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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 61.5, operating expenses 28 per cent. and profit 4 per cent. Of a dollar spent on rolled oats, 30c. goes to the maker for his completed boxed 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 it costs 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 1918 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.

Furning 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 discontinue their work and quit a disturbance occurred. The police were sent for and after a small riot was quelled a guard of police was 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 Argenta.
Kyle arrived at Port aux Basques 6 p.m. yesterday.
Meigle arrived Burgeo at noon yesterday, coming east.
Sagons 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:—
Bismarck Magnesia 60c.
Kraschenka Sals 80c.
Thermogen Wools 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 should 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 vitamins, 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.

Shipping

Schr. Ruby and Dorothy has cleared from L. Cheesman and Sons' premises, Burin, with 1,143 quintals codfish for Paramabuco.
Schr. Nellie T. Walters has entered Gaultois' to load dry codfish from T. Garland's premises, for Oporto.
S. S. WEST CHEROW IN PORT.—The S. S. West Cheroow, bound from Rotterdam to Boston, made port this morning short of coal and provisions. The steamer berthed at the Furness Withy Company's premises, who are the ship's agents.

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 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 Daily 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.
COMMISSIONER—Maybe, Mr. Howley, you are able to contradict and smash her evidence, but as present her evidence stands.

MR. HOWLEY—Might I ask that

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.

CHEQUE ACKNOWLEDGED.
A letter of acknowledgement dated July 23rd was also read and put in evidence. Mr. Curtis stated he wrote to Brown saying he received the cheque covering his loss and this cheque needed his endorsement. A letter to Magistrate Thompson re instructions to hold the cheque for Brown's endorsement was also read. Magistrate Thompson replied on Aug. 18th and acknowledged receiving the cheque.

COMMISSIONER—This suggests that you had paid Brown.
Mr. Curtis—Yes.
Mr. Howley—Prior to the receipt of this cheque by your firm had any payments been made Brown?
A.—Yes, I made them.

COMMISSIONER—Have you a record of them?
A.—They would show in the books.
Mr. Curtis then explained that he had made one payment on Feb. 24th, 1921 to F. McNamara for \$1023.50 who was a beneficiary.

COMMISSIONER—Was he the only beneficiary?
A.—Yes, he was the sole beneficiary.

WITNESS GIVES DETAILS OF SETTLEMENT OF CLAIM.
Questioned further, Mr. Curtis said that in May 17th, 1921, he made a payment of \$748.31 in settlement of a claim against Brown, and for which amount and attachment was in the hands of their firm. He also made a payment to A. G. Brown in May.

A.—Yes, for \$785.
Q.—Did you make any other payments on account of Brown prior to the date of the receipt of the cheque from the company.
A.—Yes.

Q.—What portion of the cheque was due to Brown on July 16th, 1921?
A.—About \$750.
Mr. Hunt—How do you make that up?

Mr. Curtis explained that in addition to payments mentioned, he had on request of Brown and to prevent an attachment paid \$175 to the Imperial Tobacco Co., and \$500 to Ayre & Sons and to Archibald Brown himself he paid \$100 on account. This payment was made in March before the receipt of the cheque from the company.

Mr. Howley—Did you have another attachment (against Brown) at the suit of Slattery & Co.? When was this settled and how much did you have left?
A.—A small amount.

Mr. Curtis then stated that he had to pay also a small amount to the British Stores before the firm received the cheque from the head office.
Q.—What was the delay?
A.—The claims paper had not been forwarded to the head office in due time. Continuing to answer Mr. Howley's questions, the witness said that all the payments made on the aggregate would amount to the face value of the cheque—except for \$200 which was placed to Brown's credit.

Repeating to the Commissioner, he said that previous to yesterday he had no knowledge that Brown threatened

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

Mr. Hunt—Then the amounts were not paid 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.

To the Commissioner's question as to why the exception was made, the witness replied that Brown was destitute and that \$100 was paid him to help him out.

COMMISSIONER—Why did you pay \$102 to McNamara.
A.—I understood that the cheque would come at any mail and I would be reimbursed.

COMMISSIONER—There is a mystery about this affair yet.
MR. HUNT, continuing the cross-examination, the witness stated that all the cheques were paid from his own account, including that to Ayre & 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 \$3,104 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 Sir 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 said 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.

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 Ellabound.

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—

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You'll meet every thrill lover in town at the

NICKEL Theatre

THURSDAY, FRIDAY, SATURDAY.

Mr. Howley—Did you know at this or any time during the series of transactions that any monies paid you by Miss Miller were received by her from the office or from Meaney?
Witness—I did not.

To Commissioner—I object when I came in as a partner, to the drawing of cheques on the firm's account and put in Squires account. There never had been a firm account, and I had asked for one. I probably obtained this information by asking Miss Miller if there were a firm's account. It was not at my instance that her authority to sign cheques was requested.

To Mr. Howley witness stated that he had not received from Miss Miller any information to the effect that she was getting money for the office from Meaney. Explaining what receipts there would be at the office witness said rent rolls would be coming in about March and April.

COMMISSIONER—Was all this money so received yours?
Witness—No, we had to account for them to clients, but we received a commission on them.

MRS. HARSANT CORRECTS EVIDENCE.
The Attorney General intimated that as Mr. Howley had consented to recall Mr. Curtis later, if he were wanted, he would not carry on with his examination at this time.

At the request of Mr. Winter, Mrs. Harsant was recalled for the purpose of correcting a mistake made in her evidence yesterday. In reply to the Commissioner, she said that the notes concerning which Mr. Glennie threatened to have Sir Richard Squires brought back were two in number. One was a Daily Star note for \$14,000 and the other, a note of Richard Murrell's for \$6,000. Her brother put through a note for \$20,000 which was signed by her, and endorsed by Mr. MacDonald and her brother.

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, witness, he was occupied as a local politician and political party supporter.

COMMISSIONER—Politicians are all very well, but they are not very forthcoming (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

ness was on the staff of the Daily Star, and received a weekly salary of \$85. 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 \$2,000 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 certain payments.

THE COMMISSIONER—A very terse term, that (Laughter).
WITNESS TO MR. HOWLEY—These perquisites began to appear pretty soon after I received my appointment. I received gratuities after I received my appointment, but I received gratuities from the agents of liquor manufacturers to whom I was making orders. I have no way of knowing what this was the practice before I assumed office, I cannot be sure if they were paid to the first purchaser or 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 for 1920 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 from 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.

Merchants in 187 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 prevents forgetting to charge goods sold on account. It prevents neglecting to credit money paid on account.
It gives each credit 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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