

conclusion as to the money required and how it was to be spent, would be forced to get in touch with this Provincial Municipal Board and have them brought on in an advisory capacity. Just how much authority should be delegated to the Provincial Commission we are not prepared to say, this being a detail which undoubtedly could be worked out to the satisfaction of all concerned. The Board, however, should have sufficient authority to veto or, at least, refer back any scheme which they did not think in the best interests of the municipality. The chief advantage to be derived from such a commission would be that money lenders would have greater confidence in the municipal offerings submitted to them. They would know that, before any offering was put on the market, that it had been subjected to the close scrutiny of a commission of experts and that the requirements of the municipality and its credit warranted such a flotation. Another advantage would be found in the greater uniformity and practicability of municipal undertakings. Such a commission, as mentioned above, would in a measure be equivalent to a town-planning commission and should be of material benefit to the ordinary city in planning the lay-out of its streets, in making provision for parks and playgrounds, in securing an adequate water supply and a score of other civic questions which to-day are treated in a more or less haphazard way by our municipalities. Such a commission need not in any sense interfere with the freedom or rights of any municipality. The Commission's work would be largely advisory with just enough restrictive powers to be able to stop any foolish or unwise expenditures. In a measure, the work of such a commission would almost be equivalent to a provincial guarantee, or, at least, to a provincial supervision over the municipal loans. We feel satisfied that some such scheme as the above would be infinitely better than the present scramble for funds on the part of the municipalities. Certainly something must be done in the matter of investigating and scrutinizing the offerings made to British investors.

WILL THE FINANCIAL STRINGENCY DRIVE WORLD TO BI-METALISM?

That the world may be forced to adopt bi-metalism is the conclusion arrived at by economists who have studied the present financial stringency. Despite the enormous increase in gold during the past century, the supply at the present time is totally inadequate to finance the world's commercial requirements.

The real financial stringency commenced a few years ago when India and Egypt were put on a gold basis. For many years before this was done, economists advocated that these two

countries should be given a gold standard believing that such a move would prove most advantageous to the world at large. As a matter of fact this worked in the opposite direction. While the putting of these countries on a gold basis may have been helpful to them, it has had a serious effect upon the gold supply of the rest of the world. Last year India alone absorbed and hoarded up 28% of the world's output of gold. Each year India and Egypt are draining away and hoarding up from \$130,000,000 to \$150,000,000 in gold. In Addition, China is clamoring for a gold standard and a currency system and, if she succeeds in her demands and proceeds to open up and develop her vast resources by means of western gold, the shortage will be further augmented.

Careful investigations made by competent authorities show that there is no likelihood of the world's gold supply being further augmented. South Africa, Australia, the United States and other large producers of gold have attained their peak and unless some new and unexpected finds are made, the yearly output of gold will show very little increase.

At the same time, the amount of business being transacted throughout the world is increasing enormously especially with undeveloped countries with the result that there is not sufficient gold to supply the demands. This does not indicate by any means that every transaction involves the transfer of gold. As a matter of fact, less than 10% of the world's business is transacted on a cash or gold basis, over 90% being carried on by paper or on credit. Credit transaction, however, are only possible where people trust one another and, apparently, India, Egypt and other semi-civilized countries refuse to do business on credit and demand the actual payment of gold. Once they get their hands on the precious metal, they hoard it and refuse to put it in circulation. This absorption of what is, at the present time, a scarce commodity, is giving very serious concern to economists. India in 1911 absorbed nearly \$80,000,000 of gold. In 1912, she absorbed \$125,000,000, while this year she is expected to absorb \$150,000,000. The financing of the cotton crop in Egypt this year will take in the neighborhood of \$300,000,000 in gold, much of which will be hoarded by the natives. In contrast to this, it only needs to be pointed out that last year, the Southern cotton crop amounting to \$800,000,000 was financed entirely on paper, not one dollar of gold appearing in the transaction. The difference in the financing of the cotton crops of the United States and Egypt show the difference between the methods of the Eastern and Western worlds. If, as stated above, China demands a gold standard and proceeds to develop her