

States of America—the difference being due to the various overhead charges that would have to be incurred in placing the product on the markets of Liverpool or Antwerp, for instance. Of course, the figures are only given as an approximate calculation, and, in addition to the various items included, the effect of tariffs would have to be taken into account, as the latter impost is a prominent factor in causing differences in price in various countries, as compared with the “world’s price” figures.

The important question for the not-far-distant future is the rapidity with which the increasing demands of their own population will allow the wheat-growing countries to maintain their exports of supplies. Comparing 1911 with 1901, the increase of wheat area in the Empire (five countries) in thousands of acres was 45·5 per cent., compared with a 6·6-per-cent. increase in thousands of population; in eleven European countries the figures were 17·1 per cent. and 15·6 per cent. respectively, and in six other countries 19·9 per cent. and 20·6 per cent., the total for the whole being 22·9 per cent. increase of wheat area and 13 per cent. increase of population. These statistics take into account the majority of the wheat-growing territories and most of the wheat-eating peoples of the world. Thus there is no reason to doubt the correctness of the general conclusion to be drawn from the figures—namely, that the supply of wheat is at present keeping pace with the increasing demand for it.

GOLD.

There is no doubt that the scarcity of money at the present time is in a great extent due to the very large calls that have been made of recent years upon the London money-market for loans. Another factor is the large demands that have recently been made for gold from both India and Egypt for absorption. India took in 1912 28 per cent. of the world’s output of gold, as against 16 per cent. in 1890. Egypt is moving on similar lines, though to a much smaller extent, and is importing millions of sovereigns, which are absorbed and pass out of circulation.

From what I can gather the demands for loans made upon London amounted to £498,000,000 during the three years ended December, 1909, and to £670,000,000 during the three years ended December, 1912. These large demands have been the means of raising the interest charges on borrowed money, and investors are not satisfied with the return they received for their moneys a year ago. How long this state of affairs is going to continue it is difficult to say, but it is always the unforeseen that occurs.

The estimate of the world’s gold-output for the last five years is as under :—

		Total Output (Million Pounds).	New Coinage and Re-coinage (Million Pounds).
1908	...	91·0	67·2
1909	...	93·4	64·4
1910	...	96·4	92·3
1911	...	97·3	77·2
1912	...	98·0	(Not available.)

The gold-output of 1912 was three times as large as the output in 1893, when the output was £32,400,000, the increase being due to the development in South Africa, Alaska, and Siberia.

It may be of interest to give the stocks of gold held by the principal banks of issue in Europe in 1912, and the estimated amounts for the present year :—

	1912. £	1913. £
England	38,274,828	36,303,979
Germany	40,981,700	46,153,800
France	129,000,000	129,835,480
Russia	148,329,000	150,696,500
Austria-Hungary	52,683,666	50,150,917
Italy	51,200,000	55,400,000
Holland	12,138,740	13,464,104
Belgium	7,598,880	8,700,240
Spain	16,926,000	17,883,108
Totals	£497,132,814	£508,588,128

In connection with this accumulation of gold and the great desire of the State banks of the chief European countries to keep intact their stocks of gold, it will be a problem in the future with the decreasing output of gold in relation to the required accumulations how those responsible are going to keep up their reserves, and in this respect there appear two factors—the one to increase the note-circulation and the other to extend the use of silver.

That the note-circulation is on the increase is specially evident in the case of Germany, France, and Russia. In Germany the note-circulation and advances have increased by some £24,000,000. France has also increased her note-circulation, the Bank of France having increased their note-circulation and advances to an amount of upwards of £20,000,000. Russia is apparently in a good position, having not only increased her gold-circulation, but confined her increase in note-circulation and advances to £15,000,000.

It is, of course, quite possible that silver, by mutual arrangements between Governments, may be minted subsidiary to gold on a much larger scale, or it may be agreed to raise the legal tender of silver now that the increase in the output of that metal appears to be on the decline. Should those forecasts take place there is little doubt that silver would again take the place it