THE GOLD PRODUCTION OF THE WORLD.

The gold coinage of Germany has so seriously disturbed the money markets of the world, and there is so much apprehension with regard to the future demands of Germany, that it becomes of interest for men of science to determine the stock of gold which at present is available for trade, and also the rate of production of the gold-yielding fields of which the German demand is made. It must be remembered that there is a demand to make good the wear and tear as well as the casual loss of the existing stock of gold; and it is to provide for these purposes that the mining companies approach $10,000,000 a year, and also that Japan is likewise coining gold. Furthermore, France is evidently almost ready to resume coin payments, and according to the Act of January last the United States are to resume on New Year's Day, 1879. Lastly, Holland has under consideration a plan for adopting a single gold currency. Italy, Austria, Russia, Turkey, and Spain are all at present under a regime of inconvertible paper, but there seems little probability of their being specifically in that position to redeem gold. In England, demand to be apprehended in the immediate future, then, will be confined to Germany, Japan, France, the United States, and possibly Holland.

According to a statement published in a recent number of the Economist, the aggregate production of all the gold mines since 1848 has been 5,368,461,000. It is to be remembered that the stock of gold then existing was about $80,000,000. If this estimate was nearly correct, the yield of the mines during the past seven- and-a-half years amounts to the whole stock of gold existing in the commercial world in the beginning of the period. But if the actual yield of gold and silver during the ten years has reached $1,000,000,000 per annum, there would have to be deducted a total sum of $81,000,000. The existing stock of gold in the commercial world at the Commencement of 1868 was $200,000,000; the annual addition of $1,000,000,000 would increase it to $1,000,000,000; but the annual addition of $81,000,000 would reduce it to $919,000,000. In other words, the decrease in the value of gold during the last ten years has been greater than the increase of the annual supply of gold.

The productivity of the mines reached its maximum in 1876, when the aggregate production of the United States, $72,000,000; Australia, $26,000,000; Russia, $23,000,000; and Germany, $5,000,000. Since 1876 the yield has been declining. Last year the estimate is 91,321,200, of which Australia produced $31,321,200, the United States no more than $26,000,000, and Russia $6,500,000. It will be noticed that the falling off has been by far the most rapid in the case of the Russian mines. In 1876 they were the most productive. Last year they yielded little more than two-thirds of the output of the Australian mines, and not much more than one-third of their former yield. It is therefore reasonable to infer that the great falling off in the yield of gold is to be attributed in the main to the Russian mines.

In the long run it is, of course, the productivity of the mines which determines the abundance or scarcity of the metal, and consequently its value in trade and commerce. The quantity must be taken into account—the stock of gold which may be hoarded away or held in reserve in the countries which do not produce it. With regard to the United States, a recent article in the New York Financial Chronicle gives some information on this point. In the year 1859, according to the Chronicle, the amount of gold and silver in the banks of the United States, in the Treasury, and in circulation was about $40,000,000. The quantity since raised from the American mines is $192,000,000. Of this latter quantity somewhat less than one-fourth is silver. Assuming that the proportion of silver in the coinage of 1859 was about the same, we find that the gold currency of the United States in that year was about $203,000,000. The total gold raised since the beginning of 1860 has been about $1,055,000,000, and the total imports of $31,000,000, making an aggregate of production and imports of $1,186,000,000. The total exports, during the same period has been $1,043,000,000. The surplus remaining at the end of 1878 was $132,000,000.

It should be observed that in 1865, 1866, and 1867 the silver exported is considerably diminished from the previous year; and in 1866 and 1867 it appears larger than they really were, and of course would increase the existing surplus. But, on the other hand, there was probably some expan- sion of the currency of the Southern States during the civil war, and we cannot possibly err much if we set off the one error against the other. If this was the case, then during the last ten years, it is true, but if we be- fore returning them would have to draw largely upon the European supplies, and that consequently a denigration of the money market might be apprehended. This would show, then, that the stock of gold and silver in existing amounts at present to about $60,000,000, or to one-fifth more than the quantity which could be held as reserves in the banks in 1860.

But this stock of $50,000,000 includes not only coin and bullion, but also the manufactured metal. The Chronicle estimates that the manufacture of bullion in 1876 was $19,000,000, and hence that the quantity available for money is $69,000,000.

[1846]
MARCH 25, 1875.

PALL MALL GAZETTE.

The adjournment of Congress leaves politics for the present a perfect blank. In the expectations which have been filling the press over its adjournment we have lost sight of this important fact; but it will probably be forced upon our attention before long. For the last three months we have had much food for anxious thought. What Congress might do with the currency, with the South, with foreign affairs, were questions to which the properment of that body furnished every day suggestions of new answers. But now that Congress has adjourned, the anxiety about these is for the time being over; and with the exception of a Hawaiian sugar question, which, however important in itself, is not likely to stir the public very deeply, it would seem that the present situation of a very startling character could occur in the next few months to disturb the political waters, or to interfere with the revival of business now so confidently predicted by Wall Street. The adoption of the Force Bill and the adoption of the Wilson-Teller compromise in Louisiana, together with the determination of the Administration to recognize the Confederate States, would make it improbable that any serious outbreaks will occur in the reconstructed States; indeed, the quiet in Missis- sippi, notwithstanding the extraordinary proceedings by which a county sheriff was ejected from his office by Federal troops under an order of a court of equity, and the total cessation of murders and outrages, even in Alabama, since the election of Mr. Charles Hayns to Congress, appear to indicate a general disposition on the part of the whites, who have now got possession of the greater number of the Southern States, to take things easily and trust to the Democratic "tide wave" and Providence for the rest. The Civil Rights Bill, although it may cause at first a little trouble and bad blood, will probably be left to the courts, and the natural means of evasive skillfully adopted already by one haughty Buchanan man, is a measure which has no further occupation of the Act by ceasing to keep an hotel, but continuing his hostilities locally.

That Grant is now going to try a coup d'etat, or to keep the Republican party in power by means of a foreign war, there is little reason to believe. The stories about Spanish complications at the beginning of the session have come to nothing; and, though the Republicans have been assailed with Spanish aggression, which has been a ministerial condescension, as the Democrats when they were in power treated her with aggressive contempt, will the necessity of obtaining the consent of Spain to the extension of the Monroe Doctrine to all reasonable demands of foreign countries stronger than herself, the settlement of the Philippine case already committed by the House of Representatives at Washington, all make an interlude with Spain extremely unlikely, while with the rest of the world our relations are of the most amicable.

If we look at the attitude of the two parties towards one another, we find, of course, every indication of special for the most terrible war. A desperate battle has been fought in New Hampshire, and between now and the next Presidential election every inch of ground will be fought over with desperation. But it is still difficult to say what either party, if a party, means or wants. The past session has made that darker which was already dark enough before. The greatest problem of the Republican party is the question, but the Republican party, as a party, has no Southern policy distinctly adverse. The Force Bill has divided the Republicans, even in the forty-third Congress, but there is no Southern party of two positions: the one with the South is soft, the one with the South is hard, the one with the South is conservative, the one with the South is radical, the one with the South is moderate. The Civil Service reform has been formally abandoned both by Congress and the President, and the Democrats must have patience to carry the next election. Indeed, the difference between the two parties at present might be said to be that the Republicans do not want to fight at all, and that the Democrats will not beat the others.

The Northern congressmen, in particular, are very much in the same position which is peculiar, while the water of all the other rivers is quite fresh.

"My principal theoretical objection to Captain Speke's "Victoria Nyanza," and my absolute conviction that it is a lake region and not a river, are founded on the inverted form of an envelope, which encloses the river base layer, the immediate source of the lakes, the eastern basin.

"(A final word. I would not be suspected of nursing any prejudice in the present shape of events."

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