

IV. was chief of these, and he gave the name of New France to Canada, and commissioned Samuel de Champlain to carry out schemes for the settlement of that land.

Champlain found that the English had already formed permanent settlements, each having a distinct charter of self-government, around whose autonomy might grow up a living interest as a rose-vine grows about a trellis. He found that the French companies, trading in Canada, were seeking only their vulgar interest, and were making no increasing settlement. He saw that the religious orders were ardent only to convert the natives. He proposed, therefore, on one of his returns to France, to form a society for colonizing the country, to be open to any merchant, provided he would bring so much towards the gaining of colonists.

Now in regard to the government of Canada that existed before 1663, it must be said to have been an extreme despotism. There was no native power in the colony to curb the arbitrary sway of the one who held the commission of Governor from the King. The Royal Governor, or Viceroy, chose his own advisers, made the laws, and gave judgment according to his own views.

The only power that was growing up during this time was that of the Church. The religious society of the Recollets constructed a gorgeous convent near Quebec, when that settlement contained but 50 inhabitants. This was about 1620. Other religious bodies of the Catholic persuasion, richly endowed by French millionaires, to expiate the sins they had committed in the accumulation of wealth, erected the beginning of a power in Canada, that was to be second only to that of the King.

When the Cardinal Duc de Richelieu became Prime Minister of France in 1624, he sought to build up the maritime power of France by the aid of colonies. He organized a new commercial enterprise, that was to live in the interest of colonization. This he called the Hundred Associates. To them he granted, in sovereignty, New France and Florida. To the King was reserved the homage and the nomination of the colonial officers, who were to be presented by the Company and confirmed by the Crown. The colonists sent by this company were to be Catholics and French. Canada was deemed too small to contain a religious difference!

But now that colonization had taken a great increase, the Government could not remain longer irresponsible. The number of eminent families in New France and the growth of industry demanded that a Government be formed that should depend somewhat on the consent of the governed.

VISCOUNT DE FRONSAC.

Silver and Gold.

I THOUGHT the purport of my first paper on this question was reasonably clear. In that I pointed out that the large additions to the world's supply of gold and silver following the discovery of the Californian and Australian mines, had, by increasing the quantity, cheapened money and correspondingly raised the prices of other products. I also showed, or attempted to show, that the demonetization of silver, nearly a quarter of a century later, had lessened the quantity of money, or money supply available; had increased the demand for what was left, made money dearer, and thus reduced prices.

Mr. Jemmett began his reply to, or attack on, my article by saying that I had endeavoured "to show that most if not all of the financial troubles of the last twenty-five years have been caused by the demonetization of silver," and added: "In what follows I shall try to controvert this conclusion." This seemed to make the issue plain, but, as the discussion proceeded, Mr. Jemmett wandered so far afield that I thought best to re-state the case, which I did by saying: "The real question at issue is whether the quantity of money available for the purchase of goods and the payment of debts has any effect on its value as money or on the price of commodities," contending, of course, that it has, and saying that the four columns I had written were written in support of that contention, and that Mr. Jemmett had used twice the space in an effort to put me in the wrong. He now says: "I emphatically protest against the assertion that I used eight columns in an effort to controvert this theory." What are we to understand from this? Does Mr. Jemmett intend to say that he admits the correctness of my

theory; or does he only wish to have it understood that he used something less than the eight columns in the effort to "controvert my conclusions?"

In Mr. Jemmett's last—THE WEEK, June 26th—he summarizes his argument thus: "In my first article I tried to show from statistics that there was no scarcity of gold and that it had not appreciated in value."

"In my second I gave statistics which tended to prove that the decline in the value of silver as compared with that of gold had been caused, in the main, by an increased production attained at less cost."

Now, if Mr. Jemmett will carefully analyze his own figures he will find that, in so far as they bear on the value of silver "as compared with that of gold," they tend to prove the direct opposite of what he has been contending for. He gives the world's gross product of the two metals from the discovery of America, 1493, to the close of 1893. Using his figures we find that there were 7,574,022,716 oz. of silver produced, of which 1,919,652,980, or 25.34 per cent., are the product of the last twenty years. Of gold there was a total of 410,429,388 oz., of which 111,903,964 oz., or 27.26 per cent., are the product of the last twenty years; and if the years 1894 and 1895 were included, the relative percentages of increase would be still more favourable to gold; so it is evident that some other cause than excessive production will have to be assigned for the decline in the value of silver as compared with gold.

His "attempt to find an explanation of the fall in prices in modern conditions of production," might have been more successful could he have shown that these conditions do not apply with equal force to the precious metals. He rests his contention for the absence of appreciation in the value of gold on the great output of the mines in recent years, and attributes the decline in the value of silver to the "immensely increased production at greatly diminished cost;" how, then, can he contend that wheat, cotton, hides, wool, and similar goods in the production of which improved machinery plays a much less important part, should owe their relative cheapness to the same cause.

Mr. Jemmett appears to delight to dwell on the fact—if it is a fact—that though there was 50 per cent. more gold and silver coin in proportion to the value of the imports and exports of certain countries, in those countries in 1850, than there was forty years later; yet the prices of goods in one of these countries were but little higher at the former than at the latter period. The volume of exports and imports is frequently a very inexact measure of the production, wealth, or even of the trade of a country, and we have no data of the prices in any of these countries but one, so it is not, by any means, clear how this is going to help us to a solution of the problem, not even though we accept Sauerbeck's figures for all countries and for the whole period; nevertheless, to please Mr. Jemmett we will do so and see how they affect other aspects of the question. His paper in THE WEEK of April 10th is entirely devoted to the fall in prices which, as we have seen, he attributes to greater facilities of production resulting from improved methods; and he fixes the period of greatest progress or advance in these methods at fifteen years before and fifteen years after 1870, from 1855 to 1885—or perhaps he would continue it down to the present time. If these improved or improving methods tend to lower prices and are the cause of the decline since 1873, they were operative before that time and should have produced similar results. Yet, according to Sauerbeck's tables, prices rose in the twenty-three years, 1850 to 1873, from 76 to 111, or 35 points. Since that time they have gone down to 68, or 43 points. It is just as reasonable to attribute the rise that took place during the first 23 years to the improved methods, as to assign that cause for the decline of the more recent period. Indeed, during the earlier period, the better prices then obtainable were popularly supposed to be due to the extension of commerce, improved methods of production, and greater freedom of trade. Then, as now, only a few of the more thoughtful could see below the surface.

It is not clear whether Mr. Jemmett fails to grasp the question and thus misapprehends what I have written; or whether it is from a desire to misrepresent that he says: "Mr. Harkness still appears to think that the proposition, 'a universal fall in prices is impossible,' proves the appreciation of gold to the extent of 66⅔ per cent." I neither thought, or appeared to think, said, or appeared to say, any—