

during the past few years. Here are the figures:

1896	\$202,251,000
1897	236,073,000
1898	286,879,000
1899	306,724,000
1900	254,576,000
1901	260,992,000
1902	296,737,000
1903	327,702,000
1904	347,377,000
1905	380,288,000
1906	402,503,000
1907	412,532,000
1908	441,932,000
1909	457,619,000

The above seems overpowering at first sight. Here surely is the tale of 1848, and the Californian

1493-1850	1851-1875	1876-1895
\$3158 M.	\$3174 M.	\$2467 M.

Relative Increase in Gold Production.

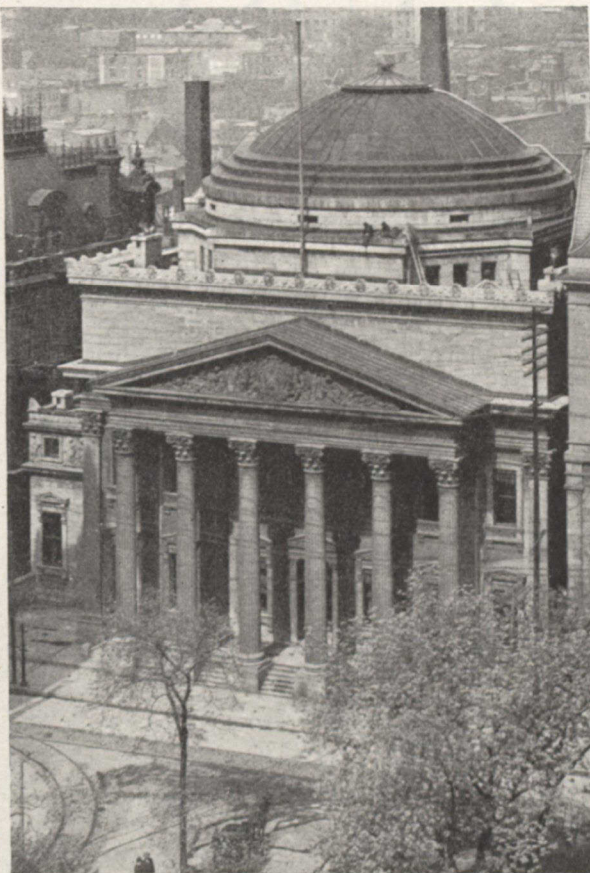
and Australian discoveries over again. But on examination some very important offsets may be discovered. Leaving aside the knotty problem of just how the new gold brings its influence to bear on prices, the first qualification arises out of the necessity recently pointed out by Professor Laughlin of Chicago, of remembering that the gold production in any one year must be reckoned relatively to the total previous production and not merely to the production of the previous year, gold not being like the ordinary crop consumed in the year of production, except to the extent that it is used in manufactures (Seetbeer estimated this at sixty million dollars annually), and to the trifling extent represented by losses out of the pocket and abrasion. Professor Laughlin illustrated the situation up to 1896, as noted in the chart above.

In other words, there was very nearly as much gold added to the world's stock in the twenty years from 1875 to 1896 as in the twenty-five years from 1850 to 1875, yet in the latter period prices fell, while in the former they rose. The answer in part would be that the increase in 1851-75 was over one hundred per cent., while in 1876-95 it was only about forty per cent. Still it was an increase. From the chart opposite we get another view.

The total gold production from 1896 to 1905 will be seen from the above to represent 33 1-3 per cent. increase on previous stocks, less again rela-

tively than the increase in 1875 to 1896. Yet 1896 to 1905 was a period of very rapidly advancing prices.

THIS shows the absolute necessity of considering more than the supply side of gold. But when we turn to the demand side we are plunged at once



Head Office, Bank of Montreal, which is the repository of many millions worth of gold produced in Canada.

into very serious difficulties. We have no such power of estimating demand as we have of gauging supply. There were undoubtedly some extraordinary demands on the gold supply in 1873-95, but there have also been some very great demands since 1896, such as the demoralisation of silver by Japan, Mexico and some of the South American states, and the world-wide growth of commerce. Again, has the rapidity of circulation been un-

changed? This is clearly an important matter. The oftener a coin changes hands the more work it is doing, and an increase in this way is the same as an increase in the amount of coinage. In any event, the part which gold plays as a direct vehicle of exchange dwindles more and more into insignificance beside that of the credit system, which though resting on a metallic basis is not necessarily directly proportioned to metallic reserve, and the organisation of which is therefore the most important factor in the modern financial and commercial world. The whole level of prices is swayed at intervals and sometimes with extreme violence, as everyone knows, by nothing more or less than the confidence or timidity of investors. For example, note how the price line in Canada, the United States and England fell in 1908, though the gold

1493-1895	1896-1905
\$8799 M.	\$2899 M.

Another Way of Estimating Gold Output,

supply increased enormously in that year. Now, there would seem evidence to believe that the organisation of the financial system has been increased and perfected of late (witness the name of Morgan), but just to what degree no one is in a position to say.

These are some of the questions which must be considered before one can venture to estimate what the increased gold production has done to prices. It is easy for a politician who has a tariff to white-wash or a trust to defend to cry gold—with the resigned air of laying the blame on Providence. Mr. Bryan is quite entitled to his sarcasm over some of times' revenges in the political situation in the United States. In the midst of the problem, as we are at present, perhaps the safest verdict on the gold question is one of "not proven"—in the Scottish meaning of the phrase. For as we shall see later on, there is a great deal besides gold, even among general causes, to be accounted for.

In the third and concluding article of this series Mr. Coats will deal with the causes of high prices as arising out of conditions peculiar to the demand for and supply of commodities themselves.

WOMEN IN FACTORIES

HERE on this page is a bevy of girls working in a whitewear factory. There are thousands of such girls in Canada to-day who know all about cottons and woollens and tobacco—some of them. The woman in business—that is one of the most noticeable features of modern industrial conditions. But it is not altogether recently that woman has taken her place in Canada away from the kitchen, alongside man in the struggle for bread. The other day the writer was in a country town and met an old, grey-haired grandmother. She became quite eloquent on the early pioneer days when girls had no such things as kitchen cabinets and vacuum cleaners to aid them in their domestic duties. She began to talk of work outside the home.

"After the breakfast was over at five and the things cleaned up, in the busy season, off went we girls to the fields to follow the cradle and help the men stook up the grain. Men and women, we had to co-operate for a living in those days."

And to-day except that the girl is translated from her father's work to the employment of someone else into factories, and the shops, the position of thousands of working girls throughout the Dominion who are trying to help swell the family purse is essentially the same as that grandmother.

Before the influx of working girls into industrial life, girls of this class used to engage themselves in domestic service. There is not much domestic service now—and that is a sore point. However, the girls who refused to be called "hired girls," and latterly "maids" even, have survived the odium which was heaped upon them when they deserted for the factories and the shops. They like their new jobs and they appear to have cut out a place for themselves in the business world. Said a large employer of female labour to the writer the other day:

"I tell you straight, in my business, I could not do without girls. They perform jobs in my factory, not too intricate for them, but such work as you would not feel like paying big hearty men to do."

And if you think that the home is woman's

ultimate destiny, how do you account for the lure of the world of industry and its hustle, to which so many girls are yielding? Contrasted with the girl earning her living at housework, there is no noticeable monetary consideration to induce the factory girl to stick to her job. A good maid gets \$20 a month and board; the factory girl gets little more and must provide her own maintenance. Both work equally hard for their money.



Canadian Girls in a White-wear Factory may work harder than Domestics, but they like it better.