place, then, no statesman can be in a position to estimate any real evils which may safely be eliminated from the currency laws unless both the precious metals are freely adopted for currency purposes as the wants of a country may require the one, or the other, or both, and every standard is based on the inherent value of the two metals, whatever that might be, from time to time. Mr. Rothschild's proposal is entirely inadequate and archaic since it proposes artificial limits, both in quantity and price, in the annual purchase of silver for a certain period, and fixes a very small sum as legal tender for silver; whereas the scheme proposed by me leaves all choice unfettered and strikes at the root of all impracticable monopoly by the different contracting nations. This is the only way of steadying the respective values of the coins and of so unifying them throughout all civilised countries that exchange fluctuations would be rendered almost *nil*, or at least better controllable than at present. It is desirable that each country should be left to its own capacity to absorb the precious metals for currency as for other purposes, instead of subjecting it to any cast-iron rule which cannot but prove disastrous in the present times when production and distribution of commodities, in a certain sense, have become uncertain, undefinable, and unlimited.

In these circumstances, pointing to the operation of natural and plain economic laws, I would respectfully propose that all contracting countries should have (1) coins based on intrinsic value only, plus all necessary local charges; (2) all over-valued coins should be called in by each State and notes issued in their place according to their nominal value,—the coins, when not surrendered, to be marketable for their intrinsic value only; (3) all nominal coins to be gradually melted and reminted on modern basis to be held as reserve against the new notes issued; (4) all such notes should be cashable at the rate of the old standard coins; (5) about half of gold reserves should be cashed

for their equivalent value in silver for conversion into modern silver coins of a uniform wholesale as well as decimal value throughout the world; (6) silver coins to be held an unlimited legal tender and, in certain instances, not less than £3,000 in all large transactions. The most formidable difficulty which keeps back the most influential nation from the much-desired changes in their currency laws will thus be obviated by a preservation of the intrinsic gold value of both standards and a gradual amelioration of the present more or less debased coins of civilised countries; whereas all nominal values, as having appeared in practice, will have been kept in tact.

The natural method of maintaining the value and volume of currency is the best, and that alone would simplify the consideration of all evils. Unless this elementary step is unanimously adopted by all countries which need an international agreement, wages and prices cannot be economically adjusted, nor could silver capital be created for countries badly wanting it as India. The more exporting countries are able to produce, the greater will be the employment of labour, etc., in both exporting and importing countries. When a good deal of uniform silver currency is let loose in Great Britain, gold-holders will be induced to cash a greater portion of their gold for silver, because in this case they would not be trading under a mask with nominal silver coins, but would be dealing with a fair and equivalent value in silver as in everything else. The relatively and inherently well-balanced silver currency must tend to mitigate the present excessive burden on gold currency; for, even if a speculation were to set in for a gold monopoly, it will be free of the present distressful features owing to the protection which will have been automatically afforded in consequence of the premium which will always be in operation as based on the natural laws of demand and supply whenever an unusual demand on gold coins prevailed. All inordinate rise in the value of gold can only be equitably counter-checked by an unfettered and non-artificial operation of both currencies, when the level of natural values would be accessible. It is only then that the human mind can fairly perceive the character of real evils when also a feasible alleviation will present itself.

A copious silver currency facilitating domestic as well as foreign transactions thus must come into existence, giving rise to a healthy competition with cheaper countries. It is idle to blame silver countries for successfully competing with gold countries, for the rivalry is perfectly wholesome and natural to any country possessing the ability of displaying it. For the present the profits of gold countries consist in expending a decreasing quantity of gold, but obtaining an increasing quantity of commodity; while the profits of silver countries are derived from receiving increasing quantities of silver, but parting with an increased quantity of commodity. As the one gives less for what it receives in increasing quantities, the other naturally gets more for what it gives away also in increasing quantities, so that, in the end, a larger value in cheaper silver is received by India for the greater amount of gold value it has to pay at a higher rate for such transactions as suit each country. Gold has therefore unduly accumulated in the former country, which, in its own interest, should now cash it for silver in as large a quantity as possible in proportion to the extent that it has been



denuded of silver. The silver, under the scheme which I have respectfully ventured through you to bring to the notice of the Government of India, must be brought in large abundance in Great Britain, for silver coins of uniform value must continuously attract their like and greatly simplify and augment all international transactions. Even Indian charges in England may be paid in silver, which must consequently be minted as a considerable addition to the home currency, whereas traders in both countries will always know the value of the new coins dealt with. The one principal reason why large quantities of silver coins are not utilised in many gold-using countries is, because their nominal value is much higher than their intrinsic. This may be cured by their full conversion into paper currency as a part of the scheme here humbly proposed. The silver would then circulate in any required amount with as much currency-importance as gold. In fact, the pernicious exclusiveness hitherto enjoyed by gold, with but little or no increasing benefit to any large interests would, in a very high degree, disappear by means of the innocuous method proposed. To force nations to buy defined quantities of silver at defined rates, and again for a defined period, would only create fresh complications in trade as well as currency, making matters worse than now. The working of the silver mines now needs a very great stimulus—and certainly no contracting regulation whatever as so widely conceived and recommended. It would be suicidal to restrict their operations or the sale of silver in any form, while the want of silver for all purposes must enormously increase year after year. In a similar manner the price of gold cannot be restricted on any artificial basis; for helping both metals to an automatic self-adjustment is the only true remedy to secure undoubted results, which is the first thing essential to obtain before the currency of a single country can be interfered with without courting a disastrous end. The impending fate of Mr. Rothschild's proposal, which may only court a transient popularity, is very likely to confirm me in my conclusions herewith respectfully submitted: that the creation of silver monopoly, in the course of extending the currency, must tend to give either a very unhealthy and iniquitous fall or rise to price in silver; that letting an unrestricted working of silver mines and of an unrestricted sale of silver—as of gold—for currency, etc., purposes, can alone stimulate the working of all mines of precious metals; that all legislative measures should only aid a perfect operation of the natural principle of demand and supply, which alone can bring the world to some reliable level of prices for precious metals and fully meet, as far as may be possible, the rapidly-growing want of perpetually increasing commodities of the world; that in the present transitional state of currency and of local and international commerce no preconcerted action of forcible intervention can ever permanently fix rates of exchange, and therefore of the inherent values of the metal-wealth or of the wealth-standard; that all artificial endeavours like those of Mr. Rothschild must fail to prevent the unrestrainable accessions to the world's solid—and no paper—wealth, and the equally unrestrainable distribution of that wealth; that all international negotiations on currency questions fail owing to an almost fanatic adherence to the old-world principle of mono-metallism

or bi-metallism, which is divested of all its gravity and reliability under the modern exigencies of an ever-expanding commercial, industrial and æsthetic demands; that, whatever be the efforts of an individual nation, or of nations in the aggregate, to arrive at any fancied and exaggerated stability in currency, such efforts must absolutely fail in bringing any relief; that they can only intensify public evils and obscure our vision—as mono-metallism and bi-metallism have all along done—in discerning the actual goal of currency reforms; and that, in short, the onward march of natural laws cannot be wisely interfered with by any single or combined nations till the last current of wealth has unfetteredly, as it were, reached every country—large or small—when the actual position of that element will for the first time be revealed for any definite action that may then be rendered imperative. While no one can deny that the volume of the world's currency is infinitely smaller than the growing volume of its wants and commodities, as long as we have only the element of wealth to deal with, the combined efforts of each and every nation should be to stimulate its production almost indefinitely—no matter if silver may be had more than gold, or gold more than silver. Whatever the natural fluctuations in the value of each, to render the production and consumption of each increasingly great should be the motto of all nations, for it is only the ever-increasing production of each metal which can mainly help the ever-increasing production of the other; and as each metal is practically an equally well-coveted symbol of wealth, any over-production of the one must necessarily go towards mitigating the sparsity of the other. And this is a natural method to augment the world's wealth; and what increases that wealth also strengthens the potency of the world's currency. How such an increased potency is to be brought about for ourselves and the whole world is the main point on which an effective solution is needed. However contrary to all the widely-accepted dogmas of monetary and economic authorities, I have humbly thought it my bounden duty, in the interests of all countries, to offer that solution as yet undiscussed and undecided upon. Our past teachings in political economy and the science of numismatics, though acceptable in some measure, have failed to put us right; and it is the deficiency of those teachings which we have actually to mend at the same time that a practical relief is afforded to the daily business of the world.

I shall be very happy to be favoured with your criticisms if you think that my proposals should be considered and disposed of. In that case I shall be happy indeed to accept any conclusions which may be found sounder than mine, or to meet facts and arguments which I may not have already noticed in my annexed work.

Meanwhile I beg the favour of your being so good as to place this communication before Sir David Barbour and His Excellency Lord Lansdowne, our illustrious Viceroy, who have evinced the noblest interest in the monetary cause of India.

I have the honour to be,

Sir,

Your most obedient Servant,

DINSHAH ARDESHIR.

## MR. BALFOUR ON BI-METALLISM.

(From "*The Times*," Friday, October 23th, 1892.)

The passionate eagerness with which a large proportion of the people of Lancashire, including both employers and employed, have thrown themselves into the agitation for bi-metallism is a somewhat disquieting symptom of the uneasiness produced by the present condition of trade. The meeting last night in the Manchester Town-hall, at which Mr. Balfour spoke in support of the principal resolution, is the expression of a feeling that was very decidedly shown during the general election, and Mr. Jacob Bright's letter indicates that Radicals as well as Conservatives are ready to act as the spokesmen of a popular demand. We have the highest respect for the intelligence of Lancashire, where the existence of co-operative undertakings on an extended scale has given the artisans an insight they do not possess in the same degree elsewhere into the interior working of business. At the same time there is a great deal of human nature in Lancashire. Employers and employed have been assured, and have come to believe, not only that their trade with silver-using countries has been crippled by the maintenance of the single gold standard, but that the unrestricted and co-equal coinage of the two precious metals would initiate a period of exuberant prosperity. This simple faith, which does not concern itself with refined chains of reasoning or with ulterior consequences, has strengthened the hands of the speculative bi-metallists, among whom Mr. Balfour is by far the most eminent as a public man. We regret that Mr. Balfour is committed to a cause which we believe to be an unsound and self-defeating one, but we gladly acknowledge that in his case there is no room for the imputation that he has come out as the champion of an economical heresy, merely because it is popular with his constituents. He had been long theoretically convinced, as he says, of the advantages of bi-metallism; he had taken that side before he became prominent in public life; he was a representative of the bi-metallic party on the Currency Commission, and signed the report of the six Commissioners who recommended the establishment of an international double-standard system. Mr. Balfour is careful to point out that, in reiterating his old views at the present crisis, he is speaking only as a private person, and in no sense on behalf of his party, of which a large and influential section are strongly and firmly opposed to the policy he advocates.

Nevertheless, it must be admitted that it is a serious matter when a public man of Mr. Balfour's authority commits himself to an agitation for a radical change in the currency system of the country. It is true he speaks with caution and moderation. He leaves many of his arguments in a state of judicious vagueness, on the ground that a question of this kind cannot be reasoned out in a crowded public meeting. He disavows some of the more extravagant and mischievous appeals of the bi-metallists to popular ignorance and cupidity. He does not lay much stress on those advantages of "cheap money" which have sometimes been brought before the masses both in Europe and in America, though in one passage he protests rather invidiously that the existing system is of no benefit to anybody except the owners of fixed debts in gold. He declares that he does not look to bi-metallism as calculated to produce the results

of inflation. On these points Mr. Balfour's attitude is strikingly different from that of Mr. Jacob Bright, who, in the genuine demagogic spirit, tries to make out that the question is one between "the few" and "the many," and expresses an opinion that "in times past, when, from one cause or another, the "currency has been somewhat expanded, every class in the community has "derived advantage from it." But, however moderately Mr. Balfour puts his case, he is undertaking a heavy responsibility when he throws his influence on the side of a change of which he has not even attempted to prove, though he most confidently affirms, the practicability. Of the two questions which Mr. Balfour propounds, whether an international bi-metallic system is practicable, and whether, if practicable, it is desirable, the former only appears to be deserving of serious discussion. Everybody must admit that some, at all events, of the commercial difficulties and the financial complications from which this and other countries are suffering arise out of, or are aggravated by, the appreciation of gold, the depreciation of silver, and the uncertainty of the relations between the two precious metals. We believe there are errors and exaggerations in this view as it is commonly held; but, setting that aside, we acknowledge that if there were a reasonable prospect of placing the relations between gold and silver on a permanent basis, so that the appreciation of the one and the depreciation of the other should become impossible, it might be worth while even to face the risk of unsettling our existing monetary arrangements on which both our system of credit and our financial character in regard to other nations are built up. But, as mono-metallists contend, there is not the least probability that any change of this nature can be permanent, while there is a certainty that, if it fails in its object, there will be a calamitous reaction and a disturbance of commerce and finance on a gigantic scale. The avowed aim of the bi-metallists would not, in fact, be attained; though the unavowed aim of many of the baser sort among them would be realized for the time. Mr. Balfour maintains, indeed, in contradiction to the orthodox school of political economists, that the thing can be done, that the ratio between the two metals can be permanently fixed by international agreement, and that bi-metallists are not to be frightened by "musty dogmas" or antiquated authorities. But he does not come to close quarters with his opponents. He says the "stream of tendency" is with the advocates of the bi-metallic system. He argues that modern political economy is an advancing and developing science, by which we take him to mean—for he is not altogether so clear and copious on this matter as could be desired—that the faith of nations in the power of Governments to do anything and everything—a doctrine against which the revolt was led by Adam Smith—is again a growing one.

It is dangerous to rely upon this "stream of tendency" as proving that to be safe and practicable which the soundest economists and the most practical men of business have agreed in condemning. Nobody has denied that for a short time an international agreement, rigidly enforced and loyally maintained by all the Governments joining in it, would produce an apparent equilibrium, though it will be observed that Mr. Balfour is careful not to commit himself

positively to any fixed ratio. Yet it is obvious that the ratio is a point of vital importance. If the actual ratio—about 1 to 25—were to be adopted, nine-tenths of the grievances, imaginary and real, of Lancashire and India would be untouched. Mr. Samuel Montagu was the only member of the Royal Commission who proposed a ratio of 1 to 20 as a *via media*, which, like most compromises, was satisfactory to very few. The old ratio of 1 to 15½, which is now ridiculously out of harmony with market prices, would almost certainly be insisted upon by France, and perhaps by other Powers. But whatever ratio were fixed, how would it be possible to avoid the operation of "Gresham's Law," under which the less valuable money drives out the more valuable, in face of the fact that, as Sir John Lubbock showed at the London Chamber of Commerce on Wednesday, the total annual production of silver has risen within 30 years from 8 millions to over 20 millions, while the total annual production of gold has fallen from 27 millions to 21 millions? Mr. Balfour's answer is that Governments can regulate the demand and supply, but he appears to ignore the material fact that both gold and silver are largely used for other purposes besides those of the currency. Sir John Lubbock has stated that, taking the total annual production of gold and silver together at about 42 millions, not less than 20 millions, or nearly one-half, is estimated to be used in the arts. Governments may temporarily regulate the currency values of gold and silver, but, as used in the arts, they will continue to have real market values, and it is impossible to understand how these values could fail to affect the position of the coined metals. Again, Mr. Balfour appears to assume that an international agreement once entered into would be always upheld. But, as Governments and individuals, so long as the actual disparity exists, will refuse to believe in the conventional parity, rival Powers will become exceedingly jealous of one another on the eve of a war. France will suspect Germany and Germany will suspect France of stealthily withdrawing and hoarding gold as a war treasure, which Russia is doing at the present moment. Bi-metallists know very little of human nature if they think an international agreement would long bear such a strain as this. Then would come a reaction, the same in kind as that which has followed the efforts in the United States to run up silver to an artificial price. But the effects of the collapse would be vastly greater and more disastrous. A brief summer of inflation would be followed by a long winter of depression and disorganization. These are a few of the considerations Mr. Balfour passes lightly over. When he talks of our gold standard system as incurably bad, "steadily, continuously, and indefinitely appreciating," he forgets that some thirty years ago the alarms of economists were aroused by the depreciation of the same metal following the opening of the Californian and Australian gold fields and their vigorous working during several years. The development of the American silver mines turned the scale the other way. It may be turned back again by the working of the South African gold deposits. We agree with Mr. Balfour that it is to be regretted that gold is no longer the absolutely fixed basis of currency it was once thought to be, but we fail to see how it is to gain greater stability by being wedded to a metal of still more uncertain value.

MODERN PROPOSALS IN CONNECTION WITH MONO-METALLISM AND  
BI-METALLISM.

(From the "Times of India," December 1892.)

Mr. Rothschild's proposals, as foreshadowed by Reuter's telegram published on Saturday, have met with divided support at the hands of the Committee of Delegates appointed by the Monetary Conference to consider them. The Committee's report declares the proposals to be of the "greatest importance" and worthy of "full discussion," but, put to the point, seven of the thirteen members of the Committee declined to recommend the proposals to their respective Governments for adoption, the other six apparently giving Mr. Rothschild's project unconditional support. On the other hand, the Committee was almost entirely unanimous in commending the proposal of Mr. Moritz Levy for the gradual withdrawal from circulation of small notes and of gold coins of a less value than 20 francs. A reassuring feature of the report is the conclusion arrived at by the American and Mexican Delegates that the production of silver has about reached its maximum; but coupled as this conclusion is with the intimation on the part of the American Delegate that if the Conference failed, America would put a stop to her monthly purchases of silver, there seems little likelihood of any immediate improvement in the general position, for when America ceases buying, the price of silver will again fall. In the course of the debate on the Committee's report, India's concern in the work of the Conference was the subject of addresses by Sir Richard Strachey, Sir Guildford Molesworth, and Mr. Bertram Currie, but there is not over-much encouragement to be extracted from any of them. Sir R. Strachey told the Conference that any system generally approved would "in the event of the creation of a gold coinage for India" be favourably regarded by the Government, and every reasonable effort made to conform to it; while Sir J. Molesworth said that India would keep her mints open if any bi-metallic plan were adopted, and would be prepared either to purchase silver or permit the mintage of it to the extent of fifty millions of rupees annually while the plan was operative. To all this Mr. Bertram Currie was only able to say that his official instructions were not to support any proposal which interfered with India's liberty of action regarding her currency, or which was not "sure to be effective in execution," or which would involve prolonged discussion. In other words, the Government will only listen to a scheme from the creation of which we seem at present painfully remote.

Mono-metallism, with a good many people, would seem to have intensified into something closely approaching monomania. The latest instance is that of the *Statist*, which falls foul of Mr. Balfour's recent speech on bi-metallism in a manner remarkable enough to call for notice, even weary as we all are of this eternal controversy, out of which nothing—not even Mr. Rothschild's "palliative measure"—seems destined to come. The *Statist* seems to imagine that Mr. Balfour has irretrievably ruined himself as an authority upon this or any other question by his address of a few weeks ago. So, too, he perhaps would have done to some extent had he really said what the *Statist* imputes to him. The other week that journal accused Mr. Balfour of declaring that Govern-

ments can create a demand for money. The *Manchester Guardian* was quick to point out the fallacy of the statement, and in its next issue the *Statist* accepted the correction as "possibly expressing what Mr. Balfour intended to say." What Mr. Balfour really said was that Governments, in opening their mints to the free coinage of a metal as legal tender money, create a demand for that metal which otherwise would not exist. The *Statist's* reply to this contention is peculiarly characteristic of the average mono-metallist. "When Germany adopted the Gold Standard," says this authority, "the mints of the Latin Union were open to the unlimited coinage of silver, but that did not create a demand for the metal sufficient to keep up its value, and in a very little while the Latin Union had to stop the coinage." That is just it, but the *Statist* is maladroit enough to twist the argument into a refutation of the very principle which it so obviously supports; for it admits that when Germany adopted the gold standard and demonetised silver, the demand for gold increased, and the demand for silver proportionately decreased, and its value consequently fell. But nowhere, as the *Manchester Guardian* points out, did the value of silver fall so long as the mint "demand" was maintained by the Latin Government beyond the cost of carriage to the market where the mint demand existed and the loss of interest due to the merely mechanical difficulty of coining into money fast enough, not the new silver from the mines, but the silver demonetised by the German Government—the real "fall" in silver did not actually begin until free coinage was suspended by the Latin Union.

TO THE EDITOR OF THE "STATIST," LONDON.

SIR,—In forwarding you an incomplete copy of my forthcoming work on the International Currency Problem and a copy of my letter to Mr. Finlay, Financial Secretary to the Government of India, I trust you will be good enough to republish such of my views and proposals in your valuable journal as you can conveniently reproduce. I may be allowed to observe here that no remedy is possible save that of letting the precious metals to operate throughout the world's currency on the principle of demand and supply. Much of the present complications and evils are due to the monopolising actions of the various Governments by which one precious metal has ousted another, and has either created a grave scarcity of currency or multiplied the difficulties in the way of an absolute international commerce giving rise to many local and foreign distresses. Measures are now due by which the production and circulation of both metals should be encouraged to the utmost, while no womanish fears should influence the world that the one metal will supervene the other, for it will do nothing of the kind. Both will be in great request, for when one becomes scarce, the other will become abundant. At any rate the world is sure to have an increasing volume of both, while their prices would certainly attain a normal level, which is all that one may attempt in reference to the currency metal.

In the event of the Government of India being early compelled to attend to their finances, the only course left is to undertake a masterly treatment re-

† This letter is quoted from memory and is only the substance of the original sent to the "Statist."

ferring to the taxes levied in India, for I am sure they can be considerably increased without giving rise to serious complaints if proper measures were fully adopted to obviate them.

I cannot prolong this letter, as the work which I have the pleasure to send you to-day contains a full exposition of the problem, and which, I hope, may secure your approval.

Yours &c.,  
DINSHAH ARDESHIR.

BARODA, 8th December 1892.

TO THE EDITOR OF THE "TIMES OF INDIA."

SIR,—A type error which makes me omit *inclusion* of mintage, etc., charges in the scheme of an international dualistic currency as proposed by me in my letter to the Government of India, and the remark of your writer on the Exchange question, that "no one has apparently hit on a remedy that will suit all countries concerned," compel me to request room in your journal for a few lines. To my knowledge no scheme is now left for any unexhausted discussion before either the London Committee or the Brussels Conference except the one brought forward by me. A further discussion of mono-metallism or bi-metallism on my hands seems like slaying a dead horse; and having examined all the complicated phases of the great question in a book of nearly 250 pages r. o., I think I may challenge any authority to produce a scheme which can safely or logically refuse intrinsic value to all money instruments of exchange, a straightforward and a grateful remedy for debased coins, and a most thorough recognition of the other precious metal which, luckily, can fully appear in a multiplied form of the scarcer metal to almost any practicable extent. The scheme does everything for every nation as far as relief is practicable under intricate circumstances, while real risks of exchange are minimised or made certain, the condition of metal prices is normally sought, and an unlogged and undebased recognition is given everywhere to free and natural accessions to the volume of any currency that may suit each country. I am sure that the scheme which I have brought forward, when it has taken hold of public mind, will provoke a full discussion, which I believe will end in a decided advance in our present notions of remedying the currency evils of the world. I will not at present lead on such a discussion in your journal for reasons which you may well guess, but will be glad, Sir, to throw more light on my solution whenever you ask me to do so. All the advantage that I see of the present discussion in Europe is that the currency ship will once more be a wreck on the mono-metallic and bi-metallic rocks lying hid in the sea, every other scheme being thrown out one after another; while all ought to be very gratified to observe that the Government of India have at last declined to adopt any instant and heroic remedy that has for months been sought to be thrust upon them, and the invalidness of which I was the first to point out in your columns.

Yours, &c.,  
DINSHAH ARDESHIR.

BARODA, 11th December 1892.



## APPENDIX E.

WESTERN INDIA :

BARODA, 21st December, 1892.

I respectfully venture to forward herewith a portion of my coming work entitled "The Science of Gold and Silver Currency," in which I have tried to work out a solution which would, in my humble judgment, suit all countries. I also beg the liberty to enclose a tentative draft of an International Currency Scheme which I think is adaptable for all countries.

I have not waited for the completion of the work to correct the very erroneous and injurious notions which have so strongly prevailed in reference to the real character of the currency of this country and that relating to Great Britain. By means of letters addressed to public journals, as also by transmitting parts of my work during the past five months, accompanied by demi-official representations, to certain authorities concerned, I have endeavoured to correct the many misleading ideas extant about the relative cheapness of silver and other commodities and the prevailing trade and exchange factors, as in relation with fluctuations of gold and silver prices, as observed in different parts of the world. The effect of these efforts, though not yet adequate, is encouraging enough for me to pursue and besittingly end my labors in continuity of my identification with the public problems of this country for thirty years past. In the present instance, I have keenly felt the enormous injury that would be done to India and other countries had I failed in my duty to expose the false doctrines and unwitting, but most pernicious, misrepresentations which so thickly dwell round the currency problem of this and of other countries.

After a very careful study, I have arrived at the conclusion that it is so much in the hands of the great nations of America to enforce a prompt and adequate reform in the currency laws of the world. They are possessors of the greater bulk of the world's wealth. They have observed fairness and impartiality, in not merely distributing the metallic wealth over the globe, but in making a fair use of it for the amelioration and advance of their own country. Notwithstanding the very prejudiced opinion, so widely held, on the question of their generously utilising such large quantities of silver, I am distinctly of opinion that their action has been most beneficial and philanthropic in effecting such large annual purchases in the teeth of an almost savage prejudice against the free use of silver, and that many countries, in common with India, are deeply indebted to countries like America for fostering the production and distribution of silver. It is unfortunate that many powerful nations are combined against the rightly undefinable and patent influence of this metal, while they have yet betrayed but a child's intellect to perceive the enormous advantages of setting the white metal perfectly free, and of legislating swiftly and sharply against imparting dishonorable and fraudulent values to any of the coinage

metals, which has been directly the means of inflicting the greatest injury on the volume of the world's currency and, therefore, on the volume of its advance and amelioration.

I, therefore, think it high time that your celebrated nations would be pleased to unite to banish all monopolies in the production and distribution of silver, as well as gold, by enforcing the exaction of moderate profits only, so that the Indians may be able fully to meet the sorest want felt by them in respect of the utter inadequacy of the silver wealth possessed by them, and to buy direct in your country as one of the certain effects of a successful legislation to render silver much cheaper and more abundant than now. Not to speak of the forbidding dearness of gold,—the ruinous cost of which is directly due to the ill-considered obstacles thrown in the way of an unfettered circulation of silver,—the price of silver has, moreover, been as forbidding as that of gold.

I would, therefore, respectfully suggest that the American nations, which have made themselves famous for high courage and ability, may do all in their power to cheapen the cost of silver, and to very largely add to the existing quantity by striking at the root of the existing pernicious monopolies. Whatever the amount that they may thus keep stored in their country, its value cannot but eventually rise under the only true currency system which is possible for the world to adopt, as explained in the annexure.

Had India much cheaper silver, its debt would not have grown so crushing as it is now owned by its Government. It would, therefore, rest on America to set a humane example to other metal-producing countries, for I am sure that they will follow her bold example. The solution of the Indian difficulty lies only in getting at a greater number of rupees than she can now obtain, for she is only compelled to pay in silver at an increasing annual rate. If her populations get more rupees, they are sure to pay more rupees to their Government in discharge of their debt. The want, therefore, of India, Great Britain and other countries lies in a diminution of the cost of the metal; and to encourage its more extensive production and employment, India must buy at the doors of the mines, and not through half a dozen artificial mediums. The enormous profits going into the pockets of the few may well cease, considering what terrible crises in the money markets of the world could be averted by such means.

Among the countless advantages that I believe my scheme may be instrumental in realising is also the rectification of all silver and gold coins, the intrinsic value of which has been so extensively tampered with in so many parts of the world; for a more plentiful and less costly silver cannot but have such results, when even the present depreciation of silver is productive of more bullion than the different nations yet think of purchasing.

I fear an energetic State intervention cannot now be avoided because of the gigantic public evil and shortcoming that calls for an effective remedy or modification. The considerably lessened wealth, which commodities in all parts of the world are enabled to secure, is, perhaps, the most potent reason why real values of coinage should be firmly and quickly restored, and every disability removed from the free production and circulation of the material forming the currency.

PRINCIPAL DETAILS OF THE AUTHOR'S SCHEME FOR CONSTITUTING AN INTERNATIONAL DUALISTIC CURRENCY FOR BOTH THE WESTERN AND EASTERN COUNTRIES, AS BASED ON THE STATEMENT OF PRINCIPLES SUBMITTED TO THE GOVERNMENT OF INDIA:

WESTERN INDIA :

BARODA, 10th December 1892.

It is extremely desirable that all civilised countries should have a gold or silver currency, or a currency in both metals as in paper tokens of credit, the true value standard of which should be such that no country concerned could raise any objection, nor that the present serious and injurious discrepancies in the legitimate values of coins or tokens may continue, as at present, to be a permanent factor in the world's currency, while its growing and indefinite development, in all directions, whether by means of gold, silver, or any other metallic wealth, is freed from the action of all prejudice or heretical and misleading doctrines, so that it can be frankly and thoroughly recognised by all nations of the globe.

The objects of the International Universal Currency Scheme, as here proposed, are as follow :—

(a) Each country should be free to adopt any one, or both the precious metals, as may best suit it, or retain, change, or modify, as may generally be deemed desirable, any of the metals already in use.

(b) All countries should unreservedly accept for all times to come the inherent value of either metals—whatever it may be for the time being—in assaying their coinage,—to which local, or generally fixed charges, as understood to be more or less actual, need only be added.

(c) Both gold and silver coins should, as far as possible, be denominated in terms of one language which may be generally understood in all countries and as may be in common use throughout the world, though every country may, of course, adopt terms of equivalent denomination of their coins in its own language.

(d) The units and decimals of both gold and silver coins should be uniform for all countries in respect of weight, fineness, the rising gradations, etc., appertaining to such coins; the mintage and other actual charges of different countries being based, as far as possible, on some maximum limits to which some uniform addition being made, if thought desirable, to the value of all coins so unified.

(e) The shape and size of all coins, both unit and decimal, should be made uniform for all nations, though the face impressions of the coins of every independent country may have certain distinctive features common to that country.

(f) No country shall fix any artificial limit of value upon any portion of their currency, save what may, perhaps, be done, to liberally meet all dis-

expenditures incurred in obtaining the precious metals and manufacturing the coins, all values of such coins being left to fluctuate in each country on the basis of their own intrinsic value,—as is the case with all Eastern and some other countries,—leaving room to each country for a healthy competition with other countries on the demand and supply, or the free-trade principles, all competing commodity being always understood to tend towards the realisation of an impartial and deserving distribution of wealth in all countries to be in future subject to a natural, or an inherently non-artificial, system of currency.

(g) Each country shall redeem its own silver or gold coins which do not contain the precious metals in full intrinsic value, or in conformity with their face-value, and are therefore over-valued, by issuing certificates in their full recognised conventional value, such defective coins being held in reserve against the paper issue, as herein described, and gradually melted down and converted into coins of full intrinsic value to such an extent as the rule of reserves would justify, or even exceeding such limits, as the mintage profits, or other circumstances of each country, may justify.

(h) Every gold-using country should arrange to cash its reserve of coins and bullion in gold, for coinage or bullion in silver, duly convertible into bank-notes to the extent desirable in at least half the proportion, roughly speaking, of the value of its local and foreign transactions for which the currency coins might have been approximately employed, thus contriving for the introduction, in each country, of a larger volume of wealth-currency of an impartial, or generally an unconflicting, value and lessening the now increasing demand of currency of a single metal-gold.

(i) Every principle that renders an interchange of coins of opposite metals impossible should be to far essentially modified, under the reformed currency system, as only to stop short of an interchange of coins for the purposes of exchanging one bullion for the other, as may be existing in the interchanging coins, bearing in mind that even the present fictitious divergence of values between the bullions of gold and silver coins do not prevent the purchase of the more valuable coins for employment for other than currency purposes.

(j) Every earnest measure should be instituted, by each of the countries forming the International Union, and, whenever deemed generally practicable, to freely and unreservedly admit both the precious metals, with a view to give effect to a steadily enhancing volume of currency, as specially influenced and regulated by their inherent values, bearing in mind that all financial crises and loss of public credit are due to deficient supplies of currencies in either form, and more particularly in that form of metal which is to be had in greater abundance than the other; that the institution of monopoly values in currency metals directly diminish the volume, as well as vitiate the action, of every

currency ; that as the natural tendency of commodities to find an increased area of usefulness directly lends itself, in a very large measure, to the directly inciting and co-operative element of solid wealth, the increasing production and distribution of commodities, as well as of the precious metals, cannot but be discouraged in proportion to the aggregate volume of currency which may be diminished, or degenerated, on account of the artificial restrictions placed on either the character, the volume, or the value of such currency which should, in future, be left perfectly unfettered.

(k) The paramount object of the International Currency Scheme being to provide the fullest possible amount of currency, and to ensure, as far as may be practicable, the relative values of the two metals being made definite or stable, no country associating itself with the scheme should have the summary power of demonetising any of the precious metals ; the coins of both, or either of the two, metals being deemed an unlimited legal tender, unless otherwise provided in any contract between individuals.

(l) The paramount object of the International Scheme being, further, to seek an uniform appreciation in the value of silver by enforcing its maximum use by the world in general, and its maximum straightforward cheapness by measures of a direct State intervention, if primarily rendered inevitable, with a view to unreservedly bring a maximum output into fruition, as well as to secure a settling effect on the value of gold, the Mints of all contracting countries shall be unreservedly thrown open to the coinage of both gold and silver coins, and that any country, holding the greater part of its reserves in gold, shall be bound to cash one-half or the requisite portion of its reserve in gold, for silver, with a view to facilitate an uniform introduction of silver currency throughout the world.

(m) A standing International and Conferential Assembly may be constituted at the initiation of America and other Powers to devise legal measures for ascertaining the actual cost of producing all precious metals, wherever they may be produced or found, and the quantities in which they may be produced by direct State agency, if such be rendered inevitable, with a view to enable every country to regularly avail itself of the maximum quantity of such metals as far as may be in its power to secure.

(n) The aforesaid International Assembly shall consist of representatives of Miners, Bankers, and Economists, whose number shall be outweighed by representatives of Financial, Political and Administrative Departments of each of the important States, who shall not be interested in the financial manipulations of any country, and who may be able fearlessly and impartially to decide upon the principles and details of the currency scheme.

(o) The aforesaid Assembly shall be liberally paid as regular functionaries of the various States, and not be dispersable, until the basis of the World's

system has been satisfactorily carried out; every important country, or group of countries, being expected to join the said Assembly, which shall decide upon a feasible method of fixing the basis of the cost of producing all precious metals and indicating their actual or natural values from time to time; letting public enterprise to identify itself with the industry, whenever a State considered that such enterprise was not influenced by motives of acquiring fraudulently high profits.

(p) The aforesaid Assembly will publish a Journal of its transactions every month, and will keep its proceedings open to the public, save on extraordinary occasions when a majority holds that the interests of the problem required a secret consultation or discussion.

DINSHAH ARDESHIR TALEYARKHAN.

#### HOW TO SOLVE THE MONETARY PROBLEM.

TO THE EDITOR OF THE "TIMES OF INDIA."

SIR,—I cannot here go over the grounds submitted elsewhere, for my belief that financial calamities have been largely prevented by American nations regularly and singly purchasing silver in quantities much larger than Mr. Rothschild, now in a fit of generosity, perhaps, would have Europe to purchase. Let him and his Conferees be warned, however, of the great and new stress they would bring on the gold reserves if America were forced to stop her silver purchases. In their own interests it would be very ill-advised on the part of the Americans not to amass as much silver as they possibly could. It would pay handsomely in the long run, and only be productive of more gold.

My object, Sir, in addressing you, is once more practical. Can you, pray, or any of your expert constituents, let us know if some one of the public Associations could advantageously address the Government of India to negotiate with the American and other Governments on the question of abolishing the present silver mines' monopoly with a view to produce larger quantities of silver and at a much less cost than the purchasers are now forced to pay? This may be attempted sheerly in the interests of the world's currency. The miners now generally reap enormous profits, which plainly appears from the fact that many of them go on producing over and above the want of the moment, for their disbursements are proportionately much smaller, and they can thus afford to have larger outputs. It is the interest of every Power to give the world the benefit of a cheap and plentiful production of silver as well as gold. I would insist upon this, presuming that my scheme of International Currency will be the one which may have to be earnestly discussed in the absence of all others now practically given up. The proposals even recently brought forward in London and elsewhere, however labored, intricate and seemingly refined, are simply childish. I am sure the situation has not yet been grasped. All that is necessary is to strive to the utmost to bring out silver much more abundantly than now and for a considerably lower price, which can be easily arranged if only the conferring

nations became unanimous. Just fancy the insanity of letting gold go more and more of silver, and refusing a similar privilege to silver, certainly by any dishonourable disparity, but by every honourable parity of intrinsic values which might be secured for both.

Some method, again, should be sought to obtain silver bullion direct from the mines, and every nation ought to share in this benefit. All bullions should be sold by Governments, and all Governments should unite in adopting means by which both bullions may be obtained in largest quantities and at the lowest price, so that they can be sold cheapest and their values kept perfectly legitimate, whether you had them for coinage or not.

The detailed statement of my scheme, which will be duly submitted to you, contains a provision for all this. The paramount object secured is practically to convert all increased use of silver into its just gold equivalent, by stimulating the production of both metals to the utmost, and effecting their perfect and exhaustive distribution to arrive at their natural, but no forced, parity. The whole want is to increase individual and general wealth, to remove the present savage restrictions in both the interchange and volume of coins, to replenish the bank reserves, and to stimulate paper tokens of credit and convenience. My scheme aims at all such amelioration, which one must fail to find in every other scheme yet brought forward.

When the rupees now miserably doled out to India, have been vastly increased, the revenues will be increased, the gold debt lessened; and the public wages may then be enhanced. Having no room here to explain my proposals for modifying and augmenting, where essential and most practicable, the taxes of the country, I must leave that question alone. All other proposals would foolishly seek to diminish the value of rupees and destroy the petty gold savings of the people—not to say anything as to the disastrous stress which would come on, not one, but upon both metals. The exchange question, so much made of, is a contemptible side issue, and the declamations against cheap silver commodities by the world also miserably seek to obscure the real points, which need a straightforward discussion and a fearless solution. Be it borne in mind that the real distress in India, as elsewhere, is utter insufficiency of silver coins as well as silver bullion. Let these be sufficient and rendered overflowing, and difficulties *re* Home charges must disappear. It is not the quality, but the quantity which is the crucial point at issue. Did one ever come across so ludicrous a pretext against letting normal quantities of silver circulate than that urged by Mr. Rothschild as regards its weight, supposing bulk was thus abolished in reference to commodities, where would the world's trade be? But the world will probably not again witness a more idiotic confusion than the one raging in Europe and elsewhere at the present day, confounding the denominational standard with the pure wealth standard in taking both to be one and the same thing, and landing, in the void of a hopeless despair! So much for the university and commercial teachings of Europe.

Two more of practical measures. Private individuals and traders might contrive to obviate losses in exchange; servants of the Government cannot. If immediate relief be essential, why not absolve them from the income-tax?

A small bit of relief that will be highly appreciated if found practicable. I remember you have written so well off and on as to how Home charges could be reduced. Is it not high time that all stores should be made purchasable by inviting free tenders in India, so that at least, if India's rupees go to England, they might go through the pockets of its own people, who may also then produce and procure things in India. The English people may also be allowed to tender, if greater cheapness and any much greater efficiency could be attained. May this justice be done to poor India at once. As for Europe, what does its vast imports from the American, Australian and Eastern countries teach, but that it is the increasing silver commodities which now continuously attack it, but which it has repelled by the same means after once fortifying itself with the indefinitely multiplied silver-products of gold? Have I, then, in vain asked for a partial and conditional demonetisation of gold, and a free unconditional combination of gold and silver, in perfectly equable values of both, so as to obliterate any very marked distinction between the two,—especially so when the world is lucky enough to have metallic wealth in immense bulks which it would be a stupendous folly to despise and neglect. And yet, Sir, it is the white metal, which greets all human development, which lies at our feet so exhaustively, and which claims an abundance and a ring and abrasive strength the almost regal conditions of the world's currency. Cultivate silks and brocades as much as you can, but the main staff of the world must remain cotton,—and wheat, not sweets. So silver must everywhere prevail and keep gold as mere reserves.

Yours truly,

DINSHAH ARDERHIE,

BARODA, 1st January 1892.