Charts show the violent changes in value of the dollar which have brought ruin on our people, due to neglect of Congress to REGULATE THE VALUE OF MONEY, as the Constitution requires.

Uncritically Congress accepted the fetish worship of a fixed weight of one commodity, gold, as the currency unit, and failed to see the instability of gold as here demonstrated.

In raising the price of gold Congress took a first step towards restoring the value of the dollar to normal (corresponding to 1926 value), BUT IT HAS PROVIDED NO MEANS TO EFFECT ITS FUTURE REGULATION, WHICH UNDER THE CONSTITUTION IS ITS MANDATORY DUTY.

COMMITTEE FOR THE NATION

PRICES AND PURCHASING POWER

UNITED STATES, 1920-1934

PREPARED BY
NATIONAL INDUSTRIAL CONFERENCE BOARD, INC.
NEW YORK CITY

	CURRENCY	GOLD
ALL COMMODITIES, UNITED STATES BUREAU OF LABOR STATISTICS →	———	- - - - - -
30 BASIC COMMODITIES, WARREN AND PEARSON →	—●—●—●—	
30 BASIC COMMODITIES, JOURNAL OF COMMERCE ★ →	—○—○—○—	···○···○···

INDEX NUMBERS, BASE, 1926=100

WHOLESALE PRICES OF ALL COMMODITIES AND BASIC COMMODITIES IN TERMS OF CURRENCY AND GOLD

PURCHASING POWER OF CURRENCY AND GOLD IN TERMS OF ALL COMMODITIES AND BASIC COMMODITIES, AT WHOLESALE

I N T E R P R E T A T I O N   B Y   C O M M I T T E E   F O R   T H E   N A T I O N

This lower chart shows that payment under the "GOLD CLAUSE" today would give bondholders 3.56 times as much of basic commodities -- foods, fibers, metals of universal use -- as in 1920; 2.4 times as much as during the period 1921-29 (average = 1926).

It shows also that the increase in the buying power of the gold dollar over basic commodities, from 68 in 1920 to 112 in 1921, caused the drop in commodities indicated on upper chart. This price-fall caused the 1921 depression.

This lower chart shows also how, beginning midsummer 1929, greatest increase in recorded history in buying power of gold caused depression. Every nation suffered so long as it continued to use its former fixed weight of gold as its money. The purchasing power of the old gold dollar over basic commodities increased from its normal 100 of the 8-year period to 270 in March 1933. the destructive effect was checked only when in April 1933, under President Roosevelt, we left the gold standard and began to reduce the weight of gold in the dollar.

This chart shows also that the dollar reduced to 1/35th of an ounce of gold still has 143% as much buying power over basic commodities as the 1926 dollar. Therefore basic producers, 55 millions of our population, receive only 70% as many dollars for their annual production as formerly. They remain short almost $10 billion, or 30% of their normal annual buying power. Until this purchasing power, taken from basic producers by monetary derangement, is restored by corrective monetary action, basic producers cannot buy in their former normal volume from industry, and private industry cannot absorb the unemployed.

as of Dec 15, 1934

Those nations that by proper currency management have freed themselves from the tyranny of uncontrollable changes in the buying power of gold have restored basic producers' prices, industrial and building activity, and have greatly reduced unemployment. -----------COMMITTEE FOR THE NATION

N. I. C. B. CHART SERVICE
JANUARY, 1935

In both charts the Warren and Pearson basic commodities index is used up to 1933; thereafter, the more sensitive index of the Journal of Commerce. ★ BASE, 1927-1929=100

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