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## Evening Telegram

The Evening Telegram, Ltd., Proprietors.

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Thursday, January 10, 1924.

### What Becomes of Your Dollars

The following account of the difference between the initial cost of a product and the price paid by the consumer is taken from Saturday Night, and was compiled by a Commission of the United States Congress. Unfortunately although the various increases are accounted for, no definite suggestions are made whereby this middle cost, which amounts to over one hundred per cent., can be saved. Perhaps some of our readers who are familiar with such problems may be able to suggest practical methods which would tend to reduce the overhead expenses locally, or by which our purchases could be distributed more cheaply.

The facts as ascertained by this Commission, which was many months in preparing its report, show conclusively that the consumer's dollar is being largely wasted; that is to say, the first cost of the article is all out of proportion to the price paid for it by the ultimate user.

For instance, take a dollar's worth of oranges. The growers share is 21c., while distribution takes up the remaining 69c. On a loaf of bread the production end stands at 50.8 per cent. and the distribution at 49.2 per cent.

Here is where your dollar goes in dry goods: cost of production 67.5, operating expenses 24 per cent. and profit 84 per cent. Of a dollar spent on rolled oats, 30c. goes to the maker for his completed bushel product, while it takes 70 cents to transport and sell you the oats. The freight bill on a load of cabbages shipped to the northern markets from the southern states is about six times the original value of the cabbage. In the purchase of a suit of clothes your dollar is split this way: 48.5 cents for distribution and 51.5 cents for production. In other words, you nearly half of every dollar you pay to have the clothes sold to you. Take a car load of potatoes from grower to city wholesaler. Sixty per cent. of the wholesale price is paid by the shipper for the potatoes. About thirty-two per cent. goes for freight charges; two per cent. for miscellaneous handling charges and the remainder for profit.

The Commission's investigation explodes the profiteering bugaboo, for in nearly every line there is shown to be a trend toward smaller and smaller profits. For instance, in 1913 the manufacturer's profit on canned milk was about twelve per cent. In 1915 the profit was a fraction of one per cent. In 1920 there was a loss and in 1921 a profit of about four per cent., and most other commodities followed the same trend.

One curious feature, according to the Commission's findings, is that profits follow the trend of prices of raw materials in inverse ratio. That is to say when the farmer gets high prices for his corn the profits of the manufacturer of corn flakes are low, while on the other hand, when corn is cheap manufacturing profits increase. In other words, the cost of manufacturing, selling, transportation, overhead, etc., are pretty well fixed, but not so the cost of the product, which the farmer has to sweat to bring forth.

Turning to the question of retailing the Commission is of the opinion that there are altogether too many stores; that by having at least three or four times as many retail establishments as are necessary to properly serve the population, the overhead becomes excessive, and prices are advanced in an endeavor to make ends meet. As a result of having too many stores, failures are the rule rather than the exception, and for failures somebody must pay, and this is up to the consumer, who always pays.

The conclusions reached in the report are general rather than specific. It merely gives you the facts upon which one must work out their own conclusions. However, the uppermost

thought is that our system is not meeting the requirements of the age; that being obliged to add one hundred per cent. or more to the price of a given article in order to place it in the hands of the consumer is utterly absurd.

### The Unselected Unemployed

CAUSE A DISTURBANCE.

An exciting scene was witnessed on Duckworth Street this morning when upwards of 500 men congregated together for the purpose of demanding employment in the West and East End Rock sheds. It appears that the committee on unemployment had selected the most needy cases and sent them to work breaking stone. Those who were not given work demanded that all unemployed should be taken on, and to accomplish this end they went to the West End Shed and demanded that those working there be dismissed. They refused and quite a disturbance occurred. The police were sent for and a small riot was quelled after the police were left to protect the works. Inspector General Hutchings, anticipating trouble at the East End Shed, sent a strong guard there and up to noon hour no trouble developed. Instructions have been issued for the arrest of the ringleader in this morning's fracas.

### Portia at Corner Brook

S. S. Portia arrived at Corner Brook from North Sydney at 10 a.m. yesterday. The ship is now landing a part cargo of machinery, lumber and general provisions for the Armstrong Whitworth Co. From there she will proceed to Carling to unload the balance of her cargo, which consists of 600 barrels of oil for the Imperial Oil Co.

### Coastal Boats.

Argyle due at Argentia. Kyle arrived at Port aux Basques 6 p.m. yesterday.

Meigs arrived Burgeo at noon yesterday, coming east.

Saguna left Humbermouth 7.30 a.m. yesterday for North Sydney.

Prospero left Change Islands 10.30 a.m., going south.

Susu left Musgrave Hr. 11 a.m., going south.

### McMurdo's Store News.

We have now received amongst other goods the following lines:—  
Blurred Magnesia . . . 60c.  
Kneadable Salts . . . 60c.  
Thermogen Wool . . . 60c.  
Antipon . . . 1.25  
Tacho for the Hair . . . 70c.  
The Meritor Shaving Brushes are made in three varieties of Hair, Badger, Badger Mixture and Lilly White Hog. They are shapely and serviceable to the last degree and never found shedding any of their beautiful hair.

### Nfld. Cod Liver Oil Superior

ST. JOHN'S, Nfld., Jan. 2.—Word has been received here that the two scientists from the United States, who visited Newfoundland last summer, will have a very extensive report to make on Newfoundland cod liver oil. The work they have been doing has been painfully tedious. Their conclusions must be exact, and facts proven scientifically before they can be published.

They are perfectly satisfied that Newfoundland Oil is far superior to the very finest production put up elsewhere, but they have found a new component in the Newfoundland oil which takes them a step further than science, and will very likely cause a great sensation.

Further information points to more scientists visiting Newfoundland next summer, and with this end in view it is expected that a model factory will be erected, so that every facility will be given them to study the manufacture in all its phases, and biology of our fish to the minutest detail—Montreal Star.

Dr. Fraser's Surgery will open on Friday, January 11th.—Jan 10, 11

### Shipping

Schr. Ruby and Dorothy has cleared from L. Cheeseman and Sons' premises, Burin, with 2,143 quintals codfish for Pernambuco.

Schr. Nellie T. Walters has entered Gault's to load dry codfish from T. Garland's premises, for Oporto.

## THE ENQUIRY CONTINUED.

### The Auditor General Takes the Stand—Mrs. Harsant States Money From Controller Used to Pay Fire Insurance.

The afternoon session yesterday began at 2.45 and the time was occupied with the re-examination of Mrs. Harsant (nee Miller) by Mr. H. A. Winter and the taking of the evidence of Mr. F. C. Berteau, the Auditor General, regarding the Controller's Department.

Upon taking the stand, Mrs. Harsant was questioned by Mr. H. A. Winter regarding the date of her joining the firm of Squires and Winter, her duties, and the financial standing of the firm. Witness stated that she was drawn at the Bank of Nova Scotia. Asked to what extent, witness stated there were notes falling due for \$20,000 in the aggregate and that it was arranged to get the money from her brother or from Mr. Meaney.

Notes to cover the overdraft were obtained from her brother, and endorsed by another official of the Steel Co. Questioned as to the use made of the money she stated that they were used to meet notes, Sir Richard's expenses in England and wages of the Dilly Star. All the money which witness received from I. T. Meaney was in cash, but could not recall how the individual amounts were expended.

In reply to an enquiry as to her method of her keeping account of such money received, witness stated she had the cheque stubs of money from Mr. Meaney, and entries on a sheet of the ledger showed what was done with the money.

Referring to the money obtained by I.O.U.'s, Mr. Winter asked if they were applied to any special transactions. Witness could not remember. Pressed to consider the matter further, witness recalled a sum of \$1,000 which was applied to the settlement in part of a fire claim. The name of the claimant, witness stated, was Brown, of Blaketown. Witness believed the amount was paid in cash and that Mr. Curtis held a receipt.

Upon being asked why Mr. Curtis came into the transaction, witness stated that the claimant threatened to take legal action against the firm if the amount was not paid. This ended the re-examination.

MR. HOWLEY, K.C., rose and asked to be allowed to cross examine the witness. The Commissioner however pointed out that according to English procedure, that such was not allowed except upon any new points which arose in the re-examination, and with the Judge's consent.

MR. HOWLEY intimated that he wished to make enquiries re the ledger memo to amounts received from Mr. Meaney and if such papers were handed over by witness to Mr. Fraser.

WITNESS replied to the Commissioner in the affirmative and to the best of her knowledge the sheet of the ledger was in the office now.

MR. HOWLEY Requested information concerning the Bryna claim. The Commissioner did not think it necessary to go into that matter but agreed to question witness.

COMMISSIONER—Sir Richard Squires' firm were the agents?

A.—Yes, Mr. Brown having had a fire, put in his claim for compensation and he wanted the whole amount but it could not be paid. He was satisfied to take \$1,000 on that day, and if not paid he was going to take legal proceedings.

COMMISSIONER—Why legal proceedings against the firm when they did not have the money. What action could have been taken against Sir Richard's firm unless they had received money from the insurance Co.?

A.—The money must have come into the office and was used for other purposes.

COMMISSIONER—Am I to gather that the reason of that sudden demand for \$1,000 was because the insurance had been paid to Sir Richard's firm and been used for other purposes?

A.—Yes.

COMMISSIONER—You have got it out now, Mr. Howley; I do not know that it does your client much good.

MR. HOWLEY—Yes Sir, I got it out, but witness has told in two versions of this. She has stated that she does not know whether the money had come in from the insurance Co.

COMMISSIONER—Mr. Brown was going to take action, is not that sufficient for you to decide that Sir Richard Squires or Sir Richard Squires' firm had received the money?

MR. HOWLEY—She says they must have received it, and a moment ago she did not know if it had been received or not.

A.—The records of the office would show whether the money had come in.

would like to deal with the matter promptly and would request that Mr. Curtis be heard.

The Commissioner said he was not anxious to probe the matter. He had anticipated the questions put re this matter would prove a bore, and he did not see how Mr. Howley's questions to Mrs. Harsant (at the previous session) could do any good. The evidence of Mr. Curtis, re said, would be restricted to the insurance matter.

Mr. L. R. Curtis called and sworn. Questioned by Mr. Howley, he stated that he was a member of the firm of Squires & Curtis from Jan. 21st 1921, but for 6 months prior to that he was employed in the office. Asked about a Mr. Brown, he recalled that he remembered a man named Archibald Brown of Blaketown, who was a client of the firm and also carried insurance with them. The client, he said, had a fire in Dec. 1920, and in due course the loss was adjusted and the papers sent forward to the head office. A cheque covering the amount of the claim with an accompanying letter was some time later received by the firm. The letter from the Globe Fire Insurance Co. was read. It intimated that a cheque for \$4085 in payment of the claim was forwarded and gave instructions for the cancellation of the policy.

MR. HOWLEY—Might I ask, Sir, that the witness be asked how much the claim of Mr. Brown was?

A.—I do not remember that.

MR. HOWLEY—And, Sir, might I ask if the witness would be asked whether the claim of Mr. Brown was paid before or after she left the employer?

COMMISSIONER—Do you know if it was paid up to the time you left?

A.—I knew then, but since that time Mr. Fraser has taken over my work and I do not remember, but I must have been in the office.

COMMISSIONER—And that was not the whole of Mr. Brown's claim; that satisfied him for the meantime. You know that \$1,000 was paid, you do not know whether he got the rest of his claim?

A.—I do not know.

COMMISSIONER—She knows he got the \$1,000, she does not know when or whether he got the rest.

Pressed to say whether the books would show particulars, witness could not remember, and the Commissioner said it was useless to ask as the production of the books would settle the question.

THE COMMISSIONER then informed Mrs. Harsant that for the present her evidence was finished and that she might leave the stand.

The Auditor General, Mr. F. C. Berteau was next called, and sworn by the Commissioner. Examined by Mr. C. E. Hunt, witness stated he had been Auditor General for 25 years, that the audit of the revenue accounts were conducted by his deputy, and that he himself audited the expense accounts. Asked if an audit of stock was included he said no. Not since the Department had come into existence. He had brought the matter to the attention of the Controller (Mr. Meaney) and also of Sir R. A. Squires, who was acting as Finance Minister. The request was made to Sir R. A. Squires in April 1922 by letters. There was no written reply but in telephoning to Sir R. Squires, he was requested to let the matter stand over owing to the pressure of business. Witness again referred to the matter casually in the spring of 1923 but he never obtained his request.

The witness, cross-examined by Mr. Howley, K.C., showed that the Prime Minister, during the time mentioned was occupied with the duties of most of the Government Departments.

COMMISSIONER—So that at that time he was a very busy man.

A.—I know he was a busy man at that time.

COMMISSIONER—I should like to know how much it would take of his valuable time to accede to your request. Would not that have meant just writing you a letter?

A.—It would have meant that he, as Finance Minister, would just write me a letter saying I direct you to take stock.

Witness stated that later he was asked to take joint control with Mr. Meaney of the Liquor Department, and agreed on condition that stock should be taken and that he should have nothing to do with the distribution of liquor. This was done at the request of the Executive of which Sir R. Squires was head. Shortly afterwards Mr. Megner objected to the arrangement but later agreed to continue. Stock was not taken until Mr. Meaney left office sometime after the spring of 1923.

Questioned as to shortages in the Department, witness explained that no previous stock had been taken, and it was impossible to show a shortage having taken place in any special period. With this statement the Commissioner concurred.

Adjustment was taken at 4 o'clock until this morning at eleven.

THIS MORNING'S SESSION—MR. L. CURTIS EXAMINED.

When the enquiry opened this morning, Mr. Howley asked leave to refer to a portion of Mrs. Harsant's evidence in connection with Brown's Fire Insurance which, he said, brought in the question of the probity of the office of Squires and Curtis in their dealings with money of clients. For this reason, he said, he

legal action against their firm.

Cross examined by Mr. Hunt witness stated that Brown had an open account with the firm, and it was in debit at the time of the fire. He owed them about \$35 for professional services.

Q.—Did you receive any amounts for Brown?

A.—Yes.

COMMISSIONER—Have you your ledger that would show Brown's account?

Mr. Howley promised to produce the ledger after which Mr. Hunt continued his cross examination, during which Mr. Curtis admitted coming to the office frequently looking for his money.

### COMMISSIONER SCRUTINIZES CHECKS.

The Commissioner asked to see the checks that had been issued and upon scrutiny he discovered that they were issued by Mr. Curtis.

Mr. Hunt—Then the amounts were not paid out by the firm?

A.—No.

Q.—Why?

A.—The firm did not have any money at that time, to which he added that he was reimbursed later. To the Commissioner, witness stated that it was not the practice to pay the insured until the money came from the head office.

MR. HUNT, continuing the cross-examination, the witness stated that all the cheques were paid from his own account including that to Ayres & Sons. To further questions he replied that the firm had not paid out a cent up to the time the cheque came from the Head Office, and that he would not have made payments but that Miss Miller (Mrs. Harsant) asked him, and he acquiesced in order to help out Brown.

Proceedings Threatened.

MR. HUNT—Did Brown threaten proceedings?

A.—Yes. He threatened. It was long before his cheque was endorsed.

MR. HUNT—Did he come into the office after the cheque was endorsed?

A.—I do not remember.

The Commissioner here interposed and asked if the ledger was in the town of St. John's, and could he get it at once? Mr. Howley promised to send a messenger for it.

THE ATTORNEY GENERAL next took up the cross-examination of the witness, and to a question received a reply that the firm of Squires & Curtis have no account at the Bank of Montreal, and that he was reimbursed for the \$3,100 he paid out in cash.

COMMISSIONER—Would this appear in your cash book or ledger?

A.—I don't think it was written up. In explanation the witness stated that Miss Miller was keeping the cash account at the time.

The Attorney General then asked if he were paid in various amounts, to which, witness replied, yes, with the explanation that Mr. Fraser came to the office and received several cash payments from Miss Miller. The largest single payment was a cheque for \$785.

HOWLEY, K.C. RE-EXAMINES.

Re-examined by Howley, K.C., witness he could not say if there were any discussions with creditors, whereby advances would be made to Brown to help him recommence business, nor could he recollect if any advance payments were made to creditors to give new credits. He stated that during the period in which he received his reimbursements for payments made, part of the money was given him by Miss Miller and part by Fraser. He, himself, had no control over the cash which was entirely in the hands of Miss Miller until Fraser came in to assist her.

Witness said he understood that his reimbursements came from office receipts. He thought the money came from the cash box which was replenished from time to time by insurance receipts and rentals.

MR. MEANEY RECALLED.

Mr. Meaney was then recalled, and Mr. Howley continued his cross-examination of him.

Prior to his assumption of the office of Acting Controller, said witness, he was occupied as a local politician and political party supporter.

COMMISSIONER—Politics are all very well, but they are not very fattening (Laughter).

Continuing, Mr. Meaney said he had been employed up to September, 1919 in the Postal Telegraph Service, and incidentally, he was a newspaper correspondent. After that he wrote in support of Sir Richard Squires, and was an unsuccessful candidate for him in the campaign of November, 1919. From the time the election results became known to the date of his appointment as Acting Controller, witness

## A Confession

### By the Ad-man of the Nickel Theatre

I confess to you, dear folks of St. John's, that I have failed! I have struggled with my thoughts and my vocabulary and I cannot find words to describe the glory, the ravishing beauty, the daring scenes, the mighty geyser of joy that awed me as I viewed Ellbound.

### WHAT'S WRONG WITH THE WOMEN?

If your mind comprehends the soul-stirring masterpiece of a Whistler, The Trill of the Lark, rolling waves of a huge emotional sea, combined with the literary supreme effort of a decade, then you can but partially visualize the wonder picture—

### WHAT'S WRONG WITH THE WOMEN?

See It! Marvel at It! Be Thankful for the Eyes You Have that Will Telegraph These Stirring Scenes Unending to Your Brain, Which is Weary of the Trite and the Commonplace.

Truly a Kohinoor in among the diamonds and gems of picturedom.

You'll meet every thrill lover in town at the

## NICKEL Theatre

THURSDAY, FRIDAY, SATURDAY.

ness was on the staff of the D. Star, and received a weekly salary of \$35. He was also a space contributor to certain foreign journals.

MR. HOWLEY—What was your salary as Acting Controller?

WITNESS—To the best of my knowledge, it was \$2600 a year, payable monthly.

RECEIVED PERQUISITES.

MR. HOWLEY—Did you, while holding office as Acting Controller, engage in other business which augmented your income?

WITNESS, having asked for an explanation of this question, was asked by the Commissioner in what way he had augmented his income?

He replied that there were certain perquisites coming through his department.

THE COMMISSIONER—A very terse term, that (Laughter).

WITNESS (to MR. HOWLEY)—These perquisites began to open pretty soon after I received my appointment. I received gratuities after I received my appointment, and liquor manufacturers to whom I made orders. I have no way of knowing this was the practice before I assumed office. I cannot be sure if they applied to the first purchases I made. This system continued right to the end of my term of office. The records of the Department should show what gratuities amounted to, a considerable sum. I cannot say what the amount was as I kept no account. I should say as much more as my regular income. The amounts were very according to the purchases of stock.

MADE \$10,000 IN YEAR.

COMMISSIONER—With the said perquisites and occasional profits from your illuminating articles in the press, what was your income?

WITNESS—I cannot really give actual figures. I should say that my total income was approximately \$10,000.

MR. HOWLEY—Were the purchases of liquor on which gratuities were paid as great in quantity during the first six months as they were after?

WITNESS—As time went on the amounts of the purchasing increased. The first six months was the least remunerative period. Witness said his income would have permitted him to advance \$3000 from his personal account towards the cheques called by Miss Miller at the time. The remuneration received by him for agents from whom he made purchases was not added to the original cost of the stocks, nor were prices based on it.

(Continued on 12th page.)

### MONEY TALKS

#### Tips for Wide-Awake Merchants.

Vol. I. No. 6. JANUARY 10. FINE.

#### HANDLING CREDIT ACCOUNTS.

Mechanics in 137 different lines of business are using the N.C.R. Credit File. These merchants have found that the File gives them the common sense way of handling Credit Accounts.

It is a one-writing system. It eliminates book posting of accounts.

It keeps each day's Credit Business separate. Every account is always ready for instant settlement.

It prevents forgetting to charge goods sold on account. It prevents neglecting to credit money paid on account.

It gives each charge customer a statement of account on every purchase. It protects every credit record until it is paid in full.

It saves time, work and worry. It stops leaks and saves profits.

It pays for itself out of what it saves.

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