

The amount in fine ounces is stated by the United States Mint to be:—

Year.	Fine Ounces.	Year.	Fine Ounces.	Year.	Fine Ounces.
1890	5,749,000	1897	11,420,000	1904	16,804,000
1891	6,320,000	1898	13,878,000	1905	18,396,000
1892	7,094,000	1899	14,838,000	1906	19,471,000
1893	7,619,000	1900	12,315,000	1907	19,977,000
1894	8,764,000	1901	12,626,000	1908	21,430,000
1895	9,615,000	1902	14,355,000	1909	21,983,000
1896	9,784,000	1903	15,853,000		

TABLE 26.—COIN AND BULLION IN THE BANKS IN NEW ZEALAND.

	£		£		£
1891	2,357,588	1898	2,752,245	1905	4,006,108
1892	2,522,725	1899	2,636,177	1906	4,593,954
1893	2,601,949	1900	2,802,232	1907	4,836,718
1894	3,221,476	1901	2,996,345	1908	4,840,942
1895	3,333,272	1902	3,201,824	1909	4,947,096
1896	3,294,603	1903	3,608,941	1910	5,035,764
1897	2,955,818	1904	3,896,195		

This amount has therefore more than doubled during the last twenty years.

Mr. Roberts, the Director of the United States Mint, in his last annual report tries to show how the gold-output during the last twenty years has gone into "actual use, for the purpose of discovering where it has been located, and how much of it has been placed where it would probably exert an influence for the expansion of credit, the stimulation of industry, and the rise of prices." He summarizes the decade production since 1880 as:—

	Dollars.
1880-89	1,062,500,000
1890-99	1,959,977,820
1900-9	3,582,917,500
1910	454,703,900
1911*	473,383,543

The industrial consumption of gold he states to have been:—

	Dollars.
1890-99 (ten years)	570,627,100
1900-10 (eleven years)	958,192,100

of which Australasia consumed one million dollars' worth in 1910. India, Egypt, Japan, South America, and Mexico have also taken considerable amounts of the output, which are largely withdrawn from monetary use, though they have undoubtedly influenced the credit circulation. In fact, nearly half the gold circulation of the last twenty-one years has gone into the arts and to these countries. The remainder, some of it coined, and some of it in bank reserves, must have exercised some influence in raising prices both directly and indirectly by its influence in extending credit. It appears to have had most effect in these directions in North America.

4. There is no doubt that changes in the rate of gold-production have been throughout recent history very closely associated with changes in the general level of prices. The evidence of Dr. McIlraith (page 269) very fairly summarizes the trend of these changes. "Investigation seems to show that prices are now ten times as high as they were a thousand years ago, and from four to six times as high as they were during the period from 1215 to 1500—that is, up to the time of the discovery of America. The discovery of America caused the introduction of an immense amount of silver and gold, principally silver, into the markets, and hence into the currency, and prices rose. From about the time of the French Revolution—1789 to 1809—the stock of gold was rapidly increasing; and we find that during that period prices rose. From 1809 to 1849 the stock of gold was stationary, remained fairly stationary, and prices fell. That was a period of great development of steam-power. Steam was used for the first time in manufacturing. We may assume, then, that the volume of trade increased to an enormous extent, the stock of gold

* Estimate by the *Engineering Mining Journal*, quoted in *The Economist*, 18th May, 1912.