



FIG. VII. TERMS OF TRADE AND WAGES

It is to be noted that this graph merely records the facts of international trade in the later phase of the 1870-90 borrowing cycle after the exchange and banking crisis was actually in sight. It is to be presumed that both the gross and net terms of trade would show the orthodox rise and fall over the period; but the difficulties of constructing the indices from the defective data proved so great that the task was reluctantly abandoned.