

OUR MOTTO: "Suam Cuique."

The Mail and Advocate

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("To Every Man His Own.")

ST. JOHN'S, NEWFOUNDLAND, DECEMBER 26, 1916.

CLIPPING from a Boston paper has reached us, which features a half page advertisement from one Eugene N. Foss concerning the no-license election which took place in Boston a week or so ago. We have not seen how the election went nor if a remarkable challenge of Mr. Foss was taken up. We doubt if it was. Mr. Foss begins by saying "The defense of the saloon in Boston makes me tired and I make the following proposition to the voters of Boston." And then he agrees to see the City of Boston harmless as far as direct loss of revenue from liquor licenses, water rents and all other revenues connected with the saloons of Boston, provided the City of Boston will enter into a contract with him for a term of five years to give him one-half of any savings the city may make, directly or indirectly, on account of the City gaining No-License. The matter to be referred to a Commission of three, one appointed by the Mayor, one by Mr. Foss, these two to appoint a third. Also he makes the offer to secure positions for all these who are thrown out of work because of the closing of the saloons in Boston. Mr. Foss mentions that as to Real Estate, the experience of cities like Seattle and Denver is that such Real Estate has been entirely taken up by other business within three months of a No-License law becoming operative. Mr. Foss's guarantee is backed by a Bond of One Million Dollars which would protect the city in this agreement. If any of our readers know of the result of the election in Boston or whether this challenge of Mr. Foss was taken up, we shall be glad to have the information. This form of challenge appears often in a Prohibition campaign, but so far we have never heard of anyone, who was eager to back his opinion with a guarantee such as Mr. Foss undertakes. He estimates that half the savings under no-license, will fully cover all the losses in revenue, etc. It is our hope that our Prohibition legislation will produce like results here. It will not be in a year or two years that we shall be able to judge this. The cost of administration should be greatly curtailed in time. The Magistrate's Court will surely not provide work for the two Judges we seem to require now, indeed we think that the one man who we expect will fill the position in a few months, will not find his hands very full at any season of the year. It is likely that this position will prove one of the easiest jobs in the gift of the Government, and the occupant will have to beware of the ills that so often follow a too early retirement to such positions of indolence.

VARIA BY GALE

MONEY

BANKS are very useful institutions, and the cheque system is very convenient for the payment of obligations. But all liabilities, especially those of a foreign nature are not liquidated by cheques. They are usually adjusted by means of Bills of exchange to which we shall refer more in detail, presently. People sometimes wonder how the banks manage to get rid of the numerous cheques of other banks which they handle for their customers. This is effected by means of a Clearing House. This system was, we believe, inaugurated by a number of London bankers in 1775. They met daily and exchanged the cheques which each held on the other. A great saving in the actual use of cash was thus effected, and it is obvious that by means of this arrangement each bank would not be required to keep so large an amount of cash on hand to meet cheques and bills which had been drawn upon them. For many years the private banks had a monopoly of the Clearing House, but in 1854 the joint-stock banks were allowed to join them. There are still, however, as far as we are aware, only seventeen banks in England entitled to send representatives to the Clearing House. All other banks must, to their dissatisfaction, do all their business through the agency of a bank which is a member of the Clearing House. We have often been asked what becomes of the money at a banker's disposal. When we place money in a bank (we speak of banks of deposit and issue, and not of Saving Banks) it goes either on deposit or on current account. For deposits we get usually interest at the rate of 3 per cent. per annum. For current account we get nothing; and some bankers are apparently not particularly desirous to get at our money in this way, as it is in many instances an inconvenience to them, especially when the account is not large. When a banker finds a large sum, or sums on deposit, he then seeks a means of investing these amounts in securities which pay a larger amount of interest than the bank pays to the depositor. He must, however, always keep enough cash on hand to meet calls. Most banks always keep a large amount of gold on hand in what they call the "strong room," or place it where it is readily available. The rest of the money the banks invest so as to earn profits. The nature of these investments varies, but they are usually placed where the largest margin of safety exists. Now, where do the banker's profits come from? These investments cannot always be of such a nature as to cover the overhead charges, as they are called. The banker's chief means of profit is in discounting and buying bills and in making advances to his customers. In discounting bills (or notes) he not only earns the market rate of interest, but he reaps an additional profit from the fact that when making these advances he does not usually part with his gold. What he actually lends is credit, and this credit costs him nothing. Suppose he discounts a note for a customer. He does not give the customer gold, or even ordinarily cash of any kind; he simply places the amount to the customer's credit, against which the customer can draw cheques in order to meet his obligations. It is quite obvious that the more the notes of any bank are used and the less coin used, the greater will be the profit of the banker, because bank notes, or bills, cost comparatively little to produce, and yet the banker gets the same rate of profit in lending them as he would in lending gold which is costly. Those who have ever brought cheques to any of our city banks must have noticed that the proceeds of the cheque are paid in the notes of the paying bank; and these notes going into circulation are always a source of relief to the bank. As a rule many of these notes will circulate for a considerable time before they find their way back to the bank. Then, quite a large percentage may be destroyed in various ways, and for every note that is actually destroyed the bank is richer by that amount, or rather its obligations are lessened by that specific amount. Banks earn their large dividends of 15 to 20 per cent. not by lending money so much as by lending credit. This credit, however, is based supposedly on gold for the banker must always be

CHRISTMAS TRAVELLERS

To seek the Babe of Bethlehem Three Kings of Orient came: Wise Balthazar and Melchior, With Gaspar, great in fame.

Across the lonely desert They took their trackless way, To find their King and worship Him That wondrous Christmas Day.

A heav'nly guide their Lord did send, A radiant jewel star; Serene and bright it journey'd on, And sent its rays afar.

Around the Shepherds as they lay It shed its glorious light; The Angels came, in multitude, And fill'd the sky of night. "Good will," they sang, "to ev'ry man, And glory in the height!"

To seek the Babe of Bethlehem We come this Christmas Day, A pilgrim band—our Promised Land The Manger where He lay.

No splendid robes enfold us, No regal gifts we bring; With simple faith we celebrate The birthday of our King.

Oh, star divine, still shine on us, Still let thy radiance burn, Till into David's city Our lowly footsteps turn!

There, like the Shepherds, wondering, We'll worship, kneeling still; There, like the Angel multitude, Our songs the heavens fill, And tell the birth of peace on earth To men of gentle will!

TO FLY TO NORTH POLE IN AEROPLANE

Capt. Amundsen, discoverer of the South Pole, plans to fly to the North Pole in an aeroplane, he announced on his arrival at New York on the Frederick VIII. His plan is to start north in 1918 in a ship now being built and fitted in Norway, drift as near to the top of the world as the ice will permit, then fly the rest of the way in an aeroplane which he will buy here. "It will be possible to make flights of 200 kilometres in one hour, where with sleds it might require two weeks, or any amount of time," he said.

prepared to discharge his liabilities by gold payments, though it is evident that if all the banks were called upon at one and the same time to meet their liabilities in gold, there would not be sufficient gold to discharge them.

It is not therefore scientifically true to say that the credit of banks is based on their reserves of gold; it is based on the fact and on the belief that the mercantile community will discharge its obligations,—in other words, that trade is on a sound basis, and that loans made, or bills discounted, are based on real commercial transactions for which value is given and received. Hence when there is a collapse of credit due to rash and hazardous speculation, or to over trading, what is wanted to restore equilibrium is not merely gold, but confidence; in other words, credit.

Those of us who remember the careers of certain moguls prior to the great bank crash of December 1894 will realize the meaning of this to the fullest possible extent. Less than a dozen men were utilizing the hard earned monies (deposits) of the widows of old sealing captains and others who had coined their sweat and toil into what they believed to be a competency, and this dozen worthies gambled on the funds of the banks of which they were the custodians, with the result that many of the widows and dependents of the depositors became the beneficiaries of public charity. The Street had been speculating with monies which none of the gamblers had ever earned; and the inevitable result was the paralysis of our trade for a period which, under Providence, was happily brief.

Fortunately for the business interests of the country the men who "live at a wine rate on a beer income" are no longer able to do any more wrecking. Though the banks are reaping rich harvests off our trade they are the means of enabling the honest dealer to do business such as was not possible under the old regime.

Perhaps many are unaware of the fact that the Canadian Banks were instrumental in keeping some tottering concerns from going to the wall in the early days of 1895; and if we may credit rumors they have done so since in more than one case. Where do the banks get their big earnings in this country? Of the Fishing Industry, as we shall explain subsequently.

READ THE MAIL & ADVOCATE

THE HARVEST OF THE SEA

INTERESTING AND USEFUL TO THE FISHERMEN OF THE COLONY

By Our Own Correspondent

OILS

THE FISHING GAZETTE of November 25 th says: "A general advance in all varieties of fish oils has been recorded in New York since last reports. . . . The demand for sperm and whale oil has continued in spite of the quoted advances. The supply of domestic and Newfoundland cod oil and medicinal oil has not been replenished to any extent by the shipment which arrived by the "Florizel" some days ago, for most of the cargo of 2000 barrels was sold in advance of its arrival to purchasers who were disappointed when the "Stephano" was sunk off Nantucket with 1,000 barrels of oil on board. Newfoundland cod oil is bringing 77 to 78 cents for what remains in first hands, while domestic continues firm at 74 to 76 cents. All varieties are firm at the advanced price.

From Halifax comes the following item; and we wonder why we have not something similar to report: "An item of interest in fishery circles this week was the visit of an official from England charged with the direction of the large shipments of fishstuffs going forward to fill contracts for the British Government. Steady shipments for the Canadian forces at the front will add materially to the volume of transatlantic exports, both at Halifax and St. John, N.B., during the winter."

There is no other British overseas possession which has contributed so largely to the cause of Empire as we have done; yet we do not even seem to receive that recognition to which we are entitled. Whilst "official" condolences are all very lovely; yet we feel that for the sacrifices we are making we are getting very slim return. We have too much poppycock of this nature in circulation; and we think that the publication of the Morris Report of his galling tour to France was the culmination of political infamy.

RUNAWAY HORSE COLLIDES WITH STREET CAR

A fine horse worth about \$300 and owned by Mr. J. Stamp took fright on Dummerill Street and turning into Adelaide Street dashed down that thoroughfare at lightning speed. At the junction of Adelaide and Water Street it collided with street-car No. 3 and the horse shot forward into Monroe's Cove with one of its hind legs broken. The carriage, a victoria, was badly wrecked and the horse had to be shot by Mr. Bastow, the S. P. A. Inspector to put it out of its pain. The loss to Mr. Stamp, a good, hard-working man, is very serious.

REID'S STEAMERS

Argyle leaving Placentia to-day for West. Clyde left Lewisport 7.30 a.m. Dundee left Port Blandford 2.25 p.m. yesterday. Ethie arrived at Humbermouth 2.40 p.m. yesterday. Glencoe left Placentia 2 a.m. Sunday. Home left Nipper's Harbor 7 a.m. Saturday, going North. Sagona due at Port aux Basques this morning. No report from Kyle since leaving Port aux Basques on account of wire trouble. Wren left Clarendville 7.45 a.m. yesterday. Meigle due at St. John's.

Of course the Colony pays for this sort of rot; and hence we find the organs enthusing over Sir Edward's "splendid services to the Colony." Has Morris been the means of bringing us the value of a dollar out of all this silly perambulating? We say emphatically that he has not. On the contrary, he, by means of a hiring press, is adding insult to other "coddling." The Mail and Advocate has been fighting an uphill fight to save the people from being fleeced by the Reids and others; and the literary buffons of the Morris crowd are moving heaven and earth to nullify the efforts of the one man who rises superior to other considerations to aid the toiler; we mean W. F. Coaker. We hope that he will not let up on his campaign for the amelioration of the condition of the hardy sons of toil. The people long waited a champion of their rights and they heartily endorse his attitude.

Employer: "Not afraid of early hours, I suppose" Young Man: "You can't close too early for me."

ON THE "BRITON."

There are now about 40 Naval Reserve men on the training ship Briton and those who cared to do so were given shore leave at 12 noon on Sunday (Christmas Eve) until 7 a.m. to-day. Those of the regular crew and officers, as well as Reservists who remained on the ship had a jolly good time; were served with the regulation generous Christmas dinner yesterday and enjoyed themselves thoroughly. Most of the Reservists living in the city or nearby outports enjoyed the day in their own homes.

HOPE

At dawn, when all is dim, Mysterious, opalescent, unreal, Hope comes to me. Who knows how the day may yet unfold?

At noon, when the garish sun Unveils the world and shows it stark and bare, Doubt comes to me. Life's naked self is there before me, With illusion's mantle dropped, And life is very ugly.

At night, when darkness broods o'er all, Grim, silent, empty, black, Despair comes to me. Life is a gloomy void. And we, stumbling through it, Cry in the darkness for a light, Yet dread the revelations it would bring

Showing us the emptiness, the mockery, The sinister sarcasm of a fate That bids us strive and toil Through utter blackness, till at last We fall into a deeper void And then need strive no more.

And yet at dawn again, upon the morrow, When the day is once more wrapped in mist That hides I know not what, Hope comes to me anew.

—Marion Hays.

WHOLE FAMILY BURNED TO DEATH

Trapped while they slept, Lewis Wilson, his wife, his mother, and his five children, were burned to death in their farmhouse at West Cape Mary, N.J. Neighbours aroused just after daybreak by the crackle of flames and the smell of smoke, arrived to find the house on fire from cellar to roof and not a member of the family alive. The bodies of Wilson and his wife and his mother were found, but there was no trace of the others.

ADVERTISE IN THE MAIL AND ADVOCATE

WAR'S EFFECTS IN EAST END

Welfare Worker's Find Condition of London's Poor Improved.

London, Dec. 14.—Welfare workers in the great East End report that families in that district have suffered much less than might have been expected.

The "sixpenny meal," which formerly included threepence worth of meat, a penny's worth of green vegetables, a penny's worth of bread, is, however, a thing of the past. Fish and eggs are now unattainable luxuries. But the housekeepers buy more beans and cereals than they formerly did, and, as always, they buy great quantities of bread.

Most of these families would feel the pinch severely were it not for the fact that the women are all at work. And welfare workers insist that the work which the East End women are doing has in many cases been a great boon to them physically as well as financially. One fragile woman, for instance, is lifting heavy sacks in a flour mill; others are screening coal and handling eight tons to every five tons formerly handled by the men they have replaced. In addition, these women are doing their own housework and caring for their children at hours when a man would be doing for the day. The reasons given for their fitness are significant. As one report phrases it, "they are now earning enough to feed themselves properly, and they are freed for the first time from the weekly worry of providing food for Friday and Saturday from an empty purse."

DEMOCRACY AND WAR.

One of the most damning accusations against war is that it can be waged more effectively by an autocracy than by a democracy. When the people rule in all parts of the world diplomacy will be more likely to prevail against bloodshed.—New York Sun.

Advertisement for No. 1 King Apples and Florida Sweet Oranges by J. J. Rossiter.

Large advertisement for Men's Heavy Dull Finish Rubber Boots, Men's Woonsocket Rubber Boots, Men's Maltese Cross Dull Finish Boots, Men's Red and White Patent Pressure Process Rubber Boots, and Men's Black Pure Gum Rubber Boots, all by George Knowling.