



Capitalization and Paid-Up Capital.

Editor Evening Telegram.

Dear Sir.—Periodically, we are treated with some of the most cheering and hope inspiring promises, cleverly fringed with the most dazzling filagree in the way of "benefits to the people" that are to be derived from the promises. If they become realities. Lo! and that is the rub. "If they become realities." That subjunctive "if" is the short word that projects the people from the promises which are made when the proposals come before the House, in the form of a bill, for concessions. This little word is a "weasel word" which sucks the blood out of all the other words whether the other words are written in the indicative mood or not. Public men and others who have an axe to grind nearly always use such words as these; and for this reason we should not allow our hopes to run too high whenever such promises are dangled before our eyes. They may—they may, I say, be a kind of "come into my parlor" promises.

Not very long ago we were told that cold-storage plants would be established along the coast, so that everything from crabs to whales could be caught and sold. Besides this, the plants would engage a host of landmen who would be employed the year round; but the thing failed to materialize.

Then, we were promised great mines from our coal mines. We were told that we were going to have two big mines opened up, one at South Branch and one at St. George's. Our coal was to be given us for a little more than the asking for it; all this was told us to make us look cheerful, and to get us to cough up the money for those who were operating the mines to see whether there was any coal there or not. They told us that there was coal there; for, they were advised to this effect by a geologist (P). Cold there was—cold feet, but not that chemical compound used for heating our houses and turning the wheels of industry. A geologist may call it coal for the sake of holding down a \$5000 job, but a fireman who has to fire one of our engines would quickly find out that the coal is so low in caloric value as not to enable him to maintain steam enough to run the pump. So the coal, like the cold-storage, proved to be nothing but the baseless shadow of a wishful dream. Now the Humber project is looming on the horizon, and we are told, as usual, about the great things that are going to be done for the country, if (confound that "if") the promoters can get the desired concessions from the Government, that is from the people.

Now, then, let us be a little more serious about this thing. The promoters say that this proposed plant is to be capitalized at \$25,000,000, and they are going to ask the Govt. for 5% interest on the capitalization of the enterprise. Now, what I would wish to know is whether the paid up capital of this proposed enterprise is tantamount to its capitalization. There is a vast difference between capitalization and paid up capital—and I think it would not be wise for the Govt. to pay 5% on the capitalization; for, no man ought to expect, in these hard times, to be paid for work that he can not do, nor should he expect interest on money that he does not invest.

Let me try to explain briefly the difference between capitalization and paid up capital. Supposing a man wished to build a mill; and supposing the Government agreed to pay him 5% on the capitalization of that mill; and suggesting further the actual cost of

the building of the mill would be \$100, but he capitalized it at \$1000, that is, he valued the mill this amount, though he invested only \$100. Now, since the Government agreed to pay him 5% on the capitalization, he would draw, in interest, every year, \$50, instead of \$5, as would be the case if the Government had agreed to pay him 5% on \$100—the actual amount invested. Capitalization is a nice little scheme for making money out of nothing.

I have no desire to "knock" this thing. I hope the Government will see its way clear to grant the desired concessions. After all, it is a good deal better for the Government to guarantee these people 5% on their money than it is to be loading it out for roads, pit-props and the like. One million paid in interest on the Humber project would benefit the country more than ten millions used on roads; for, it would keep a greater number of men employed for a longer period of time. Then, too, it would be creating new value, when in fact, the spending of money on roads, pit-props, etc., is creating none.

There was a time when I was opposed to granting concessions of this kind. But economic development has changed my view on this point. I realize that the time is here when capitalists are unable to raise money in the markets unless they have a government security to offer. In any case, it will only be a few more years—very few for us—when the governments of all countries will be forced to carry on production under some form or other, and 'tis just as well to get used to it, first as last. This much is sure, what ever is done in the future on a large scale, the Government will have to assist by financing it.

Yours truly,

W. L. BUTLER.

Shoal Harbor.

Note.—We would but suggest to the writer of this letter that government financial support of such a proposition as the Humber Valley scheme, means but so much more money taken from general revenue, and consequently from the public. Concessions of certain degree, yes, but no Governmental wetnursing of a company with financial milk, until something concrete can be shown.—Editor Telegram.)

Lumberman's Friend.

The Original and Only Genuine



YARMOUTH, N.S.

MY NEIGHBORS.

My neighbors all are splendid jays, a credit to their race; and evermore I sing their praise upon the market place. And so I've made the discords cease that used to jar my nerves, and any one who is a sinner must emulate my curves. Time was when I would pass along the evil tales I heard, and say that Johnson's life was wrong. Jones was a wicked bird; it tired me that I must endure Jed Bunkum and his gall; and sinful motives, I was sure, inspired my neighbors all. It is not strange that men grow sick of hearing talk like that, and now and then a well-aimed brick would spoil my Sunday hat. And when I found I had no friend in all the region nigh, I reared my person up on end, and asked the reason why. The reason was not hard to find; I saw it through my tears; and I remarked, "I have been blind and batty all these years. I have refused to see the good in any human skate and now, throughout the neighborhood men sing the hymn of hate. They throw their cane in my yard, they set dogs on my cow, and I, a fat and futile bard, can see the reason now." Then I reformed, and on my lyre I made a solemn pledge that I'd find something to admire in all men, and not hedge. So I began to roundly boost Tom, Dick, James, John and Jake, and neighbors bless me when I roost, and praise me when I wake.

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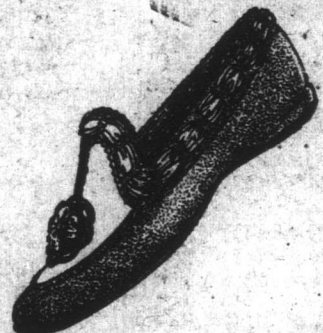


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The Shoe Men

Tolstoi a Cosmopolitan.

MOVEMENT TO SAVE AUTHOR'S HOME FROM DECAY.

Yasnaya Polyana, Russia (A.P. Mail)

—Miss Alexandra Tolstol, the favorite daughter of Count Leo Tolstol, the novelist and chief literary figure in Russia during the half century preceding his death in 1910, is the leader of the movement to save the great writer's home from decay and to make here on the estate a popular university where lovers of Tolstol's writings and creed may come, study and even settle indefinitely. "Tolstol's was an universal mind. He does not belong to Russia entirely," said the famous writer's daughter, "and for that reason I feel that England, France and the United States have an interest in this historic place. The Soviet government is doing what it can to preserve the home and maintain it as a place for pilgrims, but it hasn't the funds. Anyway, the materials must come from abroad, and I have been promised by Kalenin, chairman of the Central Executive Committee of all the Soviets, that contributions of materials or money will not be interfered with or diverted."

Miss Tolstol, who is a vigorous type

of woman and bears physical and intellectual resemblance to her father, has been in Russia since the general war. She was a field nurse during the war, and after the revolution, has been imprisoned several times, once for eight months in Lubianka dungeons of Moscow, and was arrested during the summer for a few hours, as a member of the famine committee. The Tolstol home is in a condition typical of those

few Russian homes which have escaped the ravages of revolution. The roof has not been painted for seven years. As a consequence, the tin has rusted and is letting in water that is rotting the rafters and making dislocations in the walls, so in a year or two the house will be beyond repair. The chimney flues are breaking open and threaten at any time to let fire into the wooden portions of the house. The latticed

porch, used by Tolstol and his family in summer is already minus one corner. The tiny "Villa Thoreau," a small house built some 50 yards from the home and once used to accommodate visitors in summer, is tumbling down. The home is now occupied by several members or relatives of the Tolstol family, thankful for this refuge, and engaged in keeping open the home for visitors and preventing thefts of manuscripts or other souvenirs, with which the home is crowded. Without money to buy food, the occupants have been obliged to sell their farm animals for lack of grain to feed them. It is estimated by Miss Tolstol that \$100,000 will be required to restore the homestead and other buildings.

up the river and succeeded in collecting 70,000 seeds, which he managed to smuggle on board. Rubber seeds are perishable, and lest they should spoil on the way to Ceylon, they were taken the shorter distance—to London. On landing in London, the guardian of the seeds drove in a hansom-cab to New Gardens. It was the middle of the night when he arrived there, but the seeds were planted at once. One in ten germinated and a year later 1,700 of the plants were sent in miniature hot-houses to Ceylon.

A botanical garden was opened their reception at a little place, Henaratgoda in the equatorial zone. There the survivors stand today, look at these large old trees—sort of wonder when you think of the great rubber industry that has sprung up.

For twenty years, however, it was known whether any profitable would come from these plants. Near the plantation is a laboratory building with all the apparatus which may be seen going on both on the island and on those of a younger plant. In this delightful garden in the not only were the trees first planted, but the experiments were which have shown how best the rubber and to prepare it for market.

It is literally the nest from which sprang the whole of an industry, whose growth for the moment has to be checked by the demand since the war.

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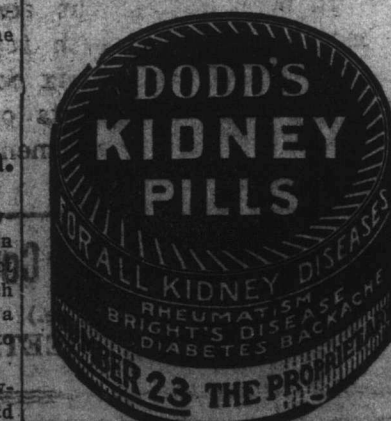
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Where Rubber

Came From.

Less than fifty years ago the Government of India sent an expedition to the valley of the Amazon to collect seeds and plants of the rubbers which grow there. Brazil, enjoying in a practical monopoly, firmly refused to allow seeds to leave her shores. A member of the expedition, however, chartered a steamer, travelled



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