

MUST SAVE CANADA FROM CRUSHING LOAD OF DEBT

War's Cost to the Dominion May be \$50 Per Capita and the Utmost Thrift Necessary to Avert Economic Tragedy, Says Financial Expert.

Only a small and select proportion of us can engage in the honorable and splendid task of saving the Empire and Civilization by fighting in the trenches. But the task of saving Canada, in a slightly less spectacular and heroic, but just as important way, is pressing upon every Canadian of us all, man, woman, boy and girl; and for some reason or other we do not seem to have even begun to realize it.

Canada needs to be saved, not from the Teutonic enemy—for although there is an undeniable possibility that he may yet succeed in inflicting some measure of destruction upon us, we all hope that that danger is practically negligible—but from the burden of a crushing load of debt, and impossible and overwhelming annual charge for interest.

The government of Canada has already, in less than a year of war, expended well over one hundred million dollars upon military operations, the money having been advanced by the British exchequer. The future liability which it has incurred as a result of these operations, in the shape of pension charges, hospital maintenance, and so forth, is difficult to estimate, but must represent a present capital value of from ten to twenty millions more. The war is apparently nowhere near its termination, and may very well run on for the full three years predicted by Lord Kitchener. The effort made by Canada will go on increasing with every month that the war lasts, and while the whole of the expenditures already incurred will continue to the bitter end, other and perhaps greater expenditures will be added from time to time. Altogether it is hardly conceivable that the Dominion of Canada can emerge from the conflict without having spent at least three

hundred million dollars, and more probably four or five hundred million dollars upon war alone. It must be borne in mind that the cost of equipment of troops is bearing continuously increased as we learn more of the enemy which we have to fight—a fact of which the immense provision of machine-guns now being made for the Canadian contingents is a striking example. To the government expenditures must be added the huge sums which are being raised by various public authorities and private benevolence, for the support of the families of those who are fighting abroad or guarding communications at home; the vast expenditure of the Red Cross; the contributions for the relief of war victims in Europe; and many other expenditures—wholly non-productive and wholly attributable to the war. Altogether it would seem that a total war expenditure of three hundred and twenty million dollars, or forty dollars for every man, woman and child in the Dominion, is an absurdly low estimate, and four hundred millions, or fifty dollars per head, a safe and reasonable one.

Rising Rate of Interest.

But this is not the only loss which we shall suffer as a result of the war. Most of the money for this expenditure is, of course, borrowed, and practically all borrowed from abroad. The Canadian nation is necessarily a debtor nation, having had no time to accumulate wealth of its own, or even to reduce to salable form any large portion of the natural wealth which it possesses in such profusion. The question of the rate of interest on money is therefore of the highest importance to us. Now, as a result first of all of the expectation of this war (widely entertained among financial magnates) and later

of its actual occurrence and its devastating extent, the rate of interest on money has risen with gigantic strides. The Dominion government, accustomed for many years to paying well below 4 per cent., is now borrowing at 5 per cent. and slightly higher, with the option to the lenders to call in their funds at the end of one or two years if they do not consider the 5 per cent. rate high enough. Other Canadian borrowers, of whom there always have been and always will be plenty, will have to raise their rates proportionately, and it looks as if a 6 per cent. rate may become the normal thing for cities even of large size and long-standing stability. This does not mean that we have to pay more for the money already borrowed; but loans of past years are continually falling due, and must either be repaid out of our own money or reborrowed at the new rate so that the sum of money which Canadians annually have to pay to outsiders for the use of capital will steadily rise until it is 30 or 40 per cent. greater even upon the old loans, without considering what we must pay on the newly-added borrowings.

Ill-timed Complacency.

Canadians have gazed at this situation complacently up to now, partly because they did not understand its magnitude, partly because they reflected that whatever we might be bearing in the way of war burdens, Great Britain and the European nations were bearing a great deal more and therefore we must remain comparatively well-to-do. Such complacency is ill-timed. Great Britain is an enormously wealthy nation—the greatest creditor nation of the world, receiving each year untold sums of money simply as interest upon the funds which her people have sent to the four quarters of the globe, Can-

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ST. JOHN'S

ada, as we have seen, is in the exactly opposite position. And even Great Britain is beginning to become alarmed over economic prospects, as all idea of an "indemnity" from conquered Germany fades away with the prolongation of the war. And there is a special reason, apart from our debtor position, why Canada should take heed where she stands. Canada lives as a nation among nations, by the business of selling certain products, chief among which are the products of the farm and the cattle-range. In that business her chief competitors are the United States and certain South American republics. One of the inevitable effects of this war is to improve the wealth and economic position of the neutral nations as compared with the impoverished belligerents. Our competitors, therefore, are continually improving their status, while ours is going the other way. The United States, from being a debtor nation, a few years ago, is now on the high road to becoming a creditor one, and just in time to profit by the change in the interest rate by which we must lose. The South American states are certainly reducing their indebtedness and enlarging their productive plant. Their burden of taxation will be lightened while ours is increased. All this enhances their ability to compete with us, not merely as sellers on the international market, but as bidders for new capital and new population.

Eschew Recklessness.

Taken by themselves, these various adverse conditions may perhaps sound rather alarming. They need not be alarming at all, if they are ourselves accordingly. But if we go ahead, as too many of us are doing, acting in just the same extravagant and reckless way as we did when new capital was pouring into our country and making everybody rich, then we shall certainly run both our country and ourselves into a very bad position. There is the more reason for preaching this Cassandra doctrine (as many people will assuredly term it), because there is very visible at the moment a sort of fictitious prosperity, due to the immense activity on war munitions throughout Canada, the relief of surplus labor by enlistment, and the fact that we have not even begun to think about paying the bill for our war expenditures (any taxation expedients now in force being scarcely sufficient to keep up with our ordinary peace outgo).

Salvation is Economy.

All that is needed for Canada to emerge from this crucial period of world history with her economic position unimpaired is saving. Canadians used to be a very saving people; a few of us still are. But we have lived next door to the most extravagant people in the world, and have shared the rapid development which caused that extravagance, for so long that we have become almost worse than our neighbors. And we must stop. I do not mean that we must stop spending money that we are no longer getting; that is easy, and is already being done. One does not see groups of real estate agents having thirty-dollar suppers in the swell cafes, for instance, but there is no virtue in their absence. What we want is economy by people who are receiving money which they might spend. We want our people to work hard, and to make all that they can get, and then to have the courage and the foresight to put aside a very large proportion of what they get, and invest it. We want an immense increase in the savings, not of the rich, but of the moderately comfortable and the poor. We want the cutting out of all silly and wasteful luxuries. We want workingmen to give up that deplorable habit, so common among a certain type, of working just long enough to accumulate a few dollars and pay the grocer and the rent, and then sitting until creditors again become intolerable, and the wife's temper drives the husband back to seek another job. And we want to stop the wasting of good Canadian money upon catchpenny schemes of get-rich-quick sharpers—a stoppage which can be partly effected by more activity on the part of the government and the police, but can be completed only by a change in the minds of Canadians, which must cease to dream of huge profits without exertions and begin to see the supreme value of small savings well invested.

J.J. St. John

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Equipping Farm For Recreation

The farmer is dependant upon his immediate environment for his social pleasures. In communities where the farms are close together there are possibilities of neighborhood gatherings and of real community interest for the farmer and his family. On secluded farms the recreative side must come, more or less, from within.

On every farm there are possibilities for some equipment for play for the children; and it is rapidly becoming a recognized necessity that some forms of play apparatus should exist on every farm.

Among the outside pieces of equipment that are possible for nearly every farm child are the following: A sand bin (made so it can be covered when not in use); a rope swing, dead to the heart of every child; a saw; games, such as tennis, tetherball, volleyball, croquet; quoits (pitching horse shoes) etc., a tent of rude shack, preferably built by the children themselves, for their very own playhouse; and a small slide which could be used as a toboggan in the winter.

With the added enjoyment to your children's lives and their appreciation of the things you have done for them, you will find yourself more than repaid for the time and money expended.

In the evenings it would make home much more attractive if there were some form of music and an open fire for no two things tend to draw the family circle into closer comradeship than these. Unity, harmony, and peace are developed—things essential to every home.

Tell stories or read to your children—make their interests yours, and to a certain extent your interests and problems theirs.

Fit them as nearly as possible for the life they will have to live in their turn, and the greatest heritage you can leave them is that of a happy, contented childhood, full of tender memories of comradeship and true interest in all that concerns each individual.

INSTITUTES FOR FARMERS GROWING

In Both Attendance and Interest

Both the number of farmers' institutes held each year and the attendance at these meetings is steadily increasing, according to a report on farmers' institute work which has just been published by the United States department of agriculture as Bulletin No. 269.

During the fiscal year ending June 30, 1914, the report states, 25,238 of these institutes were held throughout the country, with the total attendance of 3,656,381. This is an increase in attendance of 26 per cent over that of any previous year.

On the other hand, the expense of conducting the work was nearly \$63,000 less than last year, the total cost for the fiscal year ending June 30, 1914, being \$447,897.51.

The farmers' institute organization conducts its work under many different forms, so that it is almost impossible to summarize its activities briefly. For example, in addition to the ordinary meetings, there were moveable schools in thirteen states which had a registered attendance of 112,498 different people. Field demonstration meetings were also held in fifteen states, although no record of the attendance was kept.

Special railroad trains were organized in seventeen other states for the purpose of giving lectures and demonstrations. A detailed analysis of this work, showing the number of different kinds of meetings held in each state, the attendance, and the duration of each, is contained in the bulletin already mentioned. This bulletin contains a number of notes on agricultural work of a similar nature in foreign countries.

Thoroughly Trained

Bill—"I read as 'ow that 'ere 'In-den-berg 'as got an 'English wofe." Alf—"Ah, that accounts for 'is 'light in' like 'e 'oes, does."