

GOVERNMENT BOND BORROWING

English Loan Authorized by Parliament in 1692 Generally Credited with Being Beginning of State Borrowing

The government loan, which is generally regarded as being the precursor of bond issues by governments, and from which the vast system of modern government borrowing is a legitimate development, was made by the English government in 1692. Long before that time, as pointed out by the Liberty Loan publicity bureau, the Italian princes had been accustomed to make extensive borrowings from their wealthy subjects, and the French government, under Louis XIV., had borrowed great sums from the French people; large loans to the government of Holland were frequent, and were considered most desirable investments by the frugal and conservative Dutch people. But the English loan authorized by parliament in 1692 is generally credited with being the beginning of the modern system of government bond borrowing.

Borrowings by Sovereign.

From time immemorial kings and rulers had been accustomed to borrow from their subjects, but such loans were private transactions, and the lender often was far from a voluntary creditor. Readers of "Ivanhoe" and of other books dealing with medieval times will recall references to such princely financing. They were sometimes called "forced loans," or given the euphemistic title of "benevolences." It was the sovereign who owed the debt, not the government or nation, and even his legitimate successor often refused to acknowledge the obligation. The fortunes of the great banking house of Rothschild are said to have originated in loans to princes and rulers.

It is a curious fact that the bill in parliament for the first real government loan, which was a great innovation in public finance, was passed by the House of Commons without a division, and then passed by the House of Lords without any amendment—this in conservative England, conservative in all things, and especially conservative in finance and financial legislation.

National Debt a Blessing.

So successful was this loan, and succeeding government loans by Great Britain and other countries, that there sprang up a large class of financiers and public economists who maintained that a great national debt was a great national blessing. While this opinion is not generally entertained, the idea of a government being indebted to its own citizens in large sums of money is regarded as not at all analogous to indebtedness by an individual. The direct personal financial interest each citizen bondholder has in the government is recognized as a valuable national force. For instance, the 5,000,000 holders of Liberty Loan bonds can be counted on as having a keen interest in public affairs and exerting a strong influence for wise and economical legislation and administration.

Valuable Economic Function.

In affording a perfectly safe and marketable security for the investment of individual savings government bonds are credited with performing a very valuable economic function. Authorized as they are, theoretically at least, and generally in practice, for purposes whose use and value extend into the future justifies the existing generation of the body politic in leaving part of the cost of such things to be paid for by their successors.

So far as the United States is concerned, the Liberty Loan of 1917 is not only by far the largest loan that government has ever made but it is peculiarly well adapted to perform a vast national economic service in the way of providing opportunities for investment of the savings of the great body of the people of the United States. The small denominations of some of the bonds and the facilities for paying for them in small monthly or weekly instalments afforded purchasers by banks and employers enable almost any American, even those of small means and small earning capacity, to become a United States bondholder. The same is true of Canadians in regard to the fourth domestic war loan to be issued next month. Every citizen of the Dominion should have a war bond.

MANITOBA'S POPULATION INCREASED 20%

That was the Record in Five Years—Interesting Census Figures

The census of Manitoba, taken as of date June 1st, 1916, was the eighth taken under the direction of the Federal government since the province was created out of a portion of the territory acquired by the Dominion government from the Hudson's Bay Company in 1870.

The population of Manitoba as shown by the census of 1916 was 553,860, as compared with 461,630 in 1911, and 365,688 in 1906. From 1911 to 1916, the increase was 92,230, or nearly 20 per cent., as compared with an increase of 95,942, or 26.2 per cent. for the five years, 1906 to 1911. From 1906 to 1916, the increase was 188,172, or 51.5 per cent. in 10 years. It is gratifying to note that despite the extraordinary conditions created by the war, the absolute increase for the five years subsequent to 1911, fell but little below that of the five years prior to 1911—the date of the last decennial census.

The number of persons per square mile in the province (exclusive of the addition made by the extension of boundaries act, 1912), was 8.5 in 1916, as compared with 7.2 per mile in 1911.

Dwellings and Families.

In 1906, males outnumbered females by 44,678, in 1911 by 44,482, whereas in 1916, as a result of smaller immigration owing to the war, the excess had dropped to 35,358. In 1906, there were 127 males to every 100 females; in 1911 the proportion was 121 to 100, while in 1916, it had dropped to 114 to 100. From 1906 to 1911, the male population increased by 23.3 per cent. and the female by 29.9 per cent., as compared with an increase of 16.4 and 24.3 per cent. respectively from 1911 to 1916.

In 1916 there were 117,541 families occupying 103,765 dwellings, or 113.3 families to every 100 dwellings, as against 90,056 families occupying 84,709 dwellings in 1911, or 106.3 families per 100 dwellings.

There are in the province four cities, 29 towns and 23 villages. The towns of The Pas, Transcona and Tuxedo appear for the first time as incorporated entities in this census.

Urban Population.

The city population of Manitoba was 195,115 in 1916, as compared with 163,249 in 1911, and 110,786 in 1906 and 53,880 in 1901. From 1911 to 1916 the city population increased by 31,866 or 19.5 per cent., as compared with an increase of 52,463 or 47.3 per cent. in the preceding five years 1906 to 1911. Compared by decades the city population of Manitoba increased by 84,329 or 76.1 per cent. from 1906 to 1916, as against 109,369 or 202.9 per cent. from 1901 to 1911. The town population of Manitoba totalled 35,338 in 1916, 28,335 in 1911, 23,411 in 1906 and 18,530 in 1901. This represents a five-year increase of 7,003 or 24.7 per cent. in the number of dwellers in towns from 1911 to 1916, and a ten-year increase of 11,927 or 50.9 from 1906 to 1916. Seven of the twenty-nine towns show a smaller population in 1916 than in 1911. Three towns—Dauphin, Selkirk and Transcona have a population of 3,000 or over, while seventeen have a population of less than a thousand each. There were seven incorporated villages with a total population of 3,893 in 1906, as compared with nineteen villages in 1911, with a population of 8,781 and twenty-three villages in 1916 with a population of 10,561.

St. Boniface, according to the census records, was the only city in Manitoba with a greater number of females than males. In Winnipeg for every 1,000 males, there were 982 females on June 1st, 1916, as compared with 829 in June, 1911. In the other cities the excess of males over females is not so great.

The female population exceeded the male in the towns of Carberry, Carmen, Killarney, Morden, Neepawa, Oak Lake and Rapid City. Males and females were of equal number in the town of Swan River.

Mr. C. W. Wrightson, deputy chairman of the Yang Tsze Insurance Association, and Mr. Philip Peebles, general manager of the Shanghai Land Investment Company, Limited, both of Shanghai, have been taking a three months vacation in British Columbia. They returned recently to Shanghai.