C O N T E N T S.

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INTERNATIONAL MONETARY CONFERENCE, BRUSSELS. 1892.

INSTRUCTIONS

TO THE

DELEGATES OF GREAT BRITAIN.

AND THEIR

REPORT:

TOGETHER WITH THE

PROCEEDINGS OF THE CONFERENCE.

Presented to both Houses of Parliament by Command of Her Majesty.

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CONTENTS.

Memorandum of Instructions for the British Delegates appointed by Her Majesty's Government to attend the International Monetary Conference at Brussels.

The Government of the United States, having taken measures to promote a Conference of the European Powers in order to take into consideration the present condition of silver, expressed a wish to Her Majesty's Government that a ratio might be established by the leading nations for the coinage of silver at their several Mints.

It was intimated in reply that Her Majesty's Government would not be able to accept an invitation couched in such terms.

The Government of the United States have now proposed a Conference of the Powers for the purpose of considering what measures, if any, can be taken to increase the use of silver in the currency systems of nations.

Her Majesty's Government have accepted the invitation conveyed in these terms, taking note of the statement of the Government of the United States that it does not interpose any conditions which will embarrass any Government willing to confer generally upon the subject of the proper and most advantageous relation of silver to the coinage of the world.

The Honourable Sir Charles W. Fremantle, K.C.B., the Deputy Master of the Mint;
Sir William Houldsworth, Bart., M.P.;
Sir Charles Rivers Wilson, K.C.M.G., Comptroller of the National Debt;
Bertram Currie, Esq.; and
Alfred de Rothschild, Esq.,

have been appointed Delegates to represent the United Kingdom at the Conference.

Mr. Babington Smith, of Her Majesty's Treasury, will accompany the Delegates as their Secretary.

The Government of India has appointed two Delegates who will represent India, as distinct from the United Kingdom, and who will act under separate instructions issued to them by the Secretary of State in Council of India.

The Conference will meet at Brussels on the 22nd day of the current month of November.

The invitation to the Conference contemplates the study of any measure for the extended use of silver which may be proposed.

Under it a Delegate may suggest a scheme for a double standard, but it admits also the discussion of any scheme for promoting the use of silver as currency.

Her Majesty's Government do not limit the powers of the British Delegates in the first instance by any prohibition to enter on such field of inquiry as the members of the Conference may desire to cover. The British Delegates are therefore permitted to agree, if the Delegates of other nations should also agree, to the following mode of proceeding, viz.: that each Delegate should speak and vote on any defined plan proposed for the extended use of silver, on the understanding that he does not thereby in any sense commit the Government which has delegated him to the Conference, but that in the event of the adoption of such a plan or plans by the Conference, the Conference is to adjourn in order to enable the respective Governments to study the plans so adopted, and that, after such examination, the Delegates will be instructed by their respective Governments as to the adoption, rejection, or modification of the plans.

It is of the essence of the question that the ideas of the Delegates should be reduced to working plans, and should thus be subjected to practical criticism. For that purpose it is neither necessary nor desirable to exclude any particular idea from discussion, provided always that it is put forward in practical form.

The British Delegates are authorised to declare that Her Majesty's Government are prepared to adopt now the measures which their predecessors offered in 1881 as regards action in the United Kingdom in order to promote the use of silver, but under the conditions which were then laid down as the basis of the offer; and it should be clearly stated that this declaration is made on behalf of the United Kingdom only, and not on that of the Government of India.

Above all things the Delegates should study with the greatest care every measure suggested to insure a wider use of silver in currency, before they come to the conclusion that matters must be left as they are.

The Government of India will give its own instructions to its Delegates
British Delegates may, if invited by the Government of India, join the Del-
India in warning the Conference that India cannot and must not be expected
her Mint open for the free coinage of silver if no other leading nation does th

The British Delegates will report, as they may think it necessary, the Proce
the Conference to the Lords Commissioners of Her Majesty's Treasury.

Treasury, November 15, 1892.

INTERNATIONAL MONETARY CONFERENCE AT BRUSSELS.

REPORT.

TO THE LORDS COMMISSIONERS OF HER MAJESTY'S TREASURY.

MAY IT PLEASE YOUR LORDSHIPS.

WE have the honour to report that, in accordance with the instructions which your Lordships were pleased to give us, we attended the meetings of the International Monetary Conference at Brussels.

A full report of the proceedings is contained in the official *Procès-verbaux*, which we have the honour to forward herewith, in the original French and in an English translation.

Origin of the Conference.

The Conference assembled at the invitation of the Government of the United States, and was convened, as your Lordships stated in the instructions which you were pleased to give us, "for the purpose of considering what measures, if any, could be "taken to increase the use of silver in the currency systems of nations."

The circumstances under which this invitation was given are set out in the "Statement and Programme" submitted to the Conference by the Delegation of the United States, and in the speech which Senator Allison made in presenting it.

"It is generally admitted," the statement begins, "that the very large depreciation "in silver as compared with gold during the last twenty years, and the frequent and "violent fluctuations in the gold price of silver incident thereto, have been injurious "to the commercial and other economic interests of all civilised countries, and have "caused, and are causing, serious evils and inconveniences to trade, the full extent of "which cannot be measured."

It will be remembered that the last International Monetary Conference, convened for the same purpose, namely, to remedy the evils thus described, met eleven years ago in Paris at the joint invitation of France and the United States, and that it was adjourned without having arrived at any result. Since that period the United States, through various acts of legislation, have acquired a very large amount of both coined and uncoined silver. Notwithstanding these specific measures the price of silver has not improved, but on the contrary has experienced a gradual and considerable depreciation. The United States, however, believing in a general desire for a larger use of silver as money throughout the world, thought the time had arrived for holding another International Conference for the consideration of the same subject. It was recognised by the Government of the United States that some European countries might not be willing to adopt the remedy which the United States would prefer, namely "the establishment of some fixity of value between gold and "silver, and the full use of silver as a coin metal upon a ratio to gold to be fixed by "an agreement between the great commercial peoples of the world." In order therefore that no nation might be deterred from joining in the Conference by unwillingness to entertain that particular proposal, the invitation was conveyed in the general terms above quoted, and it was expressly stated that the Government of the United States did not wish to impose any conditions which would embarrass any Government that might be willing to confer upon the most advantageous relation of silver to the coinage of the world.

Meeting of the Conference.

The invitation thus given was accepted by all the most important States, and at the First Meeting of the Conference, on November 22nd, 1892, the Delegates of twenty Governments were present, representing Austria-Hungary, Belgium, Denmark, France, Germany, Great Britain, British India, Greece, Italy, Mexico, the Netherlands, Norway, Portugal, Roumania, Russia, Spain, Sweden, Switzerland, Turkey, and the United States of America. The proceedings were opened by Mr. Beernaert, President of the Council and Finance Minister of Belgium. Mr. Montefiore Levi, Senator and Delegate of Belgium, was chosen as President, and his Excellency Mr. Edwin H. Terrell, Minister of the United States at Brussels and one of the Delegates of the United States, was chosen Vice-President.

Programme of the United States.

It was naturally to the Delegates of the United States that the Conference looked for the presentation of proposals for carrying out the object set forth in their invitation, and for an indication of the course which it was desired that the deliberations of the Conference should follow.

Accordingly at the Second Meeting the statement to which we have already referred was presented by the Delegates of the United States. They frankly stated that the plan which they themselves favoured, and which was supported by public opinion in the United States with singular unanimity, was a plan for international bi-metallism. It was formulated in the following terms:—

"1. That the re-establishment and maintenance of a fixed parity between gold and silver, and the continued use of both as coined money of full debt-paying power, would be productive of important benefits to the world.

"2. That these ends can be accomplished by removing the legal restrictions which now exist on the coinage of silver into full legal tender money, and restoring by international agreement the parity of value between the metals which existed prior to 1873 at such ratio as may be decided upon by this Conference.

"3. That the essential provisions of such an international agreement should be—

(*a.*) Unrestricted coinage of both gold and silver into money of full debt-paying power.

(*b.*) Fixing the ratio in coinage between the two metals.

(*c.*) Establishing a uniform charge (if any) to the public for the manufacture of gold and silver coins."

But at the same time the United States Delegates desired that other plans for the enlarged use of silver should be considered. They expressed a hope that the Powers represented at the Conference, or some of their Delegates, would submit proposals directed to this end, and suggested for discussion two such proposals, viz., (1) the plan of Mr. Moritz Levy, proposed at the Conference of 1881, and (2) the plan proposed by the late Dr. A. Soetbeer, the distinguished German statistician. We shall refer later to these proposals, and it will be sufficient here to indicate that both of them contemplate an increase in the use of silver by substituting silver coin or notes based on silver for such small gold coins and small notes based on gold as are at present in circulation.

As to the order of the proceedings, the Delegation of the United States desired that the discussion of their own bi-metallic proposal should be postponed till after such subsidiary proposals as might be brought forward had been considered.

General resolution moved by Senator Allison.

Senator Allison concluded the speech in which he introduced this programme by moving a general resolution, "That in the opinion of this Conference it is desirable "that some measures should be found for increasing the use of silver in the currency "systems of the nations."

It appeared to us that this resolution was merely a recapitulation of the terms of the invitation which had been accepted by Her Majesty's Government, and accordingly Sir Rivers Wilson, on behalf of the British Delegation, at once declared that we accepted the resolution in that sense, reserving at the same time full liberty of opinion upon the particular schemes which might be brought forward to give effect to it.

Declarations of various Delegations.

A series of declarations followed from the representatives of various Powers. From them it appeared that the Delegates of Germany, Austria-Hungary, and Russia were instructed not to express an opinion or to vote upon any resolution, while the representatives of Roumania, Portugal, Turkey, and Greece, being without special instructions, felt themselves compelled to take up a similar attitude of reserve. The Delegates of Spain, Denmark, Mexico, and the Netherlands accepted the resolution from the same point of view as the British Delegation.

The attitude of the States forming the Latin Union was not so clear. Mr. Tirard (*Delegate of France*) expressed a feeling of disappointment at the programme of the United States. He said that he had expected that it would contain more formal proposals than it did, and that he considered it illogical to postpone the discussion of the bi-metallic proposal till after the subsidiary suggestions had been considered. At the same time he stated that the French Delegates did not oppose the resolution. The Delegates of Italy and Belgium said that they were unable to take up a different attitude from that of their colleagues in the Latin Union. Although no definite opposition was offered to the resolution by the Delegates of these three countries, the general impression given was that the States of the Latin Union, and France in particular, were, at the outset at any rate, disposed to criticism rather than to cordial co-operation with the objects of the Conference.

short space of twenty years. Is it not extraordinary that during such a period—with the world's money wants rapidly increasing—a determination should be reached to demonetise by legislation one of the metals which throughout all time has served the purposes of money, especially that one of them which had been of most general utility; and whose further and continued aid, owing to the rapid exhaustion of the supplies of the other, was so manifestly indispensable to save the world from a repetition of those money famines whose consequences to the human race had been more destructive than all the scourges, plagues, and epidemics of which history furnishes a record? It must be borne in mind that the discarding of one of the money metals benefitted no human being except the comparatively few who belong to the class of creditors, annuitants, and recipients of fixed incomes, while an irreparable wrong was done to the entire body of the producing masses, including not alone the toilers in the field and in the factory, but as well the chieftains of industry, the projectors, managers, superintendents, designers, contractors, merchants, and all other leading and active minds without whose genius and foresight industry, in a complicated system of sub-division, could not be successfully conducted, and large bodies of workmen kept uninterruptedly employed. That all this should have been done in the sacred name of honour and of justice, arouses the suspicion that the money-changers had again entered the temple.

The effect of a diminution in the volume of the metallic money of the world by striking down any portion of it may be illustrated by the case of an incorporated company whose capital, we will say, is represented by one hundred thousand shares. Suppose that on the basis of that number of shares sales for future delivery had been agreed upon to a very large amount, would it not be considered simple robbery on the part of those who held agreements for the delivery of such stock to procure the enactment of laws compelling a reduction of the number of the company's shares by one half, or by any other per-centage, without a corresponding reduction of the number of shares to be delivered? There can be but one answer to this question. Is a similar juggle with money—whose quantity determines its value—any the less a robbery? He who is in debt has, in the language of the stock exchange, sold money "short." It is in effect a transaction for "future delivery." In the first supposed case parties had agreed to deliver in the future that of which they were not then in possession, namely, shares of stock. In the second they had also agreed to deliver that of which they were not at the time in possession, to wit, money. The distinction between the two cases is in the thing to be delivered, not in the underlying principle.

Would an international agreement secure a fixed relation between the metals?

Would an international agreement secure a fixed relation between the metals?

Some persons entertain the idea that if silver were remonetised even by international agreement at the relation so long maintained by French law, there would be a sudden jar which would be generally felt throughout business and commercial circles. This is a wholly groundless fear, and arises from misapprehension. All the silver in the world is now coined and in full use as money. There is not in existence any stock of uncoined silver to be presented at the Mints. Hence all that could come would be from current production after supplying the demand for the arts. Last year's production was about $180,000,000. Were even all of this coined and none used in the arts, how trifling would the amount be when divided among the fifteen hundred millions of people of the world. They took that amount of gold forty years ago, to their great advantage. Under an international agreement for free coinage, the amount of silver to be added to the world's money stock would have precisely the same effect as if the amount added were so much gold, yet no one would openly deny that the increase of the money volume by that amount of gold would be a great advantage to the world.

The population of France at the time of the enactment of the bi-metallic law was less than twenty-eight millions, not one-half the present population of the United States. The foreign trade of France in 1880, including imports and exports, amounted to but one hundred and fifty-five million dollars. If such a population, with so slight a foreign trade, were able to maintain the equivalency of relation between the metals, who can doubt that were silver remonetised by international agreement, even if but one or two of the commercial nations of Europe joined the United States, the metals could be permanently bound together on the long-established ratio?

In the United States we have had a practical illustration of the varying movements of the metals when both had unrestricted access to the Mints though at different legal valuations. Upon the organisation of our Mint in 1792, the relation between silver and gold was fixed by law at 15 to 1. This rated silver at a figure higher than the legal rate in France, which was 15-1/2. Gold accordingly left our country and went

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Declarations of various Delegations.

A series of declarations followed from the representatives of various Powers. From them it appeared that the Delegates of Germany, Austria-Hungary, and Russia were instructed not to express an opinion or to vote upon any resolution, while the representatives of Roumania, Portugal, Turkey, and Greece, being without special instructions, felt themselves compelled to take up a similar attitude of reserve. The Delegates of Spain, Denmark, Mexico, and the Netherlands accepted the resolution from the same point of view as the British Delegation.

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Resolution withdrawn.

It was evident after these declarations that it would be of little use to take a vote upon the resolution, seeing that a large number of Delegates would be compelled to abstain. Senator Allison said that under these circumstances he would not press for an immediate vote, and the resolution was allowed to drop.

In the course of the meeting, Mr. de Rothschild, in response to the invitation contained in the programme of the United States, laid upon the table a proposal for the consideration of the Conference.

Appointment of a Committee to consider proposals.

At the Third Meeting, then, the first business before the Delegates became the consideration of the two subsidiary schemes mentioned in the programme of the United States Delegation, and of Mr. de Rothschild's proposal. It was evident that so large a body as the full Conference could not effectively discuss proposals involving many technical details, and accordingly a Committee was appointed for the examination of these and other schemes which might be brought forward by members of the Conference. It consisted of the following members:—

Mr. Cannon	United States.
Don Joaquin D. Casasus	Mexico.
Mr. Cramer-Frey	Switzerland.
Mr. de Foville	France.
Mr. de Osma	Spain.
Mr. Forssell	Sweden.
Sir C. Fremantle	Great Britain.
Sir G. Molesworth	British India.
Mr. Raffalovich	Russia.
Mr. Sainctelette	Belgium.
Mr. Simonelli	Italy.
Mr. Tietgen	Denmark.
Mr. van den Berg	The Netherlands.

And the President and Secretary of the Conference.

Mr. Alfred de Rothschild was also invited to attend the Committee during the discussion of his scheme.

Report of Committee.

The Report presented by this Committee at the Fourth Meeting of the Conference (December 2nd) is an important document. It first records information furnished by members of the Committee upon certain preliminary points, viz.: (1) the possibility of restricting the production of silver by legislative means; (2) the probable future of silver production; (3) the policy of the United States as to silver purchases; and (4) the policy of British India as to silver coinage.

It then discusses in detail Mr. de Rothschild's plan. This plan had been indicated by its author in the following words, in the statement which he had submitted to the Conference:—

> "The American Government are purchasers of silver to the amount of 54 millions of ounces yearly, and I would suggest that, on condition these purchases were continued, the different. European Powers should combine to make certain yearly purchases, say to the extent of about 5,000,000*l.* annually; such purchases to be continued over a period of five years, at a price not exceeding 43 pence per ounce standard, but if silver should rise above that price, the purchases for the time being to be immediately suspended."

The criticisms made in the Committee rendered it apparent that in order to meet objections raised in various quarters, some modifications were necessary; in particular, that provision would have to be made for the monetary use of the silver bought, and that there might be difficulties as to the exact limit of price suggested by Mr. de Rothschild, especially in view of existing silver legislation in America. The proposal was therefore somewhat modified, with Mr. de Rothschild's assent, and formulated by the Committee in the following shape:—

1. The European States, which agree upon the basis of this proposal, will buy in each year thirty million ounces of silver on condition that the United States agree to continue their present purchases and that unlimited free coinage be maintained in British India and Mexico.
2. The proportion of the purchase to be made by each country will be determined by agreement.
3. The purchases will be made at the discretion of, and in the manner preferred by, each Government

4. These amounts of silver will be devoted in each country to the monetary uses authorised by the legislation of that State; and the silver will be either coined or made the guarantee for an issue of ordinary or special notes as each Government may think fit.
5. The arrangement will be made for five years. The obligatory purchase of silver will be suspended should the metal reach, in the London market, a price determined by agreement between the Governments. The purchases may be resumed if the Delegates of the different countries interested should agree upon the fixing of a new limit of price. They should be resumed in any case if the price falls below the original limit.

As to the other plans before the Committee, the Soetbeer plan was abandoned—as merely another version of the Levy plan, with added and undesirable complications; and the Levy plan was drawn up in the following form:—

1. The withdrawal from circulation, within a period of . . . . . of gold coins containing a weight of less than 5·806 grammes of fine gold (20-franc pieces).
2. The withdrawal of notes of a less value than the coin of 20 francs or its equivalent, an exception being made of notes representing a deposit of silver.

The Committee was unanimous in thinking that both these plans, viz., the Levy plan, and also that of Mr. de Rothschild, should be brought before the Conference for discussion; but as to the merits of the plans there was considerable difference of opinion. A large majority were in favour of the Levy plan, but it was felt that if it were adopted its effects, though beneficial, would not be of great importance. Moreover, as it would entail considerable inconvenience for Great Britain, Sir C. Fremantle declared that he could only support it if it were joined with a scheme such as that of Mr. de Rothschild, or some other scheme tending in the same direction, by which other countries would make some effort to assist the common object. On the other hand, to Mr. de Rothschild's proposal there was considerable opposition. Its opponents desired to express their objections, but at the same time in such a form as would not prevent the plan from being brought before the Conference. With this view, the representatives of the Latin Union on the Committee, while accepting the above-mentioned recommendation that the plan should be discussed by the Conference, presented a motion declaring that if the plan were adopted by the Conference they would be unable to recommend it to their Governments.

This motion was opposed by Sir C. Fremantle on the ground that it was premature and illogical on the part of a Committee, appointed to report to the Conference, to declare what their action would be in the event of certain proposals being adopted by the Conference. The motion was, however, carried by seven votes to six, Messrs. Forssell (Sweden), Raffalovich (Russia), and Tietgen (Denmark) joining with the four representatives of the Latin Union to support it, and the remaining members of the Committee, viz., Sir C. Fremantle (Great Britain), Sir G. Molesworth (British India), Mr. Cannon (United States), Mr. de Osma (Spain), Don Joaquin Casasus (Mexico), and Mr. van der Berg (The Netherlands) opposing it.

Discussion upon the Report.

At the Fourth Meeting of the Conference this Report was presented and the discussion upon it began. It was evident from the first that the inconveniences foreseen by Mr. Tirard as to the order of the discussion were not imaginary. Mr. Boissevain (Delegate of the Netherlands), the first speaker, assumed that the hostile vote of the Committee upon Mr. de Rothschild's scheme implied its rejection, and urged that the discussion upon bi-metallism should at once begin. The Conference, however, decided to adhere to the order of proceeding which it had adopted, and the discussion upon the Report was continued. It became evident that in such a discussion it was impossible to confine speakers strictly to the matter in hand, and that general arguments must necessarily be admitted; and at the end of the meeting it was decided that in continuing the discussion at the next meeting the liberty of speakers to treat the question from the general point of view should be fully recognised.

At the opening of the Fifth Sitting the position with regard to Mr. de Rothschild's scheme was this: The Committee had recommended the Conference to consider it, but had, by a majority including all the representatives of the Latin Union, declared that, even if the Conference accepted it, they could not recommend its adoption. At the Fourth Meeting Mr. Boissevain had declared that there were insurmountable obstacles to its adoption by the Government of the Netherlands; General Strachey had said that unless it received more favour than was indicated by the Report he would be unable to support it; Mr. Allard, one of the Belgian Delegates, had declared that it was insuffi-

cient; and Mr. Bertram Currie had spoken in the strongest terms against any attempts artificially to raise the price of silver. In these circumstances it appeared clear that the plan would not receive an effective measure of support; and Sir Rivers Wilson declared, on behalf of himself and Sir Charles Fremantle, that, recognising that this want of support would prevent them from recommending the plan to their Government, they would refrain from taking part in a detailed discussion of it, although they did not consider it inconsistent with the mono-metallist opinions which they held. Mr. McCreary (*Delegate of the United States*) then stated that he did not consider Mr. de Rothschild's proposal, as it stood, equitable to the United States, and therefore that he would be unable to support it. In view of these various declarations Mr. de Rothschild stated that he considered it respectful to the Conference to withdraw his plan.

Withdrawal of Mr. de Rothschild's plan.

The discussion continued nominally upon the Levy plan; but it was evident that though this proposal was regarded with favour, it was not considered important enough to receive really vigorous support.

Discussion upon bi-metallism.

At the Sixth Session the discussion upon the general bi-metallic proposal of the United States was formally opened and lasted till the end of the Ninth Session. This discussion was of wide range, and of great interest from the theoretical and, in some of its aspects, from the practical point of view. We do not consider it necessary to recapitulate it here, since it will be found in full in the Minutes of the Proceedings of the Conference which accompany our Report. As a practical contribution to the solution of present difficulties, its interest mainly lay in the information which it gave as to the opinions entertained in various countries on important monetary questions, and such information we propose to summarise in a later part of this Report.

In the course of the discussion a general desire was felt that some statement should be made on behalf of France. The attitude of the French Delegates had been one of great reserve, and their precise views on the bi-metallic question were unknown. Great interest, therefore, was felt in the speech which Mr. Tirard made at the Seventh Session, a speech which acquires additional importance from the fact that since that time he has become Minister of Finance. He declared, with the greatest clearness, that he could not advise his Government to open the French mints to the free coinage of silver, unless there were a general agreement on the part of other countries to open their mints also. He therefore considered that unless there should be a decided change of opinion on the part of Great Britain, Germany, Austria-Hungary, the Scandinavian countries, and other mono-metallic States, the question of returning to the free coinage of silver in France must be looked upon as settled. With regard to the subsidiary plans which had been proposed, he anticipated objections from the French public to the withdrawal of the 10-franc piece, and did not expect any increased use of silver in consequence of such a measure; while, with reference to Mr. de Rothschild's plan, he expressed strong objection to any measure which would add to the French stock of silver.

No Vote taken upon the bi-metallic proposals.

At the Ninth Session the discussion upon the bi-metallic proposal was brought to a close. After the declarations which had been made in the course of the debates, it was felt that it was unnecessary to proceed to a division, and Senator Allison declared, on behalf of the United States Delegation, that in the circumstances they would not press for a vote upon it.

Adjournment of the Conference.

It was now generally felt that it would not be useful to prolong the discussions of the Conference. At the same time some members of it were anxious not to give up all hope of a more fruitful result, at a later period. It was thought possible that consideration of the proceedings by the various Governments concerned might incline them to view more favourably at any rate some of the subsidiary proposals which had been or might be put forward, and accordingly, on December 17th, the adjournment of the Conference was moved in the following terms by Baron de Renzis (*Delegate of Italy*):—

> "The International Monetary Conference, recognising the great value of the arguments which have been developed in the Reports presented, and in the discussions at the meetings, and reserving its final judgment upon the subjects proposed for its examination, expresses its gratitude to the Government of the United States for having furnished an opportunity for a fresh study of the present condition of silver.
>
> "The Conference suspends its labours, and decides, should the Governments approve, to meet again on the 30th May 1893.

"It expresses the hope that during the interval the careful study of the documents submitted to the Conference will have permitted the discovery of an equitable agreement, which shall not infringe in any way the fundamental principles of the monetary policy of the different countries."

For ourselves we are unable to share these hopes. It appeared to us that the discussions had shown such divergence of interests that there was little more prospect of an agreement after an interval of a few months. We did not, however, think it politic to oppose a wish generally entertained by the Conference, and therefore contented ourselves with expressing doubts as to the advantages to be gained from further meetings, and urged that under no circumstances should the Conference be called together again except for the consideration of a definite proposal emanating from the Government of the United States or some other Government.

At the same time we thought it right to say that, pending any adjournment of the Conference, Her Majesty's Government must retain its absolute liberty of action; and, what is perhaps more important, in view of the present state of the silver question, as affecting India, a formal declaration to similar effect was made by General Strachey on behalf of the Government of India.

Other subsidiary schemes considered by the Committee.

The terms of Baron de Renzis' motion expressed the general feeling that in order that any proposal might have a chance of acceptance it must be of such a nature as not to infringe the fundamental principles of the monetary policy of the countries concerned. Several proposals claiming to have such a character were brought before the Conference, besides those of Mr. de Rothschild and Mr. Moritz Levy, to which we have already referred, and formed the subject of a Second Report by the Examining Committee. They did not meet with any serious support in the Committee, and the Report expressed no definite opinion upon their merits. It states that the proposals were too closely allied to the general debate before the Conference to enable the Committee to pronounce an opinion upon the opportuneness of their discussion in full Conference. At the same time, the Committee suggested that they should form the subject of later study by the Delegates and their Governments; and it may therefore be useful to indicate briefly their nature.

Mr. Tietgen's plan.

MR. TIETGEN (*Delegate of Denmark*) submitted to the Committee a plan for the creation of an international silver currency. The weight of the coins was to be fixed by the market price of silver, with a deduction of 10 per cent. for seignorage; and if the market price should vary considerably, re-coinage might be decided upon by agreement.

The coins would be unlimited legal tender in the country which had coined them, and every bank of issue would be allowed to hold the coins without distinction of country as part of its metallic reserve, and would have the right of demanding from any country repayment in gold for the coins of that country which it held.

The Committee recorded two objections to this scheme: one, that it would not necessarily follow that every country would be able to pay in gold when the demand came; the other, that re-coinage, and the consequent simultaneous circulation of coins of the same denomination and different weights, would be very inconvenient; but it did not attempt to remodel the scheme so as to meet these objections, which indeed appear to be fundamental.

Sir William Houldsworth's plan.

SIR WILLIAM HOULDSWORTH'S proposal, which was originally suggested by Mr. Huskisson in the year 1826, was intended to provide a means by which those countries where there was strong objection to an increased use of silver coin, or to changes in the monetary habits of the people, would be able to join, to some extent, in a bi-metallic union. Such countries would issue receipts or certificates for amounts above a certain minimum limit against deposits of silver, to circulate as full legal tender at a fixed ratio to gold. Given that a bi-metallic régime were established in some other countries, Sir William Houldsworth expected that such certificates as these would pass into circulation at par, and would be used as bank reserves.

The Committee did not discuss this plan beyond pointing out that if these certificates were to be full legal tender, the general objections entertained by some countries to bi-metallism would apply equally to this modified form of bi-metallism.

Mr. Allard's plan.

Finally, there was the proposal of MR. ALLARD (*Delegate of Belgium*). It was of a complicated character, but it may be briefly described as providing for the creation of international silver notes representing the silver value for the time being of a certain sum expressed in gold. Any profit on these notes, from a rise in the price of silver,

would go to the issuing State, while any loss would be divided among the States joining in the scheme.

Other plans.

There were other suggestions also, one of them by Mr. de Foville, one of the French Delegates, for the creation in one form or another of silver warrants for commercial purposes in order to facilitate dealings in silver. Some members of the Committee held—and in this we agree with them—that the consideration of such measures did not fall strictly within the province of a Conference which had been assembled to consider means for extending the *monetary* use of silver.

Results of the Conference.

The Conference did not succeed in finding any definite and practical scheme upon which a large number of the Delegates could agree; but it must not therefore be considered that it did not produce any results of importance. Valuable information upon the monetary question generally has been obtained and recorded; and, in particular, the declarations made of the views of various countries have given some indication of the limits within which a remedy must be sought, if it is to be sought anywhere, for such evils as there may be in the present situation.

Views of various countries on the monetary question.

Certain countries declared themselves frankly as adherents of the mono-metallic faith. The representatives of Germany, Denmark, Sweden, and Norway were clear in their declarations that no change would be made in the gold basis of the currency of those countries. Switzerland, though a member of the Latin Union, declared explicitly that she was an unshaken adherent of the mono-metallic principle, and the Delegate of Austria-Hungary was equally explicit in his statement that his Governments had every intention of abiding by the gold standard which they are in course of adopting. On the bi-metallic side the lead was taken by the United States. The Netherlands were prepared to join a bi-metallic union, provided that Great Britain formed a part of it; and Spain and Mexico were ready to adopt bi-metallism or other measures which would have the effect of raising the price of silver. No declaration of policy was made on behalf of Russia, though one of her Delegates, speaking personally, was an active supporter of the gold standard. The Roumanian Government did not consider bi-metallism a practical possibility, and Turkey and Portugal expressed no opinion.

There remained the four States which, with Switzerland, form the Latin Union, viz.: France, Italy, Belgium, and Greece. Upon their attitude to a great extent the situation turned. A partial bi-metallic agreement might have been within the range of possibility, had these States been willing to enter it. But Mr. Tirard (*Delegate of France*), as we have stated above, declared himself opposed to any union for the adoption of bi-metallism, unless such union included among its members Great Britain, Germany, Austria-Hungary, and Russia.

Belgium, Italy, and Greece having announced that they could not take up an attitude different from that of their colleagues of the Latin Union, the result clearly is that unless an event should take place, which, in our opinion, is highly improbable, unless, that is, there should be a radical change in the declared monetary policy of Great Britain, Germany, Austria-Hungary, and Russia, an international agreement for fixing a ratio between the values of gold and silver must be regarded as beyond the range of practical politics. Without such radical change there is no prospect of the realisation of the conditions which, in the opinion of bi-metallists themselves, are necessary for the establishment of an efficient bi-metallic system by international agreement.

We have indicated in the course of this Report the various subsidiary proposals which were brought forward with a view to increasing the monetary use of silver. We gave to all such proposals the careful examination which our instructions charged us to give; but in spite of the desire to arrive at some practical compromise which animated a large number of the Delegates present, it was found impossible to discover any ground of agreement. One great difficulty which was experienced with regard to these proposals was that in each case they were thought to involve disproportionate sacrifices on the part of certain countries. This is perhaps inevitable, but it is a most serious obstacle to the adoption of any compromise. It was the recognition of this fact which led us to express the opinion that further meetings of the Conference would not be productive of practical results.

Your Lordships will now readily understand how great the difficulties were which had to be contended with, and how unlikely, if not impossible, it was that any practical result should have been arrived at. The silence of both Germany and of Austria-Hungary was merely broken for the purpose of giving vague and general assurances. The attitude of France was nearly as reserved, although Mr. Tirard made two very

eloquent speeches, the principal point of which was that he expressed himself perfectly satisfied with the present monetary situation in France. Italy and Belgium might have been disposed to take a more active part, but their adhesion to the Latin Union, from financial and other considerations into which it is unnecessary for us to enter, prevented them from taking up any independent attitude of their own, and led them to endorse in every respect, in pursuance of an arrangement previously entered into, the policy and views of France. Holland and Spain gave frequent proofs of great good will, but found themselves in a minority.

As regards the Delegates of the United States themselves their position was very peculiar. Since their appointment the Presidential Election had taken place, with the result of placing the Democratic party in power instead of the Republican, and great uncertainty necessarily prevailed as to the attitude and intentions of a new President and Congress. In these circumstances it soon became evident that the Delegates were anxious for an adjournment of the question, to give the new Government the opportunity of expressing their views, and that the Conference would adjourn without any practical result; but, nevertheless, some very important statements and declarations were elicited in the course of the debates. In the first place in addition to the distinct declarations on the part of some of the most important European Powers that they would not entertain bi-metallism, to which we have already alluded, the Representatives of the United States announced, in very clear language, that at any moment their Government might be disinclined to continue their purchases of silver, and that they were determined to protect their stock of gold. The Indian Delegates alluded to the possibility of their Government finding itself under the necessity of closing its mints to the free coinage of silver. As regards the attitude of the British Delegates, we did our utmost to carry out the instructions laid down for us by Her Majesty's Government; and it is with great satisfaction that we are able to record that the Delegates of the United States expressed their appreciation of the sympathy which they had met with from Great Britain, and that they declared that in that respect, if in no other, they were perfectly satisfied with the results of the Conference.

We desire, in conclusion, to place upon record our appreciation of the services rendered to the Delegation by our Secretary, Mr. H. Babington Smith, whose ability and industry, added to a thorough knowledge of the subject, have at all points essentially lightened our task.

We have the honour to be
Your Lordships' most obedient servants,

(Signed) C. W. FREMANTLE.
W. H. HOULDSWORTH.
C. RIVERS WILSON.
B. W. CURRIE.
ALFRED DE ROTHSCHILD.

H. BABINGTON SMITH,
Secretary to the Delegates.

February 3rd, 1893.

In signing the foregoing Report I wish to say that I am more sanguine than my colleagues of an international agreement being ultimately arrived at, though I recognise the difficulties which at present stand in the way.

(Signed) W. H. HOULDSWORTH.

PROCEEDINGS

OF THE

INTERNATIONAL MONETARY CONFERENCE,

1892.

NOTE.—The Proceedings of the Conference are translated from the Official *Procès-verbaux*, which were formally approved by the Conference.

It is announced that a second volume will be published at a later date, containing statistical information furnished by the Delegates of various Countries as to the production, coinage, and industrial consumption of Gold and Silver.

LIST OF DELEGATES.

AUSTRIA-HUNGARY.

Representing the two Governments of Austria and Hungary:—

His Excellency Count Khevenhüller Metsch, Envoy Extraordinary and Minister Plenipotentiary of Austria-Hungary at Brussels.

BELGIUM.

Mr. Montefiore Levi, Senator.

Mr. Devolder, Director of the Society for Promoting National Industry.

Mr. Weber, Vice-Governor of the National Bank.

Mr. A. Allard, Honorary Director of Coinage.

Mr. Sainctelette, Commissary of the Mint.

DENMARK.

Mr. C. F. Tietgen, Privy Councillor, Director of the *Privat Bank* at Copenhagen.

Mr. Frédéric G. Schack de Brockdorff, Consul General of Denmark at Antwerp.

FRANCE.

Mr. Tirard, Senator, formerly Minister of Finance, President of the Monetary Committee.

Mr. de Liron d'Airoles, Member of the Council of State on Special Service, Director of the Administration of the Mint.

Mr. de Foville, Head of the Department of Statistics and Legislation at the Ministry of Finance.

GERMANY.

His Excellency Count Alvensleben, Envoy Extraordinary and Minister Plenipotentiary of Germany at Brussels.

Doctor von Glasenapp, Councillor to the Finance Department of the Empire, Privy Councillor of Administration.

Mr. Hartung, Director of the Imperial Bank.

GREAT BRITAIN.

The Honourable Sir Charles Fremantle, K.C.B., Deputy Master of the Mint.

Sir C. Rivers Wilson, K.C.M.G., Secretary and Comptroller General of the National Debt Office.

Sir William Houldsworth, Bart., M.P.

Mr. Alfred de Rothschild.

Mr. Bertram Currie.

BRITISH INDIA.

Lieutenant-General Strachey.

Sir Guilford L. Molesworth, K.C.I.E.

GREECE.

Mr. P. Mulle, Consul General of Greece at Brussels.

ITALY.

His Excellency Baron de Renzis, Envoy Extraordinary and Minister Plenipotentiary of Italy at Brussels.

Mr. Simonelli, Deputy.

Mr. Zeppa, Deputy.

MEXICO.

Don Antonio de Mier y Celis.

Don Joaquin D. Casasus, Deputy.

General Don Francisco Z. Mena.

NETHERLANDS.

Mr. van den Berg, President of the Bank of the Netherlands.

Mr. Boissevain, Member of the Statistical Institute of the Netherlands.

NORWAY.

Mr. Hagbard Berner, Director of the Mortgage Bank of the Kingdom of Norway.

PORTUGAL.

His Excellency Mr. D'Antas, Envoy Extraordinary and Minister Plenipotentiary of Portugal at Brussels.

ROUMANIA.

His Excellency Mr. Bengesco, Envoy Extraordinary and Minister Plenipotentiary of Roumania at Brussels.

RUSSIA.

His Excellency Prince Ouroussoff, Envoy Extraordinary and Minister Plenipotentiary of Russia at Brussels.

Mr. A. Raffalovich, Member of the Council of State, Agent for the Imperial Ministry of Finance at Paris, Correspondent of the Institute of France.

SWEDEN.

Mr. Hans Forssell, formerly Minister of Finance, President of the Chamber of Finance of Sweden.

SPAIN.

His Excellency Mr. J. Surra y Rull, Member of the Consultative Committee of the Mint at Madrid, formerly Member of the Council of State.

Mr. J. Sanchez de Toca, Member of the Chamber of Representatives; formerly Chief Secretary of the Ministry of the Interior.

Mr. G. J. de Osma, Member of the Chamber of Representatives.

SWITZERLAND.

His Excellency Mr. Charles Lardy, Envoy Extraordinary and Minister Plenipotentiary of the Swiss Confederation at Paris.

Mr. Alphonse Rivier, Consul General of the Swiss Confederation in Belgium.

Mr. Conrad Cramer-Frey, Member of the National Council.

TURKEY.

His Excellency Étienne Caratheodory Effendi, Envoy Extraordinary and Minister Plenipotentiary of Turkey at Brussels.

Mr. A. Allard, Consul General of Turkey at Brussels.

UNITED STATES OF AMERICA.

His Excellency Mr. Edwin H. Terrell, Envoy Extraordinary and Minister Plenipotentiary of the United States of America at Brussels.

Mr. William B. Allison, Senator.

Mr. John P. Jones, Senator.

Mr. James B. McCreary, Member of Congress.

Mr. Henry W. Cannon, President of the Chase National Bank at New York.

Mr. E. Benjamin Andrews, President of the Brown University at Providence.

OFFICERS OF THE CONFERENCE.

President: Mr. Montefiore Levi, Delegate of Belgium.

Vice-President: His Excellency Mr. Edwin H. Terrell, Delegate of the United States of America.

General Secretary: Mr. Georges de Laveleye, Economist.

Secretaries: Mr. Jules Brunet, Head of Department at the Ministry of Foreign Affairs.

Mr. Roland P. Falkner, Professor at the University of Pennsylvania.

Mr. Édouard Van der Smissen, Lecturer at the University of Liége.

Assistant Secretaries: Mr. Georges Baeyens, Doctor of Law.

Mr. Léopold Donny, Honorary Secretary of Legation to His Majesty the King of the Belgians.

Count Jacques de Liedekerke, attached to the Ministry of Finance.

INDEX OF NAMES.

COMMERCIAL. No. 1 (1894).

NOTE

FROM THE

BELGIAN MINISTER IN LONDON

RELATIVE TO THE

MONETARY CONFERENCE.

Presented to both Houses of Parliament by Command of Her Majesty.
January 1894.

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Note from the Belgian Minister in London relative to the Monetary Conference.

No. 1.

Baron Solvyns to the Earl of Rosebery.—(*Received November* 25.)

M. le Comte, *Légation de Belgique, le* 23 *Novembre*, 1893.

MON Gouvernement a reçu de Washington un télégramme portant que "le Président des États-Unis ne croit pas de son devoir, dans les circonstances actuelles, de demander que la Conférence Monétaire soit convoquée."

Je suis, en conséquence, chargé de faire part de cette information au Gouvernement de la Reine.

Je saisis, &c.
(Signé) SOLVYNS.

(Translation.)

M. le Comte, *Belgian Legation, November* 23, 1893.

MY Government has received from Washington a telegram stating that "the President of the United States does not feel called upon in present circumstances to ask that the Monetary Conference should be convoked."

I am accordingly charged to make known this information to the Queen's Government.

I avail, &c.
(Signed) SOLVYNS.

COMMERCIAL. No. 1 (1894).

Note from the Belgian Minister in London relative to the Monetary Conference.

Presented to both Houses of Parliament by Command of Her Majesty. January 1894.

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RETURN to an Address of the Honourable The House of Commons, dated 17 March 1893;—*for*,

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India Office,
25 March 1893.

ARTHUR. GODLEY,
Under Secretary of State for India.

(*Sir William Houldsworth.*)

Ordered, by The House of Commons, *to be Printed*,
28 *March* 1893.

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REPORT of the DELEGATES of INDIA at the BRUSSELS MONETARY CONFERENCE.

My Lord, London, 20 February 1893.

IN compliance with your Lordship's instruction, we have attended the meeting of the International Monetary Conference at Brussels.

The Conference commenced its sittings on the 22nd of November 1892, delegates from 22 States being present, and on the 17th of December, in accordance with the general wish of the delegates, it adjourned.

The "Procès Verbaux," a complete copy of which accompanies this report, give a full account of the proceedings of the Conference, and will obviate the necessity of any detailed reference on our part to the voluminous discussions at the sittings.

1st Sitting, 22nd November.

The Conference was opened by an address from M. Beernaert, the Prime Minister of Belgium, after which M. Montefiore Levi, a Senator of the Kingdom, was elected President.

2nd Sitting, 25th November.

After some questions of procedure had been disposed of, Mr. Allison, one of the delegates for the United States of America, presented a statement proposing the discussion of plans for increasing the use of silver for currency, suggested by M. Moritz Levy and M. Soetbeer; and a proposal for the adoption of international bimetallism, which was favoured by the delegates of the United States.

M. de Rothschild, a delegate for Great Britain, also submitted for consideration a proposition having for its object the purchase yearly, under an international arrangement, of silver bullion to the value of about five millions sterling, for a limited number of years.

At this meeting the delegates of several States made declarations reserving for heir respective Governments complete liberty of action in dealing with any natter that might be brought before the Conference; the delegates of Germany nd Austria-Hungary stating that their instructions precluded their taking part in the discussions or in voting, while the delegate of Russia stated that is instructions prevented his voting on any question in the Conference.

3rd Sitting, 28th November.

A committee was appointed to consider the propositions of Messrs. Moritz evy, Soetbeer, and Rothschild, and any other proposals that might be brought ward by delegates subsequently.

4th Sitting, 2nd December.

The Committee submitted to the Conference its first report, which stated the ncipal arguments adduced for and against the proposals, but expressed no nion on their merits or demerits, leaving them for discussion by the full nference.

n the course of the discussion that then commenced, it was recognised that ould not be confined to the particular plans that had been proposed, and that ments on the general questions at issue must necessarily be admitted.

BRUSSELS CONFERENCE (REPORTS INDIAN DELEGATES).

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