

FERTILIZERS

We are now in a position to book orders for Fertilizer for the coming season, as follows:

CHEMICALS—

- SUPERPHOSPHATE 100 lb. bags
- MURIATE OF POTASH .. 200 " "
- SULPHATE OF AMMONIA 200 " "
- NITRATE OF SODA 100 " "

MIXED GOODS—

- 4-8-7 4-8-10 4-8-13
- All in 100 lb. bags

On all of which we can make IMMEDIATE delivery or shipment from the Island Fertilizer Plant.

All the above Chemicals and Mixed Goods will be freshly ground and bagged as delivered or shipped from the Plant, which guarantees perfect mechanical condition with bags in good order.

Our prices on Chemicals are about the same as last year but we have reduced the prices on Mixed Goods \$3.00 per ton, which brings the value per unit so closely in line with the Chemicals that it will be to the farmers' advantage to use our Ready Mixed Fertilizers.

Our Cash on Delivery prices on both the Chemicals and Mixed Goods are the same as all competitors. For carload shipments we will deliver at any station on the Island Railway at 50c per ton over the Ex Plant price.

Book your orders early either direct with us or with our authorized agents. Don't fail to get our prices before buying elsewhere.

A. HORNE & CO.

INFLATION

(Continued from Page 1)

Any constructive criticism of Canada's banking system. During the recent period when American banks were going down like nine pins, when literally thousands of them failed, with colossal losses to depositors, critics of Canada's banking system had little to say, and less still when finally the whole United States banking system lapsed into a state of suspended animation.

As to lending money, bankers were criticized by applicants for loans for being niggardly, and by those having difficulty in repaying advances, bankers were blamed for having been too liberal.

There were well defined principles to follow, however, sound economic laws to observe, and centuries of banking history and experience to draw upon for guidance. "Lending," he added, "would be the sinecure many think it is if it were not necessary to get the money back."

Discussing interest rates, he pointed out that the total of notice deposits in chartered banks in Canada on 31st December, 1932, was 4% less than at the end of December, 1929, and loans were 33% less.

With falling revenues from greatly reduced loans and decreased business activity generally, it would naturally be impossible for the banks to meet their overhead costs, absorb inevitable losses, continue to pay interest on deposits at 3%, pay dividends which are essential to the retention of public confidence, and at the same time reduce lending rates.

U. S. Interest Rates

In the United States, rates of interest ranged from no interest to 4% on demand deposits and from no interest to 5% on time deposits. The higher rates were paid by banks that used the money for purposes such as investing in mortgages, which are forbidden under our Bank Act. The danger in locking up bank depositors' funds in real estate and mortgages was

foreseen when the Bank Act was passed originally and had been demonstrated by the recent banking situation in the United States.

As to loan rates, if all loans were equally safe, liquid and cost the same per dollar to make and collect, the rate would be uniform from one end of the country to the other. It was a notable fact that during the War money was obtainable in Canada at lower rates than prevailed in any other of the belligerent countries. Since that time, loan rates in Canada have been reduced.

"Farmers in the Prairie Provinces," he said, "pay lower rates than do farmers similarly circumstanced in the North Western States. It is true that rates to farmers in old settled districts in Ontario are lower still, and the explanation is simply that by reason of greater diversification of crops the risk is less, payment of interest regularly and of principal at maturity is more definitely assured, and the cost to a bank of handling the business is lower, the turnover being greater. The loss ratio is also lower."

Branch Operation

To operate a branch, however, small, costs at least six thousand dollars per annum including salaries (which are frequently criticized as being too low), rent, taxes of various kinds, light, heat and equipment. In addition there was the interest paid to depositors for the use of their funds. Giving every-day cases to illustrate the difference in cost of handling large secured and small unsecured loans, both of which, he declared, a bank welcomes, he remarked that considering the small volume of business available at country points, the cost of operating, the risk and amount of work involved, an eight percent rate was reasonable. Actually, the difference between a 7% and 8% rate on a loan of \$500, at six months, was \$2.50. This was not a vital matter to an individual borrower with legitimate use for the money, but it was a vital matter to a country branch on its total loans, and in very many cases would represent the difference between profit and loss.

"At present," he continued, "the majority of small Western branches are being carried on at a loss, in the public interest and in the hope that they may become profitable when times improve."

Dealing with what he said was a widespread belief that bank shareholders receive an unduly large return on their investment, he said this misconception arose from the fact that dividends are declared on the par value of the stock—\$100 per share—whereas the dividends arise from the earnings of a much larger sum, namely, the capital and reserve funds, which constitute the investment of shareholders, who are also under double liability.

The paid-up capital of the banks was roughly \$144,500,000 and the reserves stand at \$162,000,000 as additional protection to note holders and depositors. Of the reserves, about \$103,235,000 was paid in by shareholders in cash as premium on stock when new issues were made, the balance representing earnings set aside from time to time over the course of years—in the case of the Bank of Montreal 115 years. Shareholders of the Bank of Montreal now received under 5% on their investment.

Well Defined Powers

Touching on the relationship of loans to deposits, he said banks were given well-defined powers under the Bank Act, but the power to create something out of nothing was not one of them. Professor Soddy, of Oxford, an authority on Radio-Chemistry, who began his career as an investigator of radio-activity at McGill University, had published a book on "Wealth, Virtual Wealth and Debt," in which he maintained that a bank creates "fictitious" wealth or titles to wealth by granting loans and making payments merely by a credit entry in a deposit account. As against this theory Mr. Dodds remarked that it was not upon Current Account or Demand Deposits that banks relied for the wherewithal to make loans, but upon Savings Deposits.

"There is a curious idea in the minds of some," continued Mr. Dodds, "that a bank can lend eight or ten times the amount of its cash deposits. Dr. Phillips, Professor of Economics at Dartmouth College, says this is not true, adding that a bank is profitable essentially because it can normally lend an amount roughly equal to its Savings Deposits. Applying this statement to the Canadian situation, it will be found that in each of the past ten years Savings Deposits were larger than all loans in Canada, call loans excepted, even in the year 1929. This demonstrates

and that Dr. Soddy's theory has no application to banking in Canada."

Turning to the subject of currency inflation, he traced its disastrous effects in European countries and held up for the inspection of his hearers the envelope of an ordinary registered letter posted in Danzig on 23rd October, 1923, addressed to the General Manager of the Bank of Montreal. This bore twelve postage stamps, each of 500 million marks, or a total of 6,000 million marks. To illustrate the present value of the deflated German mark, he also exhibited notes with a face value of 5,260 million marks, which he said at the old par would have been the equivalent of \$1,252,864,600, but which at the new par were equivalent to one-eighth of a cent.

Flat Money

No country, he continued, ever sets out deliberately to issue unlimited fiat money, any more than would a sane person set out to become a drug addict. The first dose is an attempt to overcome a comparatively small evil, and by progressive stages the poison eats out the vitals of the victim.

Some people contended that inflation would enable debtors to pay off what they owed and all could then make a fresh start. Experience showed that it does not work out that way—on the contrary, inflation promoted speculation and encouraged people to go into debt. Furthermore, the shifting of the load from the debtor to the creditor would not solve the problem.

"May I point out," he pursued, "that banks are at once both debtors and creditors. In fact, it is not so that almost every debtor is a creditor, certainly everyone with a bank deposit or note, an insurance policy, a wage contract, a share of stock, a Government bond or note, a mortgage or bill receivable is a creditor."

"Who, then, are the capitalists we hear so much about? They are usually regarded as a group of idle rich who render no useful service to society. But on looking calmly into the matter we find that they are the very people I have just mentioned—everyone with a bank deposit or note, a wage contract, and so on."

If the subject were analysed it would be found that practically every adult in Canada was a capitalist in one form or another.

International Aspect

As to the international aspect of currency inflation, the effect of depreciating the value of our dollar deliberately would be to stimulate a "flight from the Canadian dollar" and thereby to add doubly to the present heavy burden of meeting obligations payable on U. S. dollars.

"It is an elementary fact," he remarked, "that one must return whatever one borrows—whether it be a book, a lawn-mower, a guinea or an American dollar. No abstruse question of exchange enters into it so far as the lender is concerned; he merely wants back what he lent, plus the hire or interest according to agreement. Certainly we in Canada would not have accepted a par German mark, such as I have shown you, in repayment of a loan of Canadian dollars, nor is our largest creditor prepared to accept at par a depreciated dollar in repayment of American dollars."

"In the latter post war period the Federal Government of Canada and the provinces borrowed in the United States at, say, 5%, when Germany, Brazil and Poland, whose credit standing was lower, paid 8%. To appreciate what the difference in rates means, let us take as an example a forty year loan, to be retired by sinking fund through equal annual payments of principal and interest: Disregarding the fact that underwriting commissions are higher when a borrower's credit is impaired, a \$1,000 million loan to Canada at 5% would have required an aggregate of 2,331 million U. S. dollars through the term, to retire it, while the other countries mentioned, borrowing at 8%, would have to pay 3,354 million U. S. dollars, or an additional 43.89%. The maintenance of Canada's credit is not only a matter of common honesty and national pride but of dollars and cents.

"To adopt deliberately a policy of depreciation of our dollar would be indefensible. It would profit us nothing and in the end cost us dearly. It would force our competitors whose currency is depreciated by impairment of credit to depreciate still further, and if we followed them down and down our exports would finally be given away. Meantime, we would be obliged to pay more for our necessitous imports such as cotton, wool, coal, petroleum, et cetera.

Not Practical

"There is a strong conviction in some quarters that the depreciation

of our dollar would raise prices of primary products in Canada. But this has not worked out in practical experience; for example, the price of wheat did not rise and fall with the rate of discount on our dollar; on the contrary, on more than one occasion prices fell when the discount rate rose, and vice versa. In the House of Commons, on 4th November last, Mr. E. J. Young, member for Weyburn, effectively exploded the idea that Australian wheat growers had benefited from the depreciation of the Australian pound by almost fifty percent of its par value. He proved that they experienced the same motorist in paying debts, and actually received, measured in terms of gold or of Canadian currency, less per bushel than the Canadian farmer. Inflation is not a way out of depression but a way in, and leads ultimately to chaos. To inflate deliberately would be to render nugatory the three years of necessary purging that business has had. Any breach of faith in currency matters entails consequences which soon cancel out any imagined benefits. I shall spare you any discussion of the proposal to tie our dollar to the pound, which, as the pound stands today, would merely be inflation in another form."

Concluding, he said that in a world-wide depression, good times would not be brought back by tampering with Canada's Bank Act or her currency. The adoption of fantastic schemes on the part of ten million Canadians would not help the world's two billion people one iota. He paid tribute to the fact that the newspapers throughout Canada, with negligible exceptions, were doing an important work in supporting the best interests of the country. While they published the views of exponents of monetary schemes and cure-alls, they did not endorse such views—on the contrary, in the great majority of papers, opinions expressed editorially were based on sound principles and a desire to promote public welfare.

"Before better times can come," he added, "competition in depreciation of currencies must cease; international debts must be adjusted, tariff barriers which have been erected beyond peace time needs must be lowered reciprocally, permitting of exchanges of goods, and payments in goods; Government expenditures and taxes must be decreased; budgets must be balanced—which in our own case include Federal, Provincial and Municipal—wages and prices must be brought into proper relationship again, so that prices received by farmers and other producers of raw materials may be brought into balance with prices of products of the factory, thus restoring activity and employment in cities and so increasing the demand for the products of the farm and factory, providing traffic for railways and ships, and a demand for the many other necessary services which contribute toward the high standard of living to which this country has become accustomed and to which its people are entitled.

"In the East, I never miss an opportunity to say, and there is no reason why I should not repeat it here, that Canada will be amongst the first to benefit from improvement in world conditions and that one of the best proofs of it is that almost every farmer, in so far as is humanly possible, is producing what he requires for his family's subsistence. This has been an important factor in causing the banks to retain their faith in the West and to go on lending to Governments, farmers, merchants, manufacturers, and, indeed, to every one conducting business with honesty and reasonable efficiency. Millions of dollars were lent by banks last year and repayments received justified the trust imposed.

"The interdependence of the East and West was never more clearly understood than it is today—good times here mean good times there, and bad times here mean bad times there, and even the much maligned banks can be prosperous only when their customers in the East and West are prosperous. Present conditions will not last indefinitely and no one with a knowledge of Canada's history and the traditions of her people can harbour any doubt, even in these dark days, as to the destiny of our country."

CENTRAL GUARDIAN

This column is reserved for news of local interest but advertising of a newsy nature may be inserted at 2 cents a word strictly payable in advance.

COOPERATING WITH FISHERMEN—In yesterday's report of the discussion in the Legislature on the Estimates, Mr. Bethune was erroneously quoted as referring to South Rustico in connection with illegal fishing of lobsters by New Brunswick parties. Mr. Bethune's reference was to the south shore of the Province, where through the co-operation of the federal representatives and authorities he was able to obtain assurance that this practice would be largely discontinued. Mr. Bethune mentioned the fact that Mr. Brodie, of New Brunswick, who formerly used to fish legally with about thirty boats in these waters, had agreed to send only eight boats this year.

DELIGHTFUL TEA—A very delightful afternoon tea, under the auspices of the Willing Circle of Kings Daughters was held at the home of Mrs. S. A. Macdonald, Fitzroy Street, yesterday. Mrs. N. W. Lowther received with the hostess. Mrs. E. H. Ramsay and Mrs. Ernest Coffin poured. The door was opened by little Anne Dorton and Jeanie Lowther. The guests were met by Mrs. Bessie Waller. Mrs. N. W. Lowther, Mrs. Hibbert Howatt, and Mrs. Elmer Ritchie ushered. The ladies serving were Mrs. F. W. Morris, Mrs. G. D. Steele, Mrs. B. C. Keeping, Miss Margaret White, Miss Pearl Johnson, Mrs. George Keefe, Mrs. Phillip Cobb, Mrs. George Van-Buskirk, Mrs. F. J. Holman. The rooms were tastefully decorated in mauve and rose shades, and tulips, sweet peas and snap dragons adorned the tables.

ATTEND CONFERENCE—Representatives of the Maritime Co-operative Egg and Poultry Exchange and the Prince Edward Island Co-operative Egg and Poultry Association met in Sackville Thursday and held a round table talk on ways and means of securing closer co-operation in marketing, with a view to getting better prices and reducing overhead expenses. A. R. Jones, Saint John, manager of the Maritime Exchange, stated this evening that the business of the organizations had been discussed at some length but that there was nothing definite to announce at the present time. Among those present were: P. E. I. association, J. A. Thompson, president, W. B. McLellan, John J. McLeod, A. Laird, Walter D. Ross, J. N. A. Gallant, H. L. Machon, J. E. Dingwell, F. Campbell; Maritime Exchange, A. R. Jones, Saint John; W. H. Anderson, Port Elgin, president; N. G. Thacker, Bridgetown, N. S., vice-president; A. T. Reed, Rollingsdam; H. R. Allen, Moncton; K. T. Campbell, H. O. Clark, Saint John; F. L. Wood, Fredericton; William Kerr, Moncton; J. N. C. Desborough, Middleton, N. S.; J. P. Landry, Truro, N. S.; W. R. Chisholm, Pomquet, N. S., and A. F. Curry, Truro, N. S.

PERSONALS
Mrs. Sydney McLeod left yesterday morning on return to Birsay, Sask., after visiting her father, Mr. J. D. Sterns, Souris, for the past few weeks. While in this city she was the guest of Dr. and Mrs. G. F. Dewar.

Rev. C. U. MacNevin, of Georgetown, has arrived from Guelph, Ont., where he was receiving medical treatment. He is greatly improved in health, and expects to resume his work at once. He preached acceptably last Sunday (26th) in the Dublin Street United Church, one of the largest congregations in Guelph. His many friends will be delighted to hear of his restoration to health.

The Presbyterian Church in Canada
ST. JAMES' CHURCH
Minister: Rev. R. Moorhead Legate, B.D.
Public Worship:
Morning at Eleven O'clock.
Evening at Seven O'clock.
Sunday School 2.30 O'clock.
STRANGERS AND VISITORS CORDIALLY INVITED.

The Salvation Army
ADJUTANT AND MRS. C. A. KIMMINS
OFFICERS IN CHARGE
Saturday 8.00 P. M.—Praise Service.
Sunday 11.00 A. M. 3.00 P. M. 7.00 P. M.
Sunday School at 2.00 P. M.
Put the Teachings of Jesus into Action.

MONEY SAVERS

SMOKERS HERE'S A BARGAIN \$1.00 KOLA PIPE AND PACKAGE PIPE CLEANERS Both For 45 Cents	CANDY SPECIAL A WHOLE POUND OF ASSORTED CARAMELS Only 29 Cents THEY MELT IN THE MOUTH		
MEN LOOK AT THIS 5 GILLETTE RAZOR BLADES with Vault for Discarded Blades AND 50c SIZE LANGLOIS LAVENDER SHAVING CREAM All 3 for 59 cents	FOR CHILDREN AND BABIES A 25c TIN STORK POWDER AND A \$1.00 BOTTLE OF PUREST NORWEGIAN COD LIVER OIL Both For \$1.00		
100 A. B. S. & C. PILLS 19 CENTS	100 BAYER'S ASPIRIN 98 CENTS	25c HAMILTON'S PILLS 21 CENTS	75c SAL HEPATICA 59 CENTS
2 MODESS PACKAGES 48 CENTS	50c VICK'S VAPOR RUB 43 CENTS	50c FRUIT- ATTIVES 39 CENTS	60c CHASE'S NERVE FOOD 49 CENTS

PRESCRIPTIONS For Prompt Delivery
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SAINT JOHN-FREDERICTON-MONCTON-AMHERST-CHARLOTTETOWN

The Baptist Church

PRINCE AND FITZROY STS.

MINISTER—REV. A. C. VINCENT, D. D.
ORGANIST—MRS. G. ELLIOTT FULL

MORNING WORSHIP 11 O'CLOCK
Anthem—"Sheep and Lambs" Hosmer
Sermon—"Facing Calvary" Dr. Vincent
Anthem—"The Splendors of Thy Glory Lord" Woodward

SUNDAY SCHOOL 2.30 P. M.
A healthy Sunday School to-day means a vigorous Church to-morrow.

EVENING WORSHIP 7 O'CLOCK
Anthem—"Sing O Heavens" Sullivan
Sermon—"The Authority of Christ" Dr. Vincent
Anthem—"Savior Again to Thy Dear Name" Shelby

The Evening Service will be Broadcast by C. H. C. K.
You are cordially welcomed.

Zion Presbyterian Church

REV. G. CARLYLE WEBSTER, MINISTER.
PROF. LOUIS D. THOMPSON—Organist and Chorleader.

MORNING WORSHIP
11.00 A. M.—Theme: "Further Evidence of Christ's Power"
Anthem—"O for a Closer Walk With God" Storor
Mr. Jack McLeod and Choir
2.30 P. M.—Sabbath School and Bible Classes.

EVENING WORSHIP
7.00 P. M.—Theme: "What Shall I Do With Jesus?"
Anthem—"Father, Keep us in Thy Care" Sullivan-Hodges
Misses Jessie Lawson, Lorena Savel and Choir.
Soprano Solo—"A Dream of Heaven" Hamilton Gray
Mrs. Arthur H. Roper
"Seek ye the Lord while He may be found, call ye upon Him while He is near, and He will have mercy upon you; and to our God, for He will abundantly pardon." Isa. 55:6.

St. Paul's Church

5th SUNDAY IN LENT

11.00 A. M.—Morning Prayer, Holy Communion and Sermon—St. Luke's Gospel—The Rich Man and Lazarus.
2.30 P. M.—Sunday School and Bible Classes.
7.00 P. M.—Evening Prayer and Sermon—Passion Series—The Cross.
8.30 P. M.—Student Song Service.
EVERYBODY WELCOME.
REV. H. D. RAYMOND, M. A., RECTOR.

Trinity United Church

Ministers—Rev. G. H. Ramsay, D. D. Rev. C. N. Brown, M.A.
Organist—Mr. A. Roy Kendall, L. R. A. M., A. A. G. O.

10.00 A. M.—Prayer Meeting.
11.00 A. M.—Public Worship.
Sermon—"Thus Saith The Lord—A Message for the Times" Rev. C. A. Krug, M. A., B. D., Mt. Allison University.
Solo—"There is a Green Hill" Chas. Gounod
Miss Margaret Sterns
Anthem—"Teach Me, O Lord" Attwood
2.30 P. M.—Sunday School and Bible Classes.
7.00 P. M.—Public Worship.
Sermon—"Why I Believe in God or Why I Am a Christian—Rev. C. A. Krug, M.A., B.D., Mt. Allison University.
Solo—"The Old Rugged Cross" Mr. A. R. Gillis
Anthem—"The Radiant Morn'" Woodward
This is the third of the special young people's services. All young people cordially invited.
Visitors and Students Cordially Welcome.
Morning Service Broadcast by C. H. C. K.

My, but they're good!

STEWART'S BAKED BEANS

A savory dish for your Saturday evening meal,
20 cents per quart.

PIES PASTRIES, ROLLS DOUGHNUTS.

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April 25th, 1933.

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