

Gold Unmatched in Power Over Destinies of Humanity

Has Caused Great Upheavals in the Career of Humanity. Gold led to the Discovery of America, Says Titled Writer. Has Special Qualities Unmatched by Any Other Metal Known.

At the present time when there are all sorts of wild discussions in reference to the gold standard, and when even a Minister of the Crown makes reference to gold as a metal of little use in the world, if despatches from Sault Ste Marie may be believed it may be well to hear the other side of the question. In an article in The London (England) Financial News recently, Sir John Marriott looks at gold from a different standpoint. He says that gold has been the arbiter of human destinies throughout the ages. He gives gold the credit of leading to the discovery of America, and says the precious metal has qualities unmatched by any other mineral. His article in full as it appeared in The Financial News is as follows:—

In all ages, in every country, among people at every stage of cultural development, gold has been highly esteemed and ardently desired. For this universality of admiration there are obvious reasons, ranging from the purely aesthetic to the severely utilitarian. Primarily, no doubt gold was and is desired because it glitters. If the proverb warns us that "all that glitters is not gold," it still remains true that gold glitters beyond other things. Gold, moreover, has always been relatively scarce, and scarcity, as the pundits teach, is an important element in value. Then gold possesses certain attributes which have given it pre-eminence, both for the manufacture of ornaments and objects of art, and also as a medium of exchange and a common denominator of value. Among these I only mention in passing malleability—it is easily worked; its high specific gravity; its almost unique insolubility to the action of natural agents—its insolubility in water and its resistance to cold and moisture.

When we talk about "gold" today it is, of course, monetary and financial problems that we mostly have in mind. The "man in the street"—particularly in Lombard Street, Threadneedle Street or Wall Street—is apt to regard "gold" as synonymous with money, or at any rate, as the basis of all "good money." There may even be some who are still infected with the old bullionist heresy and identify gold with "wealth." Let me be careful. Gold is wealth; under almost every conceivable circumstance the possessor of gold can exchange it for something he desires.

The well-known story of Midas reminds us that there are exceptional circumstances which contradict this generalisation. Gold was, for example almost the last thing which Robinson

Cruce would have carried off from the wrecked ship into the seclusion of his cave. But, generally speaking, gold is wealth. The blunder of the "bullionists" was in exalting gold (and silver) so far above all other forms of wealth. Yet their blunder was quite intelligible and, anyway, it is no part of my immediate task to expatiate or to explain it.

Still less is it necessary to justify the identification of gold with "money". Not only is gold "money" but it is much the best form of it; superior to all other forms, both as a common measure of value, and also (as I hold) as a medium of exchange. And this is a vastly important function. Some one has said that the greatest contribution ever made to the advance of civilization was the invention of money. This seems to conflict with the scriptural assertion (commonly misinterpreted) that money is the "root of all evil"; but the truth of the contention is forcibly and amusingly illustrated by a story originally told, I think, by M. Wolowski.

An Embarrassing Fee

A famous singer was making a professional tour round the world, and halted to give a concert in the Society Islands. The terms of her engagement specified that she should receive a third part of the receipts. The bargain was duly fulfilled; but when she found that her share amounted to three pigs, twenty-three turkeys, forty-four chickens, five thousand coconuts, besides considerable quantities of oranges, lemons and bananas. At the Halles in Paris these commodities, as the lady pointed out, would have fetched 4,000 francs—not inadequate remuneration for the five songs given by the prima-donna. But what was she to do with her fee in the Society Islands?

Gold (and silver) have helped mankind to a solution of these difficulties. Barter is, however, the primitive method of exchange, as most school-boys (unconsciously imitating savages) have discovered. Even savages soon discovered the inconvenience of barter and adopted a rough sort of currency—shells, or glass beads, or red feathers, or what not, to serve as an instrument of exchange. The Greeks of the Homeric age used oxen; the Russians used tea; the early colonists of Virginia used tobacco. Anything will serve—on one indispensable condition: the commodity must be an object of universal desire; it must, at any given time be universally acceptable.

The metals were for this and many

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other reasons, commonly used as money; but of all the metals gold is incomparably the most suitable. It is, as I have said, universally desired; it is useful for many purposes besides currency; it is scarce; it possesses high specific gravity, and, therefore, is valuable in relation to weight and bulk. Consequently, it is portable. This is a notable convenience. You can easily carry £20 of gold in your pockets; less easily £20 of silver; £20 of copper would be a nuisance; £20 of lead an impossibility. But why not diamonds? You could easily carry about with you £5,000 worth of diamonds; I understand that some people do. But gold has this advantage over diamonds as currency—you can cut up an ounce of gold into portions, and the aggregate value of the portions equals that of the original lump. A fine diamond cut into several bits would lose a large amount of its value.

Besides, you cannot stamp diamonds. If they were used as currency you would have to take their value on trust. With a gold coin you get an official guarantee of value—so far, at least, as authority can give anything "value." Authority is, indeed, far from omnipotent in this respect. The exchange value of gold varies like the exchange value of potatoes. But the variations are less rapid. One of the reasons why gold has retained its pride of place among the metals used as a currency is its relative (not, of course, absolute) stability.

Yet even gold has at different times, fluctuated rather violently in value.

The enthusiasm excited by the great discoveries of the sixteenth century was mainly due to the fact that they promised Europe an enlarged supply of the precious metals. The Spaniards, as Adam Smith cynically reminds us, took possession of the West Indies avowedly with the "pious purpose of converting (the inhabitants) to Christianity," but really in "the hope of finding treasures of gold." All the other enterprises of the Spaniards in the New World, subsequent to those of Columbus," he adds, "seem to have been promoted by the same motive. It was the sacred thirst of gold that carried Oveleda, Nicuesa, and Vasco Nugnes de Balboa to the Isthmus of Darien; that carried Cortez to Mexico; and Almagro and Pizarro to Chili and Peru. . . . Every Spaniard who sailed to America expected to find an El Dorado. Fortune too did, upon this, what she has done upon very few other occasions; she realized in some measure the extravagant hopes of her votaries; and in the discovery of Mexico and Peru, she presented them with something not very unlike the profusion of the precious metals which they sought for." To Spain these discoveries proved a doubtful advantage, or, as some insist, a positively fatal endowment. On that question I must not embark.

Political Consequences

How did the "profusion of the precious metals" affect Europe in general and England in particular? None can doubt that the sharp rise in prices, consequent upon it, was largely responsible for the social dislocation in England in the latter years of the sixteenth century, and—not less directly—for the constitutional revolution of the seventeenth. The king could no longer "live off his own." Even Queen Elizabeth, parsimonious as she was, was compelled to draw upon capital: in the last five years of her reign she sold crown lands to the value of £327,000, and incurred £400,000 of debt. Her extravagant successors were compelled to have frequent recourse to parliament for the expenses of the government; and in return for their assistance parliament extorted the concessions which made the Stuart period memorable in the constitutional history of this coun-

ty. As prices rose rapidly in the seventeenth century, so during the earlier part of the nineteenth century (1810-1850) they fell rapidly. Gold was again the criminal. Between 1810 and 1840 the shortage in the supply of the precious metals is estimated to have amounted to some 40 per cent. Down came prices.

Then came (1848) the fresh gold discoveries in California, and three years later in Australia. The annual production of gold, which in the second

decade of the nineteenth century was only 11,445 kilograms, rose in the five years (1851-56) to 199,388 kilograms, and in the next five (1856-60) to 201,750. But then came a decline. After 1850 there was a general rise of prices, but owing to the operation of counteracting causes it was comparatively gentle. After 1873 prices again began to fall.

I must not, however, deal further with the relation between gold and prices. Other aspects of the matter demand attention.

Long before gold was ever thought of as currency—as an instrument of exchange—it was highly valued as a commodity, as an article of commerce. From the earliest ages of which history is aware there was a regular trade between west and east. "The Tyrians, and afterwards the Carthaginians," as an American authority has observed, "employed their great commercial talents in exchanging the silver of Western Europe, and especially of Spain—the reputed Tarshish of Scripture—for gold with Arabia and the farther East, perhaps with India itself." That trade followed certain well-established routes—the Caspian—Black Sea—Constantinople route; the Persian Gulf—Syria and Palestine, and the Red Sea—Egyptian route—for many thousands of years.

The Quest for Gold

In the latter part of the fifteenth century all those routes were rendered precarious, if not absolutely blocked, by the advent of the Ottoman Turks and their conquests in the Balkans, Syria, Palestine and Egypt. Western Europe was dismayed by this menace to its trade with the east. Columbus, Vasco da Gama and the Cabots set out on their several and practically simultaneous expeditions, all with the purpose of turning the flank of the Turks and finding a sea route to the east. Vasco da Gama found it via the Cape of Good Hope. Columbus and the Cabots missed their way, but stumbled by accident on America. For that accidental, though not insignificant, discovery, the quest for gold was again responsible.

As for the service rendered by gold to the arts and crafts throughout the ages, no Londocner at any rate need be at any loss. Has he not close at hand two of the finest institutions of their kind in the world? Let him then devote one afternoon to the British Museum and a second to South Kensington. If in ad-

dition he has the good fortune to dine with the Goldsmiths' Company, his education should be reasonably complete. From the admirable official guide to the antiquities of the bronze age, collected at the museum, he will learn, perhaps to his surprise, that the greater part of the gold ornaments—bracelets, armlets, sundisks and so forth—comes from Ireland, or (in lesser quantity) from Wales and the southwestern districts of England, which were contiguous to Ireland. Apart from Ireland which seems to have been particularly rich in gold, the main sources of gold supply for Europe in the Neolithic period were Spain, Hungary and Transylvania, and Macedonia and Thrace.

But it is to Egypt and Asia that we mainly go to get a sense of the immense part played by gold in the decorative arts and even in the domestic utilities of those far distant days that we can no longer strictly describe as prehistoric. Thus Sir Wm. Flinders Petrie reminds that when the Egyptians under the eighteenth dynasty made their marauding expeditions into Syria, they carried back with them into Egypt immense quantities of golden ornaments and vessels of various kinds.

Students of the Old Testament will recall the punishment meted out to Achan, whose greed brought disaster upon the Israelites, when after Joshua's triumphant attack upon Jericho he failed to capture Achan's crime, discovered by the casting of lots, consisted in the concealment of certain of the spoils of Jericho—among them a wedge of gold of fifty shekels weight. Again, Gideon's personal share of the spoils taken from the Midianites was earrings weighing no less than "a thousand and seven hundred shekels of gold, beside ornaments and collars, and purple raiment that was on Kings of Midian, and beside the chains that were about their camels' necks." (Judges viii., 26.)

The Ark and the Tabernacle.

Once more: in the directions given (Exodus xxv.) for making the Ark and the furnishing of the Tabernacle, gold, both cast and beaten, played a very large part. The table of Shittim wood was to be overlaid "with pure gold"; there was to be a "crown of gold round about" and "four rings of gold"; all the dishes, spoons, covers, bowls, were to be "pure gold," and the candlesticks of

beaten gold. But the description is too familiar to justify further quotation. There is, however, one statement in Sir W. M. Flinders Petrie's erudite article on this subject which might provoke criticism. Writing of the marvellous skill attained by Egyptian craftsmen in the making of gold jewellery and ornaments, he says: "The exquisite delicacy and finish of the jewellery found at Dakurs, of about 2500 B.C., shows that (the black face is mine) nothing has been gained in technical ability since that date."

Space compels me to desist from further illustration of the place taken by gold among the amenities and utilities of life, from ages the most remote down to the present hour. My purpose, however, sketchily pursued, has been a wider one; to indicate the part, almost immeasurably influential, which this glittering metal has played in moulding human history, in determining in the large, sense the destinies of mankind.

FORMER LUMBER CENTRE MAY BECOME MINING TOWN

E. D. Loney, well-known newspaper man in a recent despatch from Gogama, Ont., says: "Recent gold discoveries in Chester and Yeo townships have revived hope among local residents that history will again be repeated and that this and neighbouring communities, which up to the present, have depended for their existence on lumbering, may become the centre of an active mining and prospecting district."

With the timber limits of W. C. Cochrane now approaching exhaustion and the mill closed down, and with the Poupere Lumber Company sawing the last cut from their once extensive limits, for some time it has looked as though Gogama was doomed to go the way of most lumbering towns and pass into oblivion. Within the past month or two, however, quite a traffic has sprung up through this point of prospectors passing to and from the prospecting grounds in Chester, Yeo and surrounding townships. As this is also the headquarters for several small syndicates who are now carrying out their assessment duties, the recent activity has brought some business to local merchants and labourers. At the present time a party of Ontario Government geologists under H. C. Laird are camped in the vicinity in connection with a geological survey of the district.



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