

THE WORLD'S DEBTS INCREASED BY WAR

Total of \$16,826,500,000 Added Since Beginning of Present Struggle—Financial Result of the First Year of the War—The Mass of the Debts Will Become Available for the Enlargement of Industry and Commerce the World Over

Movement of European Public Debts for First Year of War.			
	Debits in July, 1914.	Additions to Debts for year.	Debits in July, 1915.
Allied Powers.			
Great Britain	\$ 3,485,000,000	\$ 4,989,000,000	\$ 8,474,000,000
France	6,346,000,000	3,020,500,000	9,366,500,000
Russia	4,537,000,000	2,620,500,000	7,157,500,000
Italy, Belgium, Serbia, Japan Montenegro	2,215,000,000	525,000,000	2,740,000,000
Total for Allies	\$16,583,000,000	\$11,155,000,000	\$27,738,000,000
Austro-German Group.			
Germany (the German empire and constituent states)	\$ 4,913,000,000	\$ 3,380,000,000	\$ 8,293,000,000
Austria-Hungary	3,799,000,000	1,706,000,000	5,505,000,000
Turkey	640,000,000	250,000,000	890,000,000
Total for Austro-German group	\$ 9,352,000,000	\$ 5,336,000,000	\$14,688,000,000
Neutral Countries.			
Netherlands	\$ 470,000,000	\$ 143,000,000	\$ 613,000,000
Switzerland	24,000,000	31,000,000	55,000,000
Roumania	325,000,000	65,000,000	390,000,000
Bulgaria	175,000,000	30,000,000	205,000,000
Egypt	470,000,000	25,000,000	495,000,000
Denmark	95,000,000	16,000,000	111,000,000
Sweden	165,000,000	14,000,000	179,000,000
Norway	185,750,000	11,000,000	196,750,000
Total for neu. countries.	\$ 1,809,750,000	\$ 335,500,000	\$ 2,145,250,000
Grand totals	\$27,744,750,000	\$16,826,500,000	\$44,571,250,000

That a sum of \$16,826,500,000 has been added to the world's debts as a result of the first year of the war is the statement of Mr. A. A. Marsh in the Economic World. He tabulates his figures in the above table which makes no pretence to exact accuracy. It is, he says, doubtless hundreds and perhaps thousands of millions out of the way in respect of the various items—the depreciation of the market value of the per-annuity annuity indebtedness, above referred to, would have the effect of greatly diminishing the present true capital of the ante-bellum debts, while beyond question the figures of the war indebtedness are far too small, if account be taken of the obligations entered into by the belligerent nations, but not yet funded. Then, too, it must be remembered, says the writer, that a very large proportion of the ante-bellum indebtedness represents the cost of economically self-supporting state enterprises. For example, the cost of almost all the railroad lines of Europe (outside Great Britain) is covered by these telegraph and telephone lines (including those of Great Britain). But the essential point, after all, is that the great war has occasioned in

AT THE NICKEL

You can depend on the NICKEL Programme—It is consistently good

ARTHUR HUSKINS

DeWITT CAIRNS.

TENOR.

BARITONE.

A Broadway-star three-part special release.

"O'GARRY OF THE ROYAL MOUNTED"

A powerful melo-drama produced in Vitagraph style, presenting Edith Storey, Ned Finley, S. Rankin Drew. A most beautiful production.

"THE VICTOR"—An essay comedy-drama.

"A FATAL BUMPING"—A sure-fire Keystone.

"OUR MUTUAL GIRL"—Margaret visits Stern Brothers, for the latest in furs.

THE NICKEL—RECOGNIZED HOME OF WORTH-WHILE ATTRACTIONS—THE NICKEL

ready incurred during the first year of the war, 5 per cent on \$17,000,000,000, or \$850,000,000; war debts to be incurred during the ensuing year of war, 6 per cent on \$24,000,000,000, or \$1,440,000,000—a total of interest alone of \$3,130,000,000; and they recall that the aggregate annual national savings of no two of the major belligerents together (omitting increases of land values, which in this case do not count) have ever, so far as we know, reached this gigantic amount. They reflect, too, that the great bulk of this mountain of interest must be met by only five nations in Europe—Great Britain, France, Russia, Germany, Austria-Hungary; and they ask what possibility there is that these countries, already severely taxed before the war, can sustain this quadrupled and quintupled burden.

Nations Will Sustain the Burden

"None the less, it is our own contention that the European nations can and will sustain the burden, that they are (with possibly one or two minor exceptions) in no danger whatever of becoming bankrupt, and that general repudiation of their indebtedness is the last thing that need be feared. We believe, further, that the very magnitude of this suddenly piled up national indebtedness will give rise, as soon as the war itself is disposed of, to an unparalleled forward leap of industry and commerce, not only in the countries which have been engaged in the war, but all over the world.

"For instance, the quarter century following the war will, we are confident, be marked by a vast and swift economic development of the hitherto scarcely touched waste places of the earth, with all the reaction of this upon the great industrial and commercial nations, such as could not possibly have been brought about by an unburdened and comfortable world in less than a century of slow saving and creeping advance. We are fully aware that at first sight and for persons unaccustomed to carry through to the distant end the analysis of such utterly unreal and bewildering phenomena as we have here to deal with, this statement must appear not merely startling but wholly incredible and contrary to reason.

What is a National Debt?

"The first step is to analyze a little more closely than is customarily done, even by professed economists, exactly what a national war debt is, and what is the manner of its genesis, and to look upon, i.e., capital borrowed at some rate of interest, and which ultimately must be repaid, principal and interest. In fact, it is common, to think of it as something far less defensible, from an economic point of view, than an ordinary commercial debt, inasmuch as the very purpose of the borrowing is waste of that which is procured by the borrowed means. Hence the common saying that a war debt signifies just so much capital destroyed and the world the poorer by so much.

"That this is fallacious reasoning, however, is shown by the obvious fact that all but an exceedingly small part of what a nation's armies use up in the course of a year would have been used up in any case and would have left no trace behind. The population at peace would have consumed the food, the clothing, the boots and shoes, the transportation, even a large part of the ammunition (in other forms, of course), and a multitude of other things, which the government of the belligerent nation purchases and supplies to its soldiers. And the using up or consuming of these articles cannot be a waste of capital, in the sense commonly thought of in this connection; else, every act of consumption would have to be looked upon as a waste of capital. That there is some waste of capital in the conduct of war nobody would be foolish enough to deny; but to make this waste of capital commensurate with the borrowings and the expenditures of the government for war purposes is not a whit less fool ish.

Analysis of War Debt.

"For the most part, national war debts do not imply drafts upon the existing capital of the belligerent nations, but are in their essence the capitalization in permanent form of the market value of all the materials and services employed in the conduct of war. A simple illustration will make this clear. A is a hatter, producing hats and consuming shoes; B is a shoemaker, producing shoes and consuming hats. In time of peace, when industry and trade are pursuing their normal courses, A consumes \$5.00 of B's shoes and B consumes \$5.00 of A's hats. Through the ordinary channels of trade A gets B's shoes and B gets A's hats,—there being, of course, as our complex system of trade requires, intermediaries in the transactions, the payment of moneys, the use of banks, etc. But, in the end, it all comes to this, that A has obtained \$5.00 worth of B's shoes and worn them out, while B has obtained \$5.00 of A's hats and also worn them out. All the intermediary services and money or credited transactions have offset each other, and there is nothing whatever left, except perhaps various entries in books now no longer of value.

"A national war debt, then, is in the main a capitalization, in the form of obligations of the country at war, of the value of commodities and services which would otherwise have been interchanged, consumed and set off one against another, leaving no residue. The only qualification needed here is that such portion of these commodities and services as would in time of peace not have been consumed, but would have been saved, represents a real waste of the actual or potential capital of the country. But this portion is of comparatively small amount or account, economically speaking.

Will Become Available for Industry

"In closing, we may speak briefly of the manner in which the vast potential capital of the European war debts will become available for the enlargement of industry and commerce the world over. It is clear that whatever is paid in the way of interest and amortization from year to year will represent a concurrent proportionate transformation of the potential capital into existent capital. This, however, will be a long process. The mass of the war debts, however, will become at once available for use for credit purposes through the credit machinery of the world's banks. And only one limitation will be imposed upon the volume of this use, namely, the available stock of gold,

37,000 CANADIANS IN THE TRENCHES

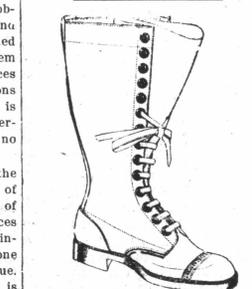
Toronto, Sept. 6.—Sir Sam Hughes, minister of militia, who was a guest of the Toronto exhibition directors to-day, in an interview, confirmed the appointment of General Turner of Quebec, to command the new second Canadian division and the reports that if the Canadians went into action as an army of two divisions, General Alderson, commanding the first Canadian division, would take Col. A. W. Currie, commanding the second brigade, first division, would take command of the first division. He added that it was the policy of the militia department to appoint officers with experience at the front to new commands and if a third Canadian division were to go into action General Mercer would be offered command of it.

There are at present, he said, thirty-seven thousand Canadian troops in the trenches and forty thousand more in England, waiting to go to the front. Two divisions in action would mean about fifty thousand men.

At the directors' luncheon, Sir Sam delivered a brief but inspiring address. He spoke of the gallantry of all the Canadian regiments, notably that of the 48th Highlanders, in holding the line in the battle of St. Julien. He delivered a message from the men at the front the following: "Give our love to the boys and girls at home and tell them we are doing our duty."

"They have faithfully and nobly performed their duty," said the minister, "and they are determined to stay on the job till they smash the autocracy of the Kaiser. During the whole arduous service there has been not one defection on their honor, their fearlessness and their determination."

Hand Made!



Our Hand-made Waterproof Boots, for Fall and Winter wear, are now ready. We are showing as usual, good honest footwear. Mail orders receive prompt attention. All orders filled same days as received.

- Men's 16-inch Bellows Tongue Boots, Price \$6.50
- Men's 14-inch Bellows Tongue Boots, Price \$6.00
- Men's 12-inch Bellows Tongue Boots, Price \$5.50
- Men's 10-inch Bellows Tongue Boots, Price \$4.60
- Men's 8-inch Bellows Tongue Boots, Price \$4.40
- Men's 6 1/2-inch Ordinary Tongue Boots, Price \$3.00
- Boys' 10-inch Waterproof Boots, Price \$4.00
- Boys' 8-inch Waterproof Boots, Price \$3.00
- Boys' 7-inch Ordinary Wiry Boots, Price \$2.40
- All Hand-Pegged and Hand-Sewn \$1.50 extra.

F. Smallwood, The Home of Good Shoes.

ROSSLEY'S EAST END THEATRE.

St. John's Leading Vaudeville, Dramatic and Picture Theatre.

Attractions Extraordinary for this Week

IAN MacKENZIE will offer big money prize for best male and female singer in Grand Scottish Song Competition. Directions to competitors in theatrical column of this paper.

ANOTHER GRAND CHANGE OF PROGRAMME BY

IAN MacKENZIE, the great Scottish Baritone. MISS RIX GUERIN, Popular Soprano Vocalist. MR. WILLIAM WALLACE, the wonderful boy Violinist. Attractive feature films sent by Mr. Rossley from New York: "THE CROSSING POLICEMAN," beautiful Lubin Masterpiece "THE UNSEEN TERROR," by the Kalem Players.

NOTE.—In the Competition in above contest, Wednesday for Men, 14 years and over; and Ladies, similar age, Friday. Applications to be sent to Mr. MacKenzie at the Rossley Theatre

5c. CRESCENT Picture Palace 5c.

Presents Arthur V. Johnson and Lottie Briscoe in

"HER MARTYRDOM"

a 3 Reel special feature produced by the Lubin Company.

"THE HYPOCHONDRIAC" or "WHEN GREEK MEETS GREEK"

A Vitagraph drama featuring Sydney Drew.

"SWEEDIE AND HER DOG"

A riotous Sweedie comedy.

Harry Collins—Irish Tenor—Singing Classy Songs and Ballads

Good Music—A Cool and well ventilated Theatre.

MR. BUSINESS MAN

are you getting full results from your advertising?

To get the best results you must advertise in a paper that is read by the crowd.

The Mail and Advocate is the best advertising medium in Newfoundland to-day. Our circulation is increasing week by week.

Advertising in The Mail and Advocate means increased sales. Worth considering—isn't it. Ask for our rates.

ADVERTISE IN THE MAIL AND ADVOCATE

Which Will You Wear? Germany Admits Perjury in Connection With Lusitania

(By H. Isabel Graham) A feather for the men who shirk, While others do their duty; A feather white, a feather light, That bears no mark of beauty.

A purple feather for the brave, A helmet plumed and crested, With valliant deeds — a heart that heeds The rights that wrong has wrested.

The patriots, proud to do their bit, To fight or die together; Surely a man, who is a man, Should wear the purple feather.

KNITTING YARNS For Army Socks

We can supply you with the following:—

"NEW KNIT" In Light Grey, Mid. Grey and Black.

"RIVERSIDE" In Light Grey, Mid. Grey, Dark Grey, Heather, Shetland and Black.

"ALLIES" In Light Grey only.

Beehive and Crescent Wools, in all shades.



Steer Bros