money in the States, and the paper money created by the 13 colonies was one of the real causes of the American Revolution.

8

Downing Street had refused to sanction the bills, but George III., probably with the idea that he could get the colonies away from parliament, backed the local legisla-tion against the government. Now, that was one of the most serious causes of friction between the 13 colonies and the mother country, and it is rather curious that I do not know of any English historian who has drawn attention to it. However, paper money was issued, and one new issue would follow another until some of the States often had three and four tenors running at the same time. The only way was to put up prices, and the man who had gold or silver put it in a hole in his garden. This paper money was legal tender, but of course it was repudiated.

Later, when Washington needed money for his armies, he created paper money. All the expenses of the war were paid in this continental money and, of course, the troops were paid in the same way, and the paper notes would have no value by the time the troops reached home.

TORONTO'S SINKING FUND CORRECT

Mr. Bradshaw, Expert Actuary, Says So-Average Interest Rate 3.65 Per Cent.

A detailed and comprehensive report of an audit of the securities and moneys in Toronto's sinking funds as at De-cember 31st, 1912, has been made by Mr. T. Bradsnaw, F.I.A., on behalf of the city. The report, which bears the mark of thoroughness associated with any work which Mr. Bradshaw undertakes, gives the city a clean sheet. The sinking fund accounts are absolutely correct. The city's bankers at home and abroad and investors in Toronto's bonds have therefore ample and expert confirmation of the impression they already held, that Toronto's sinking funds were in proper condition.

The summary of Mr. Bradshaw's report is as follows :-Ten sinking funds are maintained, one for each of the following debts:

(1) For	general consolidated debtToronto	
(2) For	general debtParkdale	
(3) For	local improvement debt (R. S.) Toronto	2010
(4). For	local improvement debt (C. S.) Toronto	
	street railway pavement debtToronto	
	local improvement debtParkdale	
	Glen Road bridge debt Township Yorl	c
	local improvement debt East Toronto	
(9) For	Globe factory debtEast Toronto	
	local improvement debt (R. S.) West Toronto	

Character of Investments Held.

The investments in the several sinking funds are composed of, (1) debentures of the city of Toronto, (2) cash in chartered banks, and (3) Dominion of Canada stock (\$486.67). The securities are lodged partly in the city treasury; partly in the head office of the Bank of Toronto, and partly

in the East Toronto branch of the Metropolitan Bank. Mr. Bradshaw says:—"I have examined the investment and bank accounts of each of the ten sinking funds in the city's ledger for the year ended December 31st, 1912, have checked such accounts with the printed official statement of the city treasurer for the same period, and have examined and compared each one of the securities held, and the bank passbooks with the aforementioned ledger accounts and treasurer's statement

"In the course of my examination I found that of the investments held on the 31st of December, 1912, (1) there had been sold during the year 1913 securities of a par value of \$4.952.573.33, and (2) there had matured and had been paid into the sinking fund debentures of a par value of \$1,378.20. These sales and payments were duly credited to the sinking funds to which they respectively belonged.

You have all heard the saying "Not worth a continental."

You would have thought that that would have been lesson enough in North America; but they again made their greenbacks legal tender and again they were unredeemable; the same thing happened exactly and up went prices. This time the States were no longer a colony, therefore as soon as Europe would not look at their greenbacks and had to have gold, a gold panic started in New York, the price of gold went on rising 125, 150, 175, and when it reached 200 the American government passed an act to stop dealing in gold altogether, but gold rose to 250 next morning. It's hard to teach governments that they cannot interfere. However, that act only lasted on the statute book about a fortnight. But later on, in the same country, while the greenbacks were still irredeemable, a group of men managed to get a corner of gold and the corner was sprung, and Black Friday is still a memorable day in New York. Nothing but perfect bankruptcy and ruin followed, and it is a good illustration of what terrible results can happen when a government tries to interfere in the making of money.

"I found that, as of December 31st, 1912, after taking into consideration the securities sold and repaid in 1913, and hereto referred to, the several sinking funds held securities of a par value of \$9,109,072.68, and had on deposit in various banks, cash amounting to \$2,157,291.22, making in all \$11,-266,363.90 (as per summary which follows), and that these amounts agreed with the investments and cash at the credit of the sinking fund accounts in the city ledgers, and as set forth in the printed official statement of the city treasurer.

The summary of securities and cash in sinking fund of Toronto, December 31st, 1912, is as follows:--

Sinking Fund for	Investments	Cash	Total
 1 —General consolidated debt, Toronto 2.— Parkdale 3 Local imp. debt (RS) Toronto 4. (CS) 5. —St. railway pavt. debt 6. — Local improvement debt, Parkdale 7.—Glen road bridge, debt, Tp. York 8. —Local imp. debt, B. Toronto 9. —Globe fac. debt E 10. —Local imp. debt (RS) W	3,570,726.49 230,207.61 343,846.67	315,435.08 702,411.17	5,740,710.42 73,182.67 3,886,161.57 932,618.78 525 501.71 58,553.99 10,983.40 12,419.96 12,162.77 4,068,63
Total	\$9,109,072.68	\$2,157,291.22	\$11,266.363.90

Rates of Interest.

The rates of interest which the above securities were earning are as follows :-

	Contraction of the second	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
\$2,157,291.22	 		3 %
3,857,003.05	 		 31/2%
5,106,240.44	 		 4 %
5,953.19	 		 41/2%
139,876.00	 		 5 %

Total. \$11,266,363.90

The average rate of interest which the whole fund was earning was 3.65%.

TO START CO-OPERATIVE CREDIT SOCIETIES.

Hon. Arthur Meighen, Solicitor-General, is reintroducing his bill at Ottawa for the establishment of co-operative credit societies. The purpose of the bill is to provide Dominion legislation under which co-operative credit societies may be incorporated anywhere in Canada. The work done by such societies is the providing of funds for improvement and de-velopment and as working capital for men of modest means, or of no means, but of good reputation. The co-operative principle is put into operation for the providing of these funds by the members of each individual society. In this way the tendency is to retain within each locality sufficient funds for the uses of that locality, any surplus finding the ordinary outlet for investment elsewhere.

BWD