

The Chicago Convention
on Bond Issues.

THE Democratic Convention has expressed its opposition "to the issuing of interest-bearing bonds of the United States in time of peace." The platform in which this condemnation occurs does not condescend to offer any reasons for its different planks being adopted. This is wise, and in some cases a necessity, for notions on financial questions which need to be expressed with such stump oratory rhetoric as those set out in the Democratic platform are self condemned as being without a reasonable basis. Men who talk about liberty of speech, personal rights, freedom of the press, in inflated terms in a document mainly devoted to the currency question, are manifestly not business men, they are making bids for the votes of those who are fond of political buncombe. Why should not the States issue bonds in time of peace as well as in time of war? A bond is merely an engagement to repay a loan, and Governments borrow money for public purposes in time of peace just as legitimately as they do when war compels loans to be effected, and more justifiably. The condemnation of borrowing in time of peace involves this proposition, that a Government must never enter upon expenditures for any public works except the outlay has been provided for by taxation. If the Democrats meant this, why didn't they say so? The fact is, such a doctrine, if openly avowed, would be extremely unpopular and exceedingly unwise. Public works in which the present generation has no more interest than what succeeding ones will have, are not a legitimate total charge on the present generation. Indeed, certain classes of public works could not be constructed at the entire cost of those living while the works were being prosecuted. At the present time, for instance, river improvements of the utmost importance to the internal commerce of the States are being undertaken at an enormous cost. Surely this generation ought not to be saddled with the entire cost of such improvements, as will be of equal advantage to those who are living fifty years hence? Mill and other leading economists consider the issuance by governing bodies to provide for permanent works as most legitimate. If the doctrines of the Democratic Convention in regard to the non-issue of government bonds in time of peace were to be carried out, there would be no national public works constructed except those of a cheap and temporary character, the cost of which might be willingly borne by the existing generation. How could Canada, for instance, as it was during the construction of its canals and other great works, have borne the cost thereof? It was a case of either borrowing by bonds to raise the money, or going without the canals, etc. So in the States, the national public works constructed to serve many generations could not be paid for without either borrowing, or crushing the people by taxation. The case is analogous to that of a municipality, works built to last a century cannot fairly be made a charge upon any one generation. We fear the Chicago Convention was a poor representation of American business shrewdness and common sense.

A REPLY TO RECENT ATTACKS UPON CANADIAN CREDIT.

Reading the remarks of some English journals on Canadian affairs is enough to provoke us to the use of language profane enough to evoke cheers at a political convention.

The *Investors' Review* in a recent issue said: "Canada was never so poor as it is to-day: its former class is more in the hands of the usurer than any similar body of men, even in Australia. They have in great numbers mortgaged their farms long ago to keep themselves going, and are now mortgaging their personal effects by chattel mortgages." In those two sentences are four statements which are grossly untruthful. In the *North British Economist*, which is a far superior publication to the *Investors' Review*, occurs the following passage. "As an indication of how far the prosperity of Canada has fallen, we may mention that, when a cargo of seed wheat was shipped to Australia in the spring of this year, so much was made of the transaction that it almost appeared as if the Canadians looked upon it as a special intervention of Providence, and as ensuring the eternal prosperity of the Dominion." That statement is so gross an exaggeration as to be most censurable. The shipment of seed wheat to Australia was too trifling to excite serious notice. We who read a number of newspapers daily, never saw such an item, and as to Canadians regarding this as ensuring their eternal prosperity, well—it is as true as Jack and the bean stalk. Canada by sending seed wheat to Australia would only be helping to develop another wheat field whose harvests would compete with her own. Is it not then glaringly absurd to say that Canadians regarded such a chance as "a special intervention of Providence"? The statement of the *North British Economist* cuts its own throat. The same paper goes on to point out, as further evidence of the falling prosperity of Canada, that between 31st December, 1895, and 31st March, 1896, the deposits in our banks decreased \$8,000,000. Another evidence of decay is stated to be that, in the first quarter of 1896 the discounts increased \$9,000,000. Let us examine these disparagements of Canada in the light of facts and of business principles and experience.

Statement No. 1 is that "Canada was never so poor as it is to-day." We invite the *Investors' Review*, and those English papers which quoted this utterly mendacious slander to study the following table compiled from returns made by our Banks to the Government.

Chartered Banks,	Total Amount,	Amt. per head of population.	Increase from 1868.
	\$	\$	\$
Capital	1868 30,507,000	6 50
"	1881 59,534,000	12 40	29,027,000
"	1895 61,800,000	12 50	31,293,000
Circulation	1868 9,350,000	2 65
"	1881 28,516,000	5 93	19,116,000
"	1895 30,807,000	6 40	21,457,000
Deposits	1868 33,653,000	7 50
"	1881 94,346,000	19 60	60,693,000
"	1895 190,917,000	38 00	157,263,000
Discounts	1868 52,299,000	11 60
"	1881 116,953,000	24 40	64,654,000
"	1895 203,730,000	40 70	151,431,000