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Toilet Tissue, large Rolls, 4 for . . . . . 25c  
Macaroni and Spaghetti, 3 pkgs. . . . . 25c  
Kellogg's Rice Krispies . . . . . 11c  
Kellogg's Pep, 2 for . . . . . 25c  
Clark's Pork and Beans, large tin, 2 for . . . . . 25c  
Sweet Mixed Pickles, large bottle . . . . . 31c  
Bowes' Fancy Minceat, 2 lb. jar . . . . . 33c  
Castile Soap, long bars, 3 for . . . . . 25c  
Sugar Butter, 2 1/2 lb. pail . . . . . 39c  
Rib Stew Beef, per lb. . . . . 10c  
Macaroni and Cheese Loaf, sliced, lb. . . . . 27c  
Bacon, 1/2 lb. pkg. . . . . 15c  
Pure Pork Sausage, per lb. . . . . 20c

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**Speaks in Defence of the Capitalists**

Secretary for State for the Dominion Repeats Some Facts Not Generally Emphasized These Days.

There was a very interesting address given recently to the Kiwanis Club at Montreal by Hon. C. H. Cahhan, secretary of state for the Dominion. Hon. Mr. Cahhan took a line that is not very popular these days, yet many of the things he says are well worthy of very careful consideration. His statements may not sound as sensational as some of those by that former cabinet colleague, Hon. Mr. Stevens, but to fair-minded people they will appear as very necessary to be said at the present moment when there is danger of people in general taking a thoughtlessly one-sided view of the whole question of the governmental and economic structure. It is worth also to stop to admit the fact that Hon. Mr. Cahhan being a politician and so knowing the power of public favour, really requires much more courage to say the things he did at Montreal than it would to follow the line taken by Mr. Stevens.

The address of Hon. Mr. Cahhan to the Kiwanis Club at Montreal may be summarized as follows:—

In the course of an address to the Montreal Kiwanis Club, Hon. C. H. Cahhan, secretary of state, said: It is obvious that, during the days of depression, evils have developed in the economic life of the country, but a close and careful study will disclose that they are in the nature of mere excremental growths which do not indicate fundamental weaknesses in our economic system. The ship owner does not burn up his ship to destroy the rats which have infested the cargo. The householder does not burn down his house to exterminate the cockroaches in the basement kitchen. For myself, I am confident that 90 per cent. of the business of this country is conducted on an honest basis by men and women whose upright lives are beyond serious reproach; and that indiscriminate denunciations of prevailing business methods are unmerited and unjust.

Who are these infamous myrmidons of capitalism whose necks are to be laid under the guillotine of popular vengeance?

**Sacrifices Recorded**  
I know of many men prominent in the industrial and commercial life of this city, who have, in recent years, made unexampled sacrifices of their personal fortunes that they might keep their establishments in operation even without profit to themselves, for the purpose of continuing employment as heretofore in the industrial and commercial undertakings under their management and control; men who never expect to receive and who seldom do receive a word of public praise or commendation for their self-sacrificing conduct.

I have recently sought to discover who are these self-seeking capitalists who are so frequently criticized and condemned, and I have ascertained some salient facts of general interest. The recent revision of the voters' list for all Canada disclosed that there are 5,700,000 men and women of 21

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years and over, who are entitled to vote in Dominion elections.

The department of finance, at Ottawa, recently issued a return showing the number of depositors and their deposits at the chartered banks of Canada.

This return showed that there were standing to the credit of 4,628,000 depositors in the chartered banks of Canada deposits of \$5,000 or less, amounting, in all, to \$1,046,250,000, or aggregating over one thousand millions of dollars. There were also 42,258 depositors chiefly of corporations and companies, of over \$5,000 each, which amounted, in all, to \$869,000,000.

**Many Small Deposits**  
But the return shows that the large proportion of the aggregate of the deposits payable after notice, were deposits of \$5,000 or less.

When it is recalled that the Dominion voters' lists number only 5,700,000 persons, the fact that there are 4,628,000 depositors of \$5,000 or less, who supply over one thousand millions of dollars of the aggregate banking resources of the country, it clearly indicates that the strength of our banking system, which is so frequently subjected to vituperative criticism, is largely due to the thrift and savings of the large number of small capitalists living in all parts of the country.

The proposed extirpation of the capitalist system, so called, means the wiping out of their savings and resources.

Consider the matter of life insurance. The last return available to me shows that in Canada there were 2,423,354 ordinary life insurance policies in force, of an average amount of \$2,119, aggregating \$5,135,668,048, or over five thousand millions of dollars.

But, in addition, there were 3,925,415 industrial policies in force, aggregating \$791,600,000.

**Protection for Future**  
In other words, there are in force in Canada policies of insurance on the lives of our people to the number of over six millions, representing policies aggregating in amount approximately six thousand millions of dollars; and each of these policies serves as protection for the future well-being of at least one or more dependents.

The extirpation of the so-called capitalist system means the utter destruction of all these credits which have been built up by the careful thrift and saving throughout the years of over six millions of our people, chiefly for the protection of those who may survive the fathers of families. Shall we burn down the splendid structure, which has infinite pains and at enormous cost, merely to destroy any vermin that may have gained access to the cellar kitchen?

**Would be an Injury to Policy-Holders**

Measure to Limit Interest on Loans Not in the Best Interests of the Policy-Holders.

The following article by George Gilbert, well-known financial man, should be of special interest and information to readers:—

"While the bill now before the House of Commons, sponsored by Mr. G. G. Coote, the well known U.F.A. member for Macleod, limiting the interest rate which may be charged on policy loans to a maximum of 5 per cent. per annum, would undoubtedly afford some relief to those who have borrowed on their policies, it would without question adversely affect the best interests of the general body of policy-holders.

To perceive why a reduction in the interest rate on policy loans from 6 per cent. to 5 per cent., which on the surface looks like a boon to the insured, is in reality inimical to their interests, all that is necessary is a correct understanding of the nature of policy loans and their effect upon the structure of life insurance as a whole.

"Policy loans, along with cash surrender values, extended insurance and automatic non-forfeiture privileges, are emergency provisions, to be used only on those extraordinary occasions when some good must be sacrificed for some other good which is believed at the time to be more important. But no life insurance institution could continue to carry on as at present if all policy-holders took advantage of these options, or even if any large proportion did so. The whole basis of the investment policy of life companies would have to be changed, and the cost of life insurance would be immeasurably increased by any general action of this kind.

"Already, under the existing interest rates on policy loans, policyholders in Canada have borrowed to the extent of a quarter of a billion dollars on their policies, and there can be no doubt that if the interest rate on policy loans is reduced much below the rate legalized for bank, mortgage or private loans, there will be an enormous increase in policy borrowing, not only further impairing the protection afforded under these policies, but also threatening the stability and security of the whole structure of life insurance as at present constituted.

"It is by no means in the interest of the whole body of policyholders that the life companies should be forced further into the loaning business for the benefit of borrowing policyholders, or that additional encouragement should be given to non-borrowing policyholders, through the attraction of a low interest rate, to place a mortgage on their life insurance.

"Policyholders in their own interest should be discouraged rather than encouraged to place loans against their policies, as every loan not only impairs the protection afforded under the policy but in a large proportion of cases eventually leads to lapsation and the loss of the whole amount of the policy to the borrower and his family.

"It is clear that a policy loan is entirely different from any other kind of loan. While the policy gives the holder the contractual right to borrow on demand the maximum loan value guaranteed in the policy, usually without notice, and to repay the loan in whole or in part at any time without notice, the insurance company—though not a banker or a lender of money in the ordinary sense, as has already been pointed out—has no option but to make any loan on request up to the limit guaranteed in the policy. It is therefore of prime importance that the interest charged on policy loans should be high enough to discourage borrowing and encourage repaying of loans made.

As every policy loan tends to undermine the fundamental purpose of life insurance, which is to provide funds against death and old age, it is obvious that there is nothing to gain and everything to lose by making it still easier for the policyholder to defeat to a large extent the very object he had in taking out his insurance.

"To meet the increased demand for policy loans which would follow a lowering of the interest rate much below the rate for commercial loans, huge sums of money in the aggregate—the property of all the policyholders—would have to be kept on call at very low interest to serve the borrowers the extent of whose requirements could not be calculated in advance. That would render comparatively unproductive a very large amount of funds which should be in safe long-term investments, earning a satisfactory yield for the policyholders. To the extent to which such loans are facilitated and increased, earnings on reserves are decreased, and the interests of all policyholders suffer.

"As the cost of life insurance would

**NEW EMPIRE**

Thursday, May 16th  
WARNER BAXTER & HELEN VINSON in  
**"As Husbands Go"**  
(Drama)

Friday and Saturday, May 17-18  
ALL-STAR MUSICAL in  
**"Hollywood Party"**  
(Musical)

Monday and Tuesday, May 20-21  
BUCK JONES in  
**"The Crimson Trail"**  
(Western)

Wednesday & Thursday, May 22-23  
DAVID MANNERS & PHYLLIS BARY in  
**"The Moonstone"**  
(Drama)

Friday and Saturday, May 24-25  
BINNIE BARNES AND NEIL HAMILTON  
**"ONE EXCITING ADVENTURE"**  
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Evenings—7.00 p.m. (Continuous)  
MATINEE DAILY—2.30 p.m.  
Midnight Show Sunday 12.01 Mid!

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**"MORE THRILLS THAN HERE COMES THE NAVY"**  
—as Jimmy and Pat streak for the sky with the fighting corps that's never been tamed by guns or domes! It's the laugh-packed screen sensation of the year!

**"DEVIL DOGS OF THE AIR"**  
JAMES CAGNEY  
PAT O'BRIEN  
MARGARET LINDSAY • FRANK McWUGH

Friday & Saturday, May 17-18

**MEN SOUGHT HIS MEN WOMEN—HIS REAR**

JOSEPH M. SCHENCK PRESENTS  
**CONSTANCE BENNETT FREDRIC MARCH**  
in  
**"The Affairs of Cellini"**  
A DARRYL F. ZANUCK production  
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Mon., Tues., Wed., May 20-21-22

**Monetary Situation Needs Co-operation**

Economist Says Business on Upgrade, but Caution is Needed in Reform Programmes.

In the monthly letter to the Royal Bank of Canada, Donald M. Marvin, economist, expresses the opinion that the moment is ripe for the stabilization of currencies and that international co-operation cannot come without stabilization.

Business is clearly on the upgrade in all countries except those on the gold basis. Even this improvement gives little hope of the ability of gold countries to maintain the present gold value of their currencies. It would seem that the most constructive policy is the revaluing of currency by the gold bloc on a basis of at least 40 per cent. reduction in gold content.

The advantage of devaluing money is usually shown by an improved position of export industries. For gold bloc countries, this is not the most important consideration as they would gain no more than their normal share of business. The greatest benefit would be the readjustment in internal prices. The time is ripe for a dramatic act of world leadership. The countries of the gold bloc and those countries such as Italy and Germany which are making extraordinary efforts to maintain nominal parity hesitate to adopt a new policy for two reasons—generally speaking, Europe believes the United States is contemplating further devaluation and Britain refuses to give up her free hand in dealing with currency problems.

Stabilization at present rates would probably precipitate an immediate

flight from Continental currencies. However, this is the obvious time to discuss stabilization on a gold basis.

With the solid front of the gold countries weakened by Belgium's defection, with the stress of internal price disequilibrium becoming daily more acute, and with the example of the recent improvement in the position of Belgium, the time seems propitious for action.

In addition, the assumption seems justified that willingness on the part of Great Britain to stabilize at the old parity exchange with the dollar would be acceptable to the United States—thus, abandoning further discussion of changing the value of gold.

Mr. Marvin also states that various factors point to rising prices in the future—the liquidation of the war losses, the necessity for reducing the burden of war debts and post-war reconstruction and a change in the value of gold. The danger that the justified expansion of credit and the increased volume of business may again carry us past the danger signals and into another depression calls for intelligent planning.

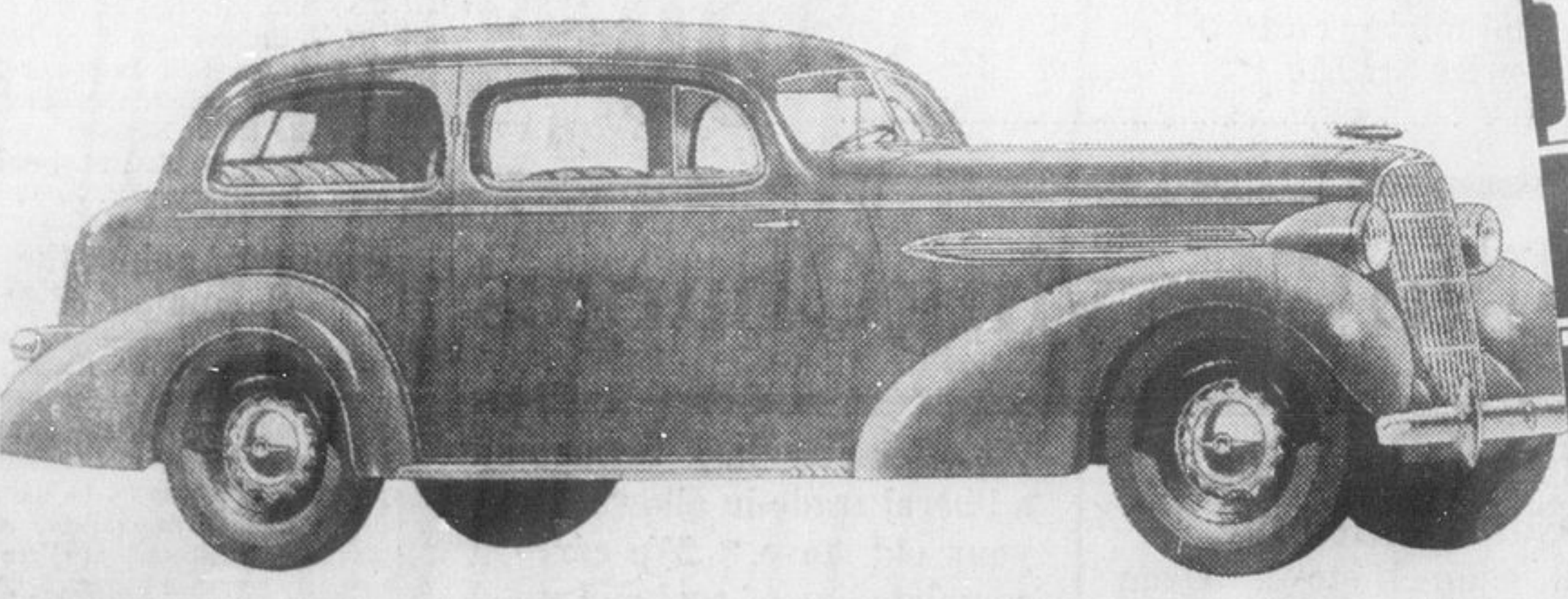
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**Awarded \$400 Damages for Injury to Reputation**

According to word from Halleybury Mr. Justice Henderson last week awarded Ernest Winlow \$400 damages in his case against the Township of Evanturel. The case was tried at the spring assizes at Halleybury. His Lordship had reserved judgment.

The plaintiff claimed \$1,000 damages from the municipality for alleged damage to his reputation through the council's notifying a bonding company that he was short in his accounts. Information to this effect, the plaintiff claimed, had been furnished to newspapers.

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Special Matinee Saturday 12.15 p.m.  
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radio situation in this district. There is no doubt that something must be done in this direction and it was the unanimous opinion of those present that the people of this district are justly entitled to some return for the \$2 license fee demanded by the Radio Commission. Pressure will be brought to bear from all quarters to have the situation remedied as quickly as possible.

Toronto Mail and Empire.—The C.C.F. member of the British Columbia Legislature who declined to accept the King's medal is learning that his constituents regard it as an affront to them rather than to the King.