

Mr. W. L. Butler Writes.

Editor Evening Telegram.

Dear Sir—During the recent political contest the most extravagant and wild promises were made by each contending party as to what it would do in the way of lifting our country out of the swamp in which it has been foundering the last few years. Each party promised that it would rebuild the fallen commercial structure and erect it on a more secure foundation than that on which it was formerly built, and they said they would accomplish this impossibility by using for their construction material the rotten timber of the old structure.

There is some excuse for those who are not responsible for the well being of the people, to teach such a false doctrine, but when the leaders of State teach such an untruth they are guilty of social treason, whether their teaching is due to ignorance or for the purpose of deceiving the people. Are we to assume that the leaders of State, men to whom we are looking to guide us out of the jungle of economic difficulties, so ignorant of the profound and momentous developments that have taken place in world economy during the last twenty five years, particularly the last four years, that they do not know the governments are powerless to reconstruct a new order out of the rotten timber of the old order, which collapsed under the weight of its own inherent weakness. At the present time, governments are but drift-wood in the mighty sea of social forces which few of them understand and none can command. Therefore, their claims of being able to rebuild society on the foundation of the old system is nothing more than an expression of their ignorance of the causes which wrecked the old structure.

A statesman is a man who knows enough about world economy to enable him to tell, in a general way, future events, and to devise means in advance to conform to those events in the interest of the body politic.

Politics are for the, as you like it), relief of economic distress, therefore, in order to administer the affairs of a state, a politician should be versed in scientific economics, because his every act is prompted by economic necessity, and unless he understands the reasons for his actions, his actions will not conform to that which gave rise to them, thus inflicting hardships on the people as a result of his actions.

In order that a politician might handle the trying problems that present themselves to the state, it is necessary for him to be familiar with present day economics. A study of Adam Smith's economics will be of no use to him, nor will he profit from the brand of economics that are written by the university professors. Adam Smith's economics belongs to the past, while the economics of the university professors are written to suit their masters, and while they clothe their subject in the garb of scientific language they do not touch the fundamentals of their subject, lest the world would become wise to the real cause of all the hunger, misery and worry that follow in the wake of the destructive forces which are wrecking society, and which forces would be revealed by a scientific analysis of the subject of economics.

He that wants to understand what is the trouble in this country to-day should dive deeply into the subject of economics. A study of books written by political lawyers is but a waste of time. They tell us nothing of what we are going through at the present time; we can, through, learn nothing from them that would help us to understand the cause of the mighty forces that are rocking civilization to its very foundation and threatening to engulf us in the surging sea of economic ruin.

We are told by the leaders in business and politics that the cause of the trouble experienced by us the last four years is due to war; and not one of them has gotten nearer to giving us an explanation than to use such hackneyed phrases as the one just quoted. The thought has never struck them that the war itself may not be a cause, but that both the war and its so-called aftermath might be two effects of a cause.

The collapse of business that has occurred since the war would happen at some later date whether there had been a war or not, because of the inherent weakness of the present mode of production. War itself is a part of the process; it is an enhanced form of the evolutionary process of production, and is, therefore, not a cause of business, but on the contrary, the collapse of business and the war are both instances in the processes of economic and social evolution.

According to those who hold that capital recreates itself during every cycle, the war should have left the world in an ideal state with plenty of money to carry on production, because use capital revived faster during the war than at any other time in the history of its existence; so that according to the recreation theory there should have been a huge amount of money—and there was—ready for re-investment when the war ended. It is true in one sense that capital does recreate itself and rise in another sense that it does not recreate itself during a cycle of production, because, dur-

ing the "recreation" process, capital undergoes a metamorphosis; it is changed into a form of "capital" that is not only useless for re-investment, but it interferes with the investment of any real capital that may be used for investment. The war brought a flood of this kind of fictitious money into existence; and it is this kind of money with which the banks are flooded. This is the kind of money that is causing all the trouble in the world to-day. It grew twenty times faster than gold during peace times, and about a hundred times faster than gold during the war period, because, during the war, capital "recreated" itself faster than it did during peace times. Capital does, indeed, recreate itself, but in such a way as to destroy itself. It is one of those contradictions of which Capitalism is so full.

We are told by men, who ought to know better, that the reason the world has suffered is because all that was produced during the war period was destroyed, but such is not the case, and if they were asked to explain why the destruction of the products of the war period could affect present world conditions, they would be at a loss to give a satisfactory explanation. The effect of the war period on present day conditions was not due to the fact that the products of that period were used for war purposes; but the effect of the war period on the conditions of to-day was due to the rate with which production was carried on, or the large volume of products that were produced in such a short time compared to the volume produced in peace time, together with other expenses incurred by the war; all demanding a huge increase in the volume of fictitious money in the form of bank-made-credit money. Had production been carried on at the same rate during any period of peace time, as it was during the war period, the world would be in exactly the same condition as it is to-day. In order to understand this and to learn what really happened during the war period, it would be necessary to touch on one of the fundamentals of our subject.

The fundamental cause of the trouble in this country to-day, and in the whole civilized world, is due to the contradiction between concrete money and abstract money. Concrete money is needed as a means of circulation and for the payment of debts, while abstract money is needed as a measure of value; that is to say, one function of money requires scarcity, while the other function of money requires abundance. Here we have a contradiction in the requirements of money which is clearly recognized as the most fatal flaw in our financial system. We cannot have scarcity of gold and abundance of it at the same time. Yet this is what the world needs, in order to carry on production.

The only reason that gold can serve as a measure of value for all other commodities, is because of its scarcity, but in order that it might serve as a means to circulate commodities and to pay debts, abundance of it is required. But if there were enough gold in the world to pay deferred credits it would be in such abundance as to destroy its function as a measure of value for other things, because it would be worth less than any other commodity, and, therefore, could not serve as a measure of value for other things.

With the increase of production it was quickly seen that the gold supply was insufficient to enable production to go on at a rate sufficient to satisfy the needs of society, this forced the capitalists to devise some other means other than gold to serve as a means of circulation, and they hit on the discovery that tokens of money of less than the indicated value, or even of no value, could be used as a medium of circulation. And so, and behold! paper money came into existence to take the place of gold, which, of course, it cannot do when it comes to paying foreign debts.

It might be asked how has production been maintained for so long on such a rotten basis as paper money. Simply because the capitalists have given credits for long periods of time, and because those who have created titles to money have not pressed for payment of their loans and titles to money in gold. But since the war ended every one is demanding that some gold be given him. But the gold supply is so small that there is not enough of it to redeem the profits

made on loans, let alone pay off the loans. During the normal periods of production, the volume of imaginary money, originating in profits and loans, increased 20 times faster than the basic gold in which all the different kinds of money are supposed to be redeemed, but never can be. When the war started it was absolutely necessary to carry on production on a large scale, and since the stock of money in existence at that time, real and imaginary, was only sufficient for the needs of the time, it became necessary for the banks and the governments to get their printing press to work and issue unlimited volumes of money in the form of bank-made-credit money—a form of money that has no real value, but is an addition to the paper money, and is useless for investment because it has no intrinsic value.

This hocus-pocus financing built up a huge volume of fictitious money in every country; so that every country except America is staggering under the weight of the load which will finally grow to magnitude as to cause the commercial structure of each country to topple over and bury the country under the debris of economic ruin. The volume of fictitious money, or money of account, as it is called by bankers, that was brought into being during the war was an absolute necessity; without it the war could not have been carried on, because the stock of money already in existence was insufficient for war requirements. The wholesale issuing of paper and the huge credits that were given resulted in an abnormal increase in the volume of money of account. Or, in other words, titles to money increased 100 times faster than gold in which the titles to money are supposed to be redeemed. The result of such mad financing is reflected in the conditions of the world to-day. That is why we have had break bones and build roads from "nowhere to nowhere."

America is in the better financial position than any other country; for the reason she entered the war when all other countries were about exhausted financially, which gave America a chance to pay off her foreign debt of three billions by supplying those countries to whom she was in debt with war material. She not only wiped out her foreign debt of three billions, but she became a creditor nation to the extent of three billions. So that while America has a large volume of money of account, the ratio between her gold supply and her money of account, is not so great as that of any other country, because those countries that owe her money are forced to pay her the interest on the money that she lent them. Thus the inward flow of gold to America tends to narrow the gap between her money of account and her gold supply. But the effect on the other countries is just the opposite of this. Every dollar the other countries pay to America, widens the breach between their money of account and the basic gold.

This gamble will go on until the stock of gold, held by poor countries, dwindles so low as to cause the volume of money of account to break down under the weight of its own load. The country that will be the first to crash is the country that produces the less for exportation in proportion to the money borrowed—and the fact that our national debt is increasing by leaps and bounds, shows that our borrowing is going ahead of our exportations.

Those who are preaching optimism seem to think that a commercial structure can be built out of it; but you cannot build Humber pulp mills, nor pay Wall Street the interest on its money, out of optimism. Optimism unprovoked by a gratified desire is a foolishness based on a wishful dream. It won't buy hoots for hare-footed children.

It is the wildest optimism to say that our inland resources will make it unnecessary for us to borrow money; when, as a matter of fact, the development of our resources depends upon whether we can borrow enough money to develop them, and the question arises here whether the returns to the country from the development of our resources will be sufficient to meet the interest on the loans, necessary for the development of them. The only hope that any country has of staying off the inevitable crash is a little longer, is to produce all that is required for its own use and a large volume for export. But this is just what we cannot do, because fish is the largest single article that Newfoundland exports, and since those countries to whom we sell our fish are endeavoring to supply their own needs, in order to hold their money in their own country, the chances of increasing the volume of this article or setting a higher price is nil.

The amount of money of account held by the countries that purchase our fish is so large, compared to their stock of gold, that they are forced to devise means to support themselves, and thus prevent the outflow of money for the purchase of foreign goods. This is why we hear of Italy organizing a fishery scheme of her own, and this is why we hear of boat and motor being stolen instead of our fish. These countries are forced, on the pain of having their financial system collapse about their ears, to

devise ways and means to enable them to dispense with our fish. The time is not far distant when these countries will have devised means to enable them to dispense with our fish. In any case, whether they are successful in their attempt to rid themselves of the necessity of purchasing our fish or not, they will be forced to do without it, because their crumpling finance will not permit them to buy. Every dollar they send out of their country for the purchase of fish insures the gap between their stock of gold and their money of account. This means that the value of their money in relation to ours is reduced, and is reflected in the rate of exchange.

The sale and price of our fish is affected by the inadequacy of the gold supply and the contradiction between its two forms—concrete and abstract. In the face of such facts as these, we hear men talking about fixing a price on fish by man-made laws, as if it were possible for man-made laws to over-rule the immutable laws of economics. I am not talking about the overworked law of supply and demand. This law has outlived its usefulness, if it ever had a use, and does not hold to-day—I am speaking here of the contradictions inherent in the money system which forces the seller to seek a high price for what he has to sell, and also forces the purchaser to pay a low price for what he buys. Those who buy our fish are forced to pay a low price for it for the same reason that we are forced to ask a high price for it, and if we are not able to sell at a price that the buyers are able to pay we shall not be able to sell at all, and our fishery will collapse for the want of markets. This is a gloomy prognosis, but the trend of economic events seem to hold nothing else in store for us but the elimination of our fishery, unless it can be exchanged on a basis of barter, and there is little hope of this as the present form of society will not permit a return to the days of barter.

The establishment of inland industries will ensure a temporary period of business activity, but, like the dose of medicine the physician administers to his dying patient to relieve pain, and which gives a flash of mental and physical vitality, but only hastens the end; so the flash of business activity arising out of the development of our inland resources is but a symptom heralding the final collapse. There is no hope. The crisis is on. The destructive forces which are racking civilization to its very foundations will not cease until the old order of things topples over, burying us in the pit of national insolvency.

It is difficult to get people to realize that the present system will not always endure. They imagine that the present order of things has always obtained—and always will; but such a view is contrary to the whole cosmic process. Everything in the whole realm of nature is in flux, a ceaseless ebb and flow of cosmic processes. But out of the sum of the forward and backward movements, develops a new and higher form of things. Everything in the universe develops within itself the elements of its own negation. Capitalism, like everything else in the universe, carries within itself the elements of its own negation in the form of the contradictions inherent in its system.

The fatal defect of Old Father Capitalism is that he was born with the germ of a mortal disease which has progressed so far as to force him to sustain his weight on crutches. He is now on his death bed, and his end is due in a few years. But the death pangs of Old Father Capitalism are at the same time the birth pangs of a new and better order of things. Man will erect on the ruins of the old system a more substantial order of society, in which we shall have a fellowship of glad and contented comrades, and where we shall bask in the mellow sunshine of Justice, Truth and Beauty, where our children may not only bud, but blossom, unblasted by poverty, into full and happy maturity.

Yours truly,
W. L. BUTLER.
Sheal Harbor.

Keeping Ships Warm.

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Telegram Fashion Plates.

The Home Dressmaker should keep a Catalogue Scrap Book of our Fashion Cuts. These will be found very useful to refer to from time to time.



A NEAT LITTLE FROCK FOR THE LITTLE MISS.

4946. For this dainty model one may use any of the wash fabrics now in vogue. The sleeve may be finished in wrist- or elbow length. As here illustrated the design was developed in pounce with fancy wash braid in colors for decoration. The Pattern is cut in 4 Sizes: 1, 2, 4 and 5 years. A 4 year size requires 2 1/4 yards of 27 inch material.

Pattern mailed to any address on receipt of 10c. in silver or stamps.

A GOOD WORK GARMENT.

3938. A practical model for overalls quite simple in construction, is shown in this illustration. They will be found just the thing for farmers, painters, and gardeners, in their work or for any occupation that requires protection for the clothing. Jean or denim is the material most in use for garments of this kind, but duck, holland and drilling can also be used.

The Pattern is cut in 4 Sizes: 32, 36, 40 and 44 inches waist measure. The medium size requires 3 1/2 yards of 36 inch material.

Pattern mailed to any address on receipt of 10c. in silver or stamps.

A JAUNTY BLOUSE DRESS FOR SLENDER FIGURES.

4830. This is a good style for sport materials, for taffeta, kasha, Jersey and serge. Vest, collar and cuffs may be of contrasting materials. A very attractive development would be red and gray ratine, with red suede for trimming, or linen, with checked gingham. The Pattern is cut in 3 Sizes: 16, 18 and 20 years. An 18 year size requires 4 1/2 yards of 46 inch material. To trim as illustrated requires 3/4 yard of contrasting material 40 inches wide. The width of the skirt at the foot is 2 3/4 yards.

Pattern mailed to any address on receipt of 10c. in silver or stamps.

A GOOD GARMENT FOR PLAYTIME.

387. Trim and neat and altogether practical is the model portrayed here. The boy who likes to romp and run will welcome a play suit of this kind, with its spacious pockets, and comfortable lines. The style is good for wash fabric, for serge, and pounge. The Pattern is cut in 4 Sizes: 3, 4 and 5 years. A 4 year size requires 1 1/2 yard of 27 inch material.

Pattern mailed to any address on receipt of 10c. in silver or stamps.

A POPULAR MODEL.

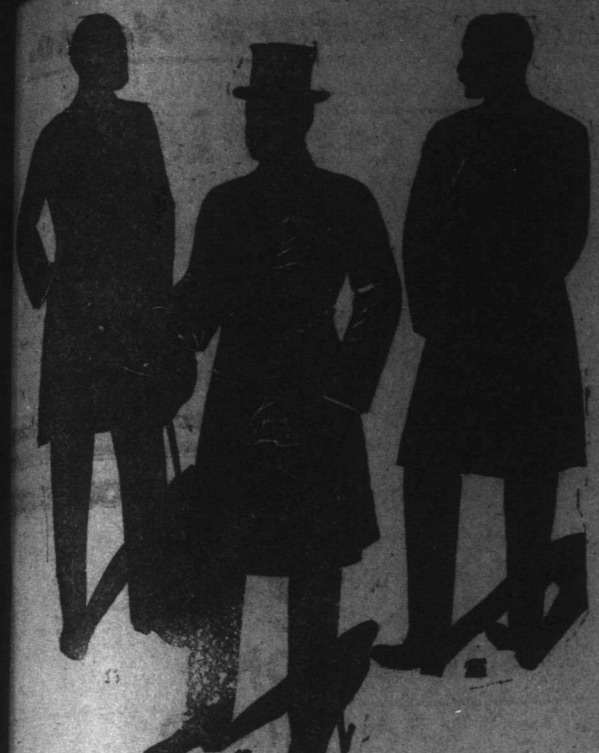
4177. Coat dress styles have been "rediscovered"—and are shown this season, in many attractive versions. The design here portrayed has very simple lines, and is easy to develop. It is good for velveteen, kasha, broad-cloth or velvet.

The Pattern is cut in 7 Sizes: 34, 36, 38, 40, 42, 44 and 46 inches bust measure. A 38 inch size requires 5 1/2 yards of 46 inch material. The width at the foot is 2 3/4 yards.

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Hurricanes Blow.

THE BEST WAY TO JUDGE THE WIND'S FORCE.

crossing the Atlantic recently, the Baltic ran into a wind of seventy miles an hour. In such a wind is classed Meteorological Office as "Force 12," which indicates that it did very easily at the end of the year, the expert has named for its strength. A human talks about the wind force of a "gale," or a hurricane—whereas, the fact that it is not in any one degree. The Meteorological Office reports an interesting carrying speeds of winds, correct names. The Chimney Smoke. The smoke is rising vertically on wind at all. At three, "Force 1," the wind is blowing over so slightly in this direction, but the wind is strongly marked by any movement in the weather-vane.

When these is reached when the wind is "Force 2," six miles. This can be felt in the face of a northerly in the trees. At four, "Force 3," sufficient to break and twist in motion. A wind is reached at sixteen miles an hour, and pieces of paper

Force 5 Stirrs the Ponds.

The wind is termed "fresh" when it reaches a speed of twenty-two miles an hour, and it is sufficient to create tiny waves on ponds and inland lakes. This is "Force 5."

A strong gale is reached at fifty-two miles an hour, while at sixty miles an hour a whole gale is blowing. The full force of such a gale is scarcely over felt very far inland. Considerable damage is usually done by a gale, and large ships are forced to run for shelter where possible. A storm is reached when the wind is blowing at 65-70 miles an hour, while anything over that strength is classed as a "hurricane." In America hurricanes are quite common. The hurricane has his own name for such a wind-tornado, and it usually leaves plenty of wreckage in its train.

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