



PUBLIC NOTICE! PULP WOOD

Licenses to cut Pulp Wood on Crown Lands on the Labrador may be issued by His Excellency the Governor-in-Council, subject to the following conditions:—

1. The license shall continue in force until June 30th, 1915, and no longer; Provided that any Licenses shall have the right to export any pulp wood so cut at any time up to and including December 31st, 1915;
2. The Licensee shall pay an export on any pulp-wood exported of \$1.00 per cord;
3. The Governor-in-Council may prescribe the rate of wages to be paid men employed by the Licensee for the purpose of cutting and exporting such pulp-wood.
4. The export duty is to be paid at the Port of Entry when wood is exported.

Any person exporting Pulp Wood without a License shall be liable to a fine of \$5,000.00 and an amount equal to double the amount of duty on the quantity so exported.

PIT PROPS.

Any person may export by the usual export Entry any timber or Lumber for pit props to any place in the United Kingdom for one year from 1st September, 1914.

S. D. BLANDFORD,
Min. Agriculture & Mines.
Dept. Agriculture & Mines.
10th September, 1914.
sep11,21w,1m

FORGING AHEAD!

That is the position of *The Mail and Advocate*, as each issue sees a larger sale. What about that **WANT ADVT!**

HOW FINANCIAL EUROPE PREPARED FOR THE WAR

By Charles A. Conant

WHILE the assassination of the Crown Prince of Austria was the immediate pretext for setting Europe aflame with war, coming difficulties had been casting their shadow over European finances for two years or more before the war cloud burst. A relentless struggle to accumulate gold, the levy of heavy taxation, and the gradual withdrawal of balances in foreign countries had been the distinguishing financial policy of Germany and Russia for many months before their Ambassadors to each other's capital were handed their passports and quit their posts.

The friction between Germany and France over Morocco, which became acute when the little German cruiser Panther steamed into the Bay of Agadir in 1911, was intensified by the war in the Balkans, which was closely watched by the financial community at each European capital for its effects on the balance of power in Europe. In spite of the fact that the wars in the Balkans seem petty in the light of the great contest which has now opened, they involved the expenditure of hundreds of millions of dollars, which was largely obtained in Paris in the form of temporary advances by the banks, and has not yet been taken off their shoulders by the issue of long-term bonds for distribution among investors. The possibility that the smoldering ashes of race jealousy in the Balkans might at any moment break into flames was keenly in the minds of the big bankers of Berlin, Paris, Vienna, St. Petersburg, and London throughout the year 1913 and even earlier.

Russia began setting her house in order by withdrawing the large balances which she had kept in German, French, and English banks, and which in time of peace she had counted as a part of her gold reserve, having the same security as coin and bullion in the vaults of the Treasury or the State Bank.

In Germany, the story was familiarly told that the Kaiser, near the end of the year 1913, inquired of the Governor of the Imperial Bank if the German banks were equipped for war. Being told that they were not ready, he is said to have replied, "When I ask that question again, I want a different answer."

Immense Accumulations of Gold on Every Hand German War Chest at Spandau---Methods Of Financing the Fight---Supplies of Gold Carefully Hoarded by all the Banks

To be able to give a different answer was the end toward which the Imperial Bank strove resolutely and persistently from that moment until Germany stood forth in shining armor to oppose the intervention of Russia in behalf of threatened Serbia. By maintaining a discount rate of 6 per cent. at the Imperial Bank from Jan. 1 to Oct. 27, 1913, by active bidding at the London gold auctions for the gold which arrived weekly from South Africa, and by several changes in monetary legislation, the gold was steadily piled up which might enable the Governor of the bank to answer "yes" when again asked whether German finance was equipped for war.

From a gold fund of \$184,000,000 on Dec. 31, 1912, the Imperial German Bank increased its reserve to \$336,000,000 on June 30, 1914. In addition, it gathered up for the Imperial Government a sum of the same \$30,000,000 to be added to the same amount stored in the vaults of the Juliusburg at Spandau. This sum of \$60,000,000 is rendered productive to the Government in a sense by the distribution of an equal amount of Government paper money in small denominations in the circulation. The Government is under no pledge, however, to hold the gold against the notes in case of war, and if taxes and loans fail, or are slow in reaching the Treasury, the gold can be employed to obtain necessary war supplies even from the hard-hearted foreigner who will accept no other form of payment.

France and Russia were not far behind Germany in the scramble for the world's surplus gold to be added to their reserves. Russia and France were from the beginning in a much stronger position in respect to gold than Germany, even at the outbreak of the war. France piled up her gold holdings in eighteen months from \$616,000,000 to \$792,000,000, and Russia, with a reserve already approximating \$800,000,000, materially increased the amount.

Austria-Hungary has not under-

taken, under the monetary reform of 1892, to pay gold freely in the redemption of notes, and her gold fund of approximately \$250,000,000 has remained comparatively unchanged in amount. It was not surprising that, under pressure like this, the New York market should have been called upon to export about \$84,000,000 in gold before the warcloud burst, during the first six months of the present year, and that it should have lost another sum of about \$46,000,000 when Europe decided to throw over American securities at any price in order to convert her assets into money.

The entire gold production of the world during the eighteen months ended on June 30, 1914, was approximately \$705,000,000. Of this amount about \$200,000,000 is required for the arts and \$150,000,000 went to British India. This left about \$355,000,000 to be applied to monetary uses, and the whole of this amount was absorbed by the four great central banks of Germany, France, Russia, and Austria-Hungary.

What course Germany should pursue in respect to her monetary system in case of European war was the subject of considerable discussion in the special commission which was appointed in 1908 to consider the revision of the charter of the Imperial Bank. It was generally agreed that two steps were advisable—to permit the utmost accumulation of gold in the Imperial Bank, and to protect that gold against abnormal demands.

These two steps were, first, the issue of notes for small amounts, with the object of substituting notes for the gold in circulation; and, second, making the notes of the Imperial Bank legal tender throughout the empire. In 1906 the bank had already departed from its original policy of keeping the circulated saturated with gold coin by authorizing the issue of notes for 50 marks (\$11.96) and 20 marks (\$4.76). The effort was at first made to limit the issue of

notes of these denominations to 300,000,000 marks (\$72,000,000) but early in 1912 this limit was passed, and within the next two years the issue of these two denominations of small notes rose to 681,822,000 marks, and their ratio to the total note circulation to about 26 per cent.

The Government of Russia had already reversed its original policy of 1897, of saturating the circulation with gold coin, and adopted the policy of issuing small notes. The notes of the smallest denomination, 1 ruble (61½c.), were indeed retired; but notes for 2 rubles, 5 rubles, and 10 rubles, (\$5.16) were steadily pumped into the circulation until, as early as 1909, they constituted 46.5 per cent. of the total amount of paper outstanding. Within the next five years the gold in the State bank was increased by about \$170,000,000, which nearly covered the increase of the outstanding note issue by \$209,430,000.

Belgium had for several years issued notes of small denominations to take the place of her disappearing gold and silver coin; but France reserved the power to issue notes below 50 francs (\$9.65) until the need for them should be developed by the emergency of war. This foresight did not restrict great additions to her gold reserve, and gave her an opportunity to add materially to the resources of the Bank of France, when, on the outbreak of war, notes were promptly authorized for 20 francs (\$3.36) and even for 5 francs (\$96½c.).

With the general suspension of gold payments at the central banks of Europe, except at the Bank of England, the banks are in a position to resist raids upon their gold and to lend their resources, as far as sound banking policy permits, to the struggle of their Governments to maintain national independence. In England, while the Bank is still paying gold for notes, the policy of keeping gold in circulation has been abandoned.

and the old limit of note issue, which was £5 (\$24.40), has been lowered to 10 shillings (\$2.44) and £1 (\$4.88).

It is not the purpose of any of the European powers, however, to carry on the war by issues of paper money. The suspension of gold payments at the banks and the issue of notes for small denominations, which are legal tender in domestic transactions, is for the purpose of husbanding the gold stock against needless runs of national solvency. It is the course which was adopted by France at the time of the Franco-German war in 1870, but so prudently were the affairs of the Bank of France conducted that the paper never fell more than 2½ per cent. below its value in gold.

A similar policy of reserve will probably be pursued by the banks of France, Germany, and Russia in the present contest. The Government of France has raised the maximum limit of the note circulation of the bank by nearly \$1,000,000,000, but the increase will not be used except as additional currency may be required, owing to the restriction in other forms of credit and the special demand for notes in the districts where the armies are gathered.

The suspension of specie payments does not convey to the banking community quite the same doleful warning of the unlimited issue of paper and its steady depreciation in gold which was conveyed by specie suspension in the United States in 1861 or by Austria-Hungary and Russia in the desperate contest of the Napoleonic wars. Monetary science is better understood at the present time than in those days. Prudent statesmen realize that there is only a limited field for the use of currency and that to overcrowd the field by large issues of irredeemable paper is only to add to the price of every commodity purchased by the government for war purposes, and ultimately to impoverish labor and impose an enduring burden on the national finances.

So long as the great resources available for modern governments by taxation and by loans have not been exhausted the wealthier governments of Europe will undoubtedly rely on those means of carrying on the war.

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Very pretty model, in good condition, with 8 horse power Motor Engine, new this year. The Boat and Engine will be sold at a bargain if applied for immediately.

SMITH CO., Ltd.

THOUGHT AND WAR

New York Globe—"One gleam of hope piercing the thick cloud of battle that obscures the face of Europe is the possibility that on the scene of countless wars war is now dying a

horrible death. If war is in its death throes, the cost in human suffering, fearful though it is to contemplate, cannot be deemed in vain. And mean time the war is performing one great service: it is forcing the world to do what it has seldom done before—

think. One of the wits of late Victorian England said: 'Thought is in its essence destructive. Nothing can endure being thought about.' That to which the world is now applying the destructive test of thought is precisely war."

FAMINE STALKS THRU GERMANY

Most of Her Population Industrial and Very Few Are Farmers

Paris, Sept. 8.—Scarcity of food is already beginning to make itself acutely felt in the large German cities.

A large proportion of the German population is purely industrial. Her soil is too poor to support 65,000,000 inhabitants, and she now produces a bare sufficiency of food.

The soil of Germany produces only 157,810,000 bushels of wheat of the 242,220,000 bushels which the consumed every year.

Thanks to the Franco-British blockade, to Russian hostility, and to Italian neutrality, Germany finds herself isolated from the world. Where is she going to obtain the millions of bushels of grain, the 70,000,000 tons of fresh and salted meats, and the 200,000 head of cattle she imports yearly, not to speak of the other innumerable indispensable food products?

DO IT NOW!

It's no use waiting till somebody else gets ahead of you. Now is the time to advertise in *The Mail and Advocate*.

A SUCCESSFUL BUSINESS MAN

Every successful business man can give reasons for his prosperity. Most essential to any success is a careful and ceaseless attention to details. Every well conducted office or store in the world finds that simple and effective filing systems are an absolute necessity. No employer will waste his own time or allow waste with his staff by using old fashioned methods. The benefits derived from the time and money-saving system which "Globe-Wernicke" devices encourage are self-evident. Not a paper can go astray when the "Safeguard" method of this Company is used. And no matter how complicated your filing problem, no matter how peculiar, no matter how small or how large, the "Globe-Wernicke" can provide you with the equipment that will place every record at your finger tips. Why not investigate? Mr. Percie Johnson represents the "Globe" in Newfoundland.

OVER MILLION DESERT PARIS

Refugees Reduce Population of City From 3,400,000 to 2,000,000

Paris, Sept. 10.—The population of Paris and suburbs before the war was 3,400,000. According to semi-official figures it is 2,000,000 to-day, owing to the mobilization of the army and the departure of the fugitives.

The minister of public works is aiding the people to leave, and is providing free transportation in many cases.

SAWN LUMBER.

A LARGE QUANTITY OF PINE & SPRUCE OF VARIOUS SIZES

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sep10,2w,21,w

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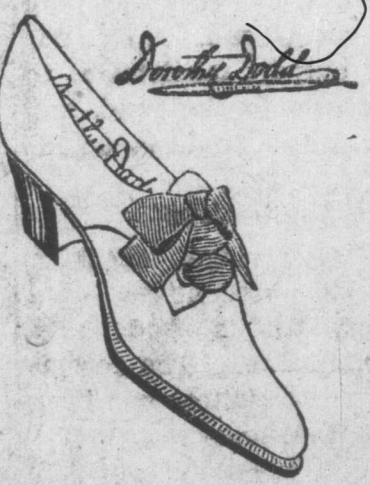
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