

came up the discussion as to the latter concession. The circumstances of the case are these: the landlord heats the premises and owns a large safe, which items are both included in the rental; but notwithstanding that this circumstance has been repeatedly explained to the said lordly assessors, they will insist upon imposing the usual tax percentage upon the heating and the safe as well as upon the premises proper.

Last summer the tenant called at the City Hall repeatedly and asked for the assessors, who unfortunately always happened to be inaccessible. On one occasion he was answered by the man behind the counter, "Yes, sir, Mr. Dillon is in; but he is taking a nap and is not to be disturbed. Can't you call again?" This was in the middle of the afternoon. The matter was finally settled when the year had fallen into the sere and yellow leaf, but not until the tax-payer was made to feel his insignificance as compared with those whose salaries and possible perquisites were being wrung in a lordly way from the public whose servants are appointed to thus rule over them. And yet the mischief is again on foot the present season. The same blunders are being perpetrated, and the man with the several initials, he who holds the keys, is not an over civil servant when called upon for a word of explanation. There are plenty of good men to be had for the money these times who will be glad to earn their salaries civilly and efficiently. There surely is some remedy for such a state of things, and it is our intention to point out some more striking and general inconsistencies with a view thereto. Perhaps a short leave of absence may have a salutary effect. The collective "civil" service of the public must not be allowed to degenerate altogether into an uncivil service, or twenty thousand business-men shall know the reason why.

OVER-CONSUMPTION.

Prof. BONAMY PRICE contributes to the last *North American Review* an article on "The Stagnation of Trade and its Cause," in the course of which he reaches the conclusion that over consumption is that cause, and asks "what is to be done to end the commercial depression?" To which he straightway makes answer: "Instead of over-consuming, make more wealth. Produce much, with earnestness and continuance of work, restoring the consumption that does and must go on with new wealth, making an addition to it by saving."

The *Chicago Tribune*, in reviewing the

article speaks of it in terms of strong commendation, but suggests that "The Professor has probably underestimated, since he has failed to notice at all, the influence of a depreciated currency in producing and prolonging the panic in the United States and Austria." This is not only the assignment of a true cause but a far more important one, as it appears to us, than the writer himself recognized. It goes to the root of the matter, and that is more than Professor Bonamy Price's cause does. Over-consumption is not only a cause, it is also an effect. If it be true that over consumption is the evil it is proclaimed, of what practical utility is it to state the fact? Do people cease to consume because it has been shown to be detrimental to trade at large, or opposed to discovered laws of political economy? Hardly. They cease to consume when they find it impossible or unprofitable to continue. Professor Price and his reviewer seem to have found railroad building the happiest illustration of their idea of over-consumption. Well, let it be so. Yet railroads will be built when capitalists can be induced to put their money in them; and experience proves this can be done whenever there are large apparent profits. The capitalists who have been putting their money into new railroad enterprises during the past decade are not the ones likely to be influenced by treatises on political economy. They are men who, having made money quickly, were ever ready to make more by staking what they had on any venture that promised well. Granted that over-consumption is the evil, and that excessive railroad building is its fit illustration, a pertinent enquiry is, whence comes the tendency to over-consumption and its power of self-indulgence? We find the answer to this question partly in our citation from the *Chicago Tribune*, and more largely in the hidden bearings of the clause cited.

A "depreciated currency" may well be regarded as a true cause of the late commercial depression in the United States, but clearly some other must be found to account for the same phenomena here in Canada where no depreciated currency has been tolerated. For such an investigation the detective's method is not a bad one. Let us follow, undeviatingly though with great strides, the clue we have: a depreciated currency inflates prices, inflated prices make fictitious profits, fictitious profits give false notions of prosperity and engender wild speculation, and the fruit of such speculation is the over-consumption which has been named as the cause of prevailing depression.

It will be seen that we do not differ

from the distinguished writer on political economy whom we have quoted, nor from his reviewer, but desire to extend the inquiry set on foot and find for it a more permanent lodgement from which practical applications may be drawn.

We have adopted the *Chicago Tribune's* term "depreciated currency," but we much prefer the more exact designation of "irredeemable currency." The evil is that the currency is irredeemable—thence follows its depreciation. The currency of the United States is to-day the same as when all these evils referred to grew out of its use, but no such evils now arise or are thought to be at hand: the currency was irredeemable; it is redeemable.

An irredeemable currency we would here define as one that will not be paid, when, according to its face, it is due. It is this circumstance that it will not be paid when due that causes all the trouble. Having now struck at the root of the matter it is easy to see how the cause we have found has universal application, although depreciated currency has been in use only amongst certain peoples. Irredeemable paper, if we may use the expression, has all the unwholesome properties of irredeemable currency, and irredeemable paper, like irredeemable currency, is not that for which no date of payment is fixed but that which will not be paid at maturity.

Irredeemable currency we have said gives rise to fictitious profits, and these to over consumption. So with a note of hand that will not be paid. The consumer buys of the retail storekeeper, and has the amount charged to account; the storekeeper buys of the wholesale merchant and gives a note; the merchant endorses and gets the note discounted at Bank; the Bank, satisfied the note is good, counts its profits and declares dividends; these dividends percolate through and are expended, let us say, at the same retail store, this time in cash. Now the first purchaser was buying without resources, and largely, because he could get credit. The book account is never paid. What is the result? Why the whole transaction, except the giving of the goods, becomes a fiction. Yet on that fiction the storekeeper bought more stock, and not merely proportionately, but still more largely, inasmuch as his sales were steadily increasing; the wholesale merchant followed in the same groove, buying freely on book profits, and so enhancing prices, and communicating the illusive prosperity to the whole trade; and the Bank capped the climax and completed the circle by exchanging cash for this fiction, or, in other words, by ex-