

THE GOLD MOVEMENTS OF 1899.

The movement of gold to and fro between the chief nations of the world is one of the constant phenomena of that department of commerce which is specified as "finance," as distinguished from that which is ordinarily understood as "merchandise." Yet both gold and silver, either in the form of coin or bullion, are quite as correctly classified as "merchandise" or marketable goods as are wheat, lumber, textile or dairy products. Attention is being constantly paid to the movements of these classes of goods, because they constitute the chief portion of the trade of all countries, and, consequently, are at all times of deep interest, not only to the merchants and manufacturers directly engaged in such trade, but also to bankers and others who are financially associated with commerce.

Under ordinary conditions the movements of gold attract little attention outside specifically financial circles, chiefly bankers upon whom are drawn and who draw foreign bills of exchange. When, however, the money market is disturbed by extraordinary conditions, such as war, crop failures, depressed trade, foreign complications, political unrest, there is usually a stimulus given to gold movements which then attract general attention, and conclusions are apt to be drawn therefrom by these to whom the incessant ebb and flow of gold is not familiar. A resident on the seashore sees the tide come in and go out daily without any interest or surprise, but a visitor, to whom the tides are a novelty, watches them with both. Just now the gold movements are exciting unusual observation, both amongst financiers and the mercantile community. Statistics relating thereto will be helpful in arriving at an understanding of the causes, and the objects of the transmission of gold, and silver also, to and from Great Britain.

The following is a statement of the imports of gold and silver into Great Britain from January 1st to December 1st, 1899, also of exports of those metals in same period, compared with the imports and exports for 11 months, 1898:

Countries	IMPORTS.		EXPORTS.	
	1899. \$	1898. \$	1899. \$	1898. \$
Russia, G....			594,500	274,500
" S....			14,916,000	10,165,000
Germany, G....	10,780,000	19,310,000	20,563,000	44,836,000
" S....	1,710,000	2,821,000	1,663,000	2,706,000
Holland, G....	5,798,000	7,529,000	1,650,100	5,580,000
" S....	380,000	6,500	149,500	357,000
Belgium, G....	1,730,000	2,110,000	155,000	348,000
" S....	8,079,000	5,578,000	1,651,000	4,556,000
France, G....	7,570,000	21,730,000	6,360,000	5,247,000
" S....	5,450,000	3,579,500	4,318,000	16,239,000
Portugal, G....	913,000	1,787,000	47,750	45,000
" S....	9,800	9,600	695,000	920,000
Egypt, G....	650,000	3,775,000	1,213,000	2,007,000
" S....	227,000	325,000	126,700	117,000
China & Jpn. G....	7,300	18,510,000	3,060,000	18,833,000
" S....		110,000	8,326,000	3,066,000
St. America G....	7,495,000	9,640,000	17,675,000	11,300,000
" S....	5,000,000	7,710,000	774,000	101,000
South Africa G....	74,295,000	77,677,000	21,102,000	
" S....	239,000	162,000	358,000	488,000
E. Indies, G....	7,797,000	7,509,000	9,109,000	13,072,000
" S....			26,117,000	23,799,000
Australia, G....	23,639,000	35,510,000		
" S....	991,000	343,000	671,000	579,000
U. States, G....	9,343,000	241,800	6,618,000	53,176,000
" S....	40,170,000	42,851,000	57,000	40,100

Spain, G....	252,300	230,700	6,075,000	
" S....	98,770	98,600	776,000	1,414,500
Gibraltar, G....	65,000	375,100	560,100	360,700
" S....	30,500	45,000	85,000	120,700
Canada, G....	820	1,900		170,400
" S....		58,300	195,500	141,200
Africa West, G....	321,000	428,000	191,000	247,500
" S....	76,500	16,100	2,032,500	1,976,000
Other places, G....	1,320,080	983,500	5,426,150	5,163,900
" S....	1,946,300	5,316,700	109,500	2,551,600
Totals, Gold....	152,674,000	207,348,000	100,490,000	160,655,000
" Silver....	58,917,000	67,500,000	63,021,000	69,341,000

It will be noted that the great bulk of the silver imported by Great Britain goes from this continent, and is re-exported to the East Indies, the West Coast of Africa, Russia and China. This movement was essentially a merely mercantile one, being the purchase of silver for foreign markets, where it is in demand for currency. The imports of silver into Great Britain in 1898 furnished \$67,500,000 out of the \$69,341,000 exported, and this year the receipts of silver were \$58,917,000 and the outgo \$63,020,000. The balance of silver exports over imports in both years being a total of only \$5,944,000, which is about the amount of the extra shipments this year to China. A study then of the silver transactions of 1898 and 1899 justifies the view that this metal has lost the place it once held as the chief medium for settling international exchanges. Silver, in a word, is now little more than a commodity like wheat; it is no longer a standard of value, save in a few semi-civilized countries. Gold, on the other hand, is not merely merchandise, in the ordinary sense, but it has uses which are peculiar to itself. One of the most important of these is the use made of it as the "Reserve" of the Bank of England and other monetary institutions in Europe. Upon those gold reserves is practically built up an enormous edifice of credit. The vast paper currencies of this continent, and of the chief nations of Europe, and the loaning capacity of the world's chief financial institution, the Bank of England, rest chiefly upon gold. The following shows how steadily the Bank's reserve of coin and bullion has been going down in the last three years, the date for each year being the latest reported:—

	1899. \$	1898. \$	1896. \$
Circulation.....	143,220,000	135,920,000	129,350,000
Deposits.....	212,900,000	205,000,000	245,000,000
Reserve, Notes & Coin.	94,753,000	104,346,000	131,088,000
Coin & Bullion.....	153,983,000	156,231,000	178,440,000
Proportion of Reserve to Liabilities.....	44.5-16 per cent.	50.11-16 p. c.	54 p. c.
Bank Rate.....	6	4	54
Closing House return for week.....	1,106,000,000	817,190,000	622,284,000

Here we find that the Bank of England has been drained of deposits since the end of 1896 to extent of \$32,100,000; its reserve of notes and coin has gone down in 3 years by \$8,335,000; its stock of coin and bullion has decreased \$24,455,000, and consequently the proportion of the Reserve to Liabilities has shrunk from 54 per cent. to 44.5-16 per cent. These changes were to a large extent caused by the revival of trade, which drew out deposits for use in active