

During the ten years ending with 1905, the world's average annual gold production was more than twice that amount—being \$280,500,000. But so great has been the multiplication and expansion of credit instruments within the past generation that this increased gold supply must necessarily have been of far less import than was the smaller production of 1851-60. So, too, with the \$410,000,000 production of the year 1906, and the estimated \$435,000,000 yield for 1907.

Elsewhere in this issue appears an article showing the advance in average commodity prices in Europe and America during recent years. It will be of interest to examine whether the price range for the United States bears any apparent relation to the annual increase of gold during the past decade.

	United States Production of Gold.	Excess of Im- ports or Ex- ports of Gold.	Annual Increase of Gold.	Average Commod- ity Price.
1897.....	57,363,000	+ 44,653,000	102,016,000	89.7
1898.....	61,463,000	+104,985,000	166,448,000	93.4
1899.....	71,653,000	+ 51,432,000	122,485,000	101.7
1900.....	79,171,000	- 3,693,000	75,478,000	110.5
1901.....	78,666,000	+ 12,866,000	91,532,000	107.5
1902.....	80,000,000	+ 3,452,000	83,452,000	112.9
1903.....	73,591,000	- 2,108,000	71,483,000	113.6
1904.....	80,465,000	+ 17,595,000	98,060,000	113.0
1905.....	88,181,000	- 38,945,000	49,236,000	115.9
1906.....	91,000,000	+ 57,648,000	151,648,000	122.4

While the comparisons shown in the foregoing table are in certain respects arbitrary, and do not take into account gold used in manufactures and arts, they seem to show that the increase in amount of gold is in itself far from being a direct measure of price changes. Nothing approaching parallelism is discoverable between the last two columns. A recent correspondent to the New York Evening Post writes that the present increased production of gold is greater than the increase of population and accumulated wealth, and is itself sufficient to account for, and to continue for some time to come, a rising price-line for things generally. Such a statement is surely wide of the mark, and well illustrates the narrowness of outlook characterizing any hard-and-fast quantity theory of money. All other things remaining equal, variations in the amount of available gold would certainly affect prices, much as the quantity theorists contend. But there are other and constantly varying factors to be considered. The aggregate influence of these upon prices seems often to outweigh any increase in gold supply—though the effect of the latter undoubtedly enters into the final result. But to measure exactly the extent of such effect, if not actually insoluble, is at any rate a problem for which no convincing solution has yet been given.

#### Interest on Bank Deposits in Britain.

THE CHRONICLE has received a letter from Mr. L. M. Miller, Strathearn, Scotland, regarding the article "Bank Deposit Rates" which appeared in the issue of 19th April. Mr. Miller describes the ample facilities for saving existing in Scotland. Following is an extract from his letter:

"In Scotland you can deposit any sum at interest from 20 shillings (\$5), and I conclude you can do the same thing in England. The Scotch banks in London will accept any sum from 20 shillings up, giving interest for 14 days. No interest is allowed on current or book accounts. No money is taken by Scotch or English banks at a stated rate of interest; the rate fluctuates with the Bank of England rate. Foreign and colonial banks offer from 3 p.c. to 5 p.c. for money left on deposit for a period of years and probably 1 year. There are savings banks in every town of importance in the Kingdom where 3½ or 3 p.c. is to be had by pass-book depositors." THE CHRONICLE welcomes this correction. There was no intention of representing things as different from what they are. The main idea of the article was to express that the banks in Canada combining as they do a general business along with savings bank business, perform more service for the public than do the large English joint stock banks amongst whom the savings bank department is not exactly popular as yet. The article referred to England rather than to Scotland.

#### Business Men and the Streets.

The council of the Montreal Board of Trade has expressed the opinion that it is useless to again approach the City Council on the subject of better streets, being discouraged by the failure of its previous efforts in this direction.

It seems unfortunate that badly as the city streets need paving, the Road Committee should feel under the necessity of refusing the offer of a private company to pay half the cost of paying a thousand feet of roadway in front of its factory. There must be many business concerns in Montreal which are so vitally interested in having passable roads near their factories and warehouses, that they would be glad to contribute to the cost of paving them.

#### Grant to Jamaica.

With commendable liberality the British Government has decided to grant Jamaica a present of \$750,000, and to guarantee a loan of \$5,000,000, to assist in the work of restoration from the consequences of the earthquakes.