

IS IT CHEAPER TO OWN YOUR HOUSE OR TO RENT ONE?

"Observer" Discusses Pros and Cons—The Dominion Housing Act Considered

It now appears that the Dominion Housing Act is getting some reconsideration. It has been thought in some quarters that the Act as at present constituted bars some elements of the population from building houses who otherwise might do so. The Act now requires the prospective builder to furnish 20 per cent of the total cost, the Dominion Government furnishing another 20 percent, and recognized loan and mortgage companies the remaining 60 percent. That means that if a man wants to spend, say \$3,500, he must be prepared to put up \$700 himself, and the rest can be borrowed if his application is accepted. It is now claimed that for the benefit of many who would like to own their homes, and who cannot raise the necessary 20 percent, the Act should be amended so as to lessen the amount required to be furnished by the prospective builder.

Now this is a matter which it would be wise to consider very carefully, before taking any further action. The first thing to be considered is the question, whether it is any more advantageous for a citizen to own his home than to rent it. There are arguments on both sides but from a purely financial standpoint it would appear that it is cheaper to rent than to own. The chief argument of the side of owning is a psychological one. The ownership of a home will give the owner a sense of satisfaction that a mere rented property will never inspire. He feels that he has got something to show for his money and this feeling exists even though there may be a substantial mortgage on the property. This, the owner hopes to pay off eventually. Now, provided the house buyer, or builder has the full purchase price to plank down for the property, there can be no valid argument against him doing it. It is good business for him to do it, and save himself from paying rent. This is also true if he has a good part of the purchase or building price and only has to put a small mortgage on the property. With ordinary good luck he can wipe that out before too long a time. But if all or most of the necessary money has to be borrowed, it would seem to be definitely not good business. In fact, until the Housing Act came into force, it was practically impossible to borrow over a certain amount, say over one-third of the total price. And a second mort-

gage was extremely difficult to get. This meant that the prospective builder or buyer would generally have to possess upwards of two-thirds of the total costs.

This fact made for sounder business. It wasn't such a great risk for the mortgage holder, nor for the mortgagee. The buyer or builder was not tackling a proposition that might well become too much for him in later years. Then came the Housing Act. It is now possible to borrow 80 percent of the estimated costs of building. It does not extend to buying. It is true that the interest charged is fixed at a low rate, but nevertheless what is going to happen to these properties whose owners may not be able to discharge their obligations? Presumably they will revert to the lending parties of which the Dominion Government is, in this case, one. Then what will be done with them? Probably rented out; and we are back where we started from. About the only value in the transaction would be the labour employed in the building of the house in the first place. And that, let it not be forgotten, is the primary reason why the Housing Act exists. It was not instituted out of altruism for the would-be home-owner.

If then, the Act is so amended so as to lessen or wipe out the percentage that the owner must have, have we not gone into still more unsound business? Unsound, that is, from the house-owner's point of view? Who stands to benefit by such a transaction beyond the labour and capital involved in the building of the house? It is not, I maintain, any kindness to tempt a man to build a home of his own when he has nothing, or next to nothing, with which to pay for it. That is only an intensification of the installment-buying process which was largely responsible for the last depression. Do we want to bring on another? It is certainly no kindness to the prospective owner, and it is not good business, to try to ring him in on any such proposition.

I am not concerned here so much with the ethical value of renting, as compared to owning. There is, as I have already admitted, a certain ethical value to the owner from the fact that he owns his own house. It is even claimed that the person who "has a stake in the community" is a better citizen than the mere renter. I take leave to doubt that. It is one of those generalities, that are far too sweeping. Cannot anyone make out a pretty long list of persons who rent and are still good citizens? They are apt to be better for, their expenses being lower, and correspondingly their taxes also, they are a lot more likely to have them paid up. And that, in the eyes of most municipal authorities, is the acid test for good citizenship. Rightly or wrongly so, I must leave until later to discuss.

—OBSERVER.

SOCIAL HAPPENINGS

Mr. Justice and Mrs. C. D. Richards are leaving on Saturday for Grand Marais, Minn., where they will spend a month with their daughter Mrs. Cordner Wright and Mr. Wright.

Dr. F. A. McGrand, M.P.P. for Queens, of Welsford, was in the city yesterday and was one of the speakers at the Board of Trade meeting.

Miss Hazen Allen has returned from a motoring trip to Quebec. She was accompanied by Mrs. J. M. Lemont and her guests Mr. and Mrs. Arthur Johnson of Alabama. The latter have since gone to Charlottetown to spend a few days, following which they will return to the city.

Miss Minnie Smith of San Diego, Calif., is the guest of Mrs. Chas. W. Whelpley, at her home on Waterloo Row. Miss Smith is a former resident of the city, being a niece of the late Dr. A. B. Atherton and is receiving a hearty welcome from many old friends.

Mr. and Mrs. George McBride and son James and daughter Dorothy, of St. Stephen, were in town yesterday.

Mr. and Mrs. David L. Duncan and daughter Miss Bessie Duncan of Washburne, Me., were recently guests of Mr. and Mrs. Sheridan Grant on Woodstock Road. Mr. and Mrs. Duncan who are former residents of New Brunswick, celebrated their golden wedding on June 6 when they were guests of honor at several social functions.

Day—McMonagle

On Saturday evening, August 22nd, at eight o'clock, St. Peter's Church, Springhill, was the scene of a quiet wedding when Miss Greta Mary McMonagle youngest daughter of Mr. and Mrs. S. T. McMonagle, of Burton, and Arthur Budd Day only son of Sheriff and Mrs. N. B. Day, Maugerville, were united in marriage by Rev. H. T. Buckland. The bride, who was given in marriage by her brother Edward, wore navy blue sheer crepe with accessories to match. The attendants were Miss Sarah McMonagle R.N., of Mineola, New York, sister of the bride and Leonard McMonagle brother of the bride. Only immediate relatives and friends were present at the wedding. The bride and groom left on a short motor trip, after which they will reside at Maugerville.

Word has been received here that Charlotte Anne Troy of Houlton, Me., has been successful in capturing another first prize in an amateur dancing contest. Little Miss Troy danced over CFNB and at the Capital Theatre here last July. The recent contest was held at Nickerson Lake, a popular resort outside of Houlton.

Mr. and Mrs. Gregory Hughes of Hamilton, Ont., are the guests of Mrs. Hughes' mother, Mrs. Margaret Hughes, Queen Street.

The Misses Helen and Mary Wilton and Miss Pound of Kingston, Ont., were recent guests of the Misses Wilton's cousin, Miss Bertha Harvey, York Street.

Mrs. Harry Richards, Miss Hazel Richards and Miss Marion Coulthard were recently joint-hostesses at the home of the former at a bridal shower in honor of Miss Verna Hickson. Bridge and a flower contest were enjoyed and Miss Hickson was presented with a variety shower of many pretty gifts. Dainty refreshments were served. Miss Hickson is to be married next Tuesday in Montreal to Charles Hoyt, formerly of this city, now of Northern Ontario.

Dr. J. H. Gunter, D.D.S., of Philadelphia, and Mrs. C. H. McCloskey of Toronto are visiting their sister Mrs. C. C. Camp and Mr. Camp also their mother Mrs. Martha Gunter who is with her daughter, Mrs. Camp. They left today on a trip up Nashuaak Valley and on to Boiestown.

MacKenzie—Giberson

A marriage of interest took place last evening in Wilmot United Church parsonage, when in the absence of Rev. J. W. Bartlett, Rev. D. R. Chowen united in marriage Elizabeth P. Giberson, daughter of Mr. and Mrs. Rainsford Giberson of Bristol, to Glen B. MacKenzie of Florenceville, son of Mr. and Mrs. William MacKenzie of Elgin. The bride and groom were supported by Mr. and Mrs. R. B. McFarlane. After a short wedding trip Mr. and Mrs. MacKenzie will reside at East Florenceville, where the groom is Principal of the Superior School.

Mrs. M. F. Belyea was recently a guest at a Family Reunion held at Gagetown by the members of the Purdy family.

Donald Pringle and Robert Vandine, Jr., of this city left last night on the Excursion train for Toronto where they will attend the Exhibition and visit friends for about two weeks.

The annual Community Picnic at Doak was held yesterday and proved very enjoyable. Games and races were held, and a great number were present for supper, including several from Fredericton. On behalf of the members of the different denominations, Rev. W. J. Bate and Venerable Archdeacon A. F. Bate were each presented with a silver service in honor of the retirement of the former and on the occasion of the departure from the city of Venerable Archdeacon Bate. Little Miss Kye MacFarlane and J. S. Hewitson presented each of the honored guests with a bouquet of flowers. This function is an annual affair and was founded by Rev. W. J. Bate and includes the members of every denomination in the neighborhood of Doak. Among others present from the city were Rev. Mr. Haviland, and his mother, Mrs. Haviland and others.

Miss Arlene Wright, Perth, is a guest at the home of Mr. and Mrs. B. S. Wood.

Mrs. B. C. Foster, accompanied by Miss Hope Hanson, Miss Mary Neill and Miss Helen Neill left yesterday for Montreal, from where they will sail on an extended trip to the British Isles and the Continent.

Laxity

(Continued from Page Eight) license, and are not molested by city authorities.

Charges "Laxity" Ald. Murray Hagerman went further when he said that there was "laxity" in collecting peddlers' fees, something should be done to remedy this situation. "The city is losing much revenue through laxity in its methods," said Ald. Hagerman. Ald. David McCaughey said the council should get after it; either hire another official or see that the present city officials look after the matter.

Ald. Rooss wondered why this matter wasn't a matter for the police; more important he said than a good many other incidental things the police were doing.

Outlived Usefulness

Ald. David McCaughey said the Police Commission has outlived its usefulness. It is no longer necessary. He thought the council should have some way in enforcing the by-law.

Ald. Ross said that "if we have no committee that can do these things, then let's straighten it out ourselves." Mayor Kitchen and Ald. Ivan McKnight noted that there were some difficulties connected with

Reich Improves

(Continued from Page One) ung, organ of the (Catholic) Center party.

The local Nazi organ, Vorpostes, thereupon announced that, to fill the need of a morning newspaper, it would begin publication of one of its own. Thus are the interests of both trade and political morality alike advanced in the "free" city.

Articles in the Volkszeitung had insulted the government of the "free" city and that of the German Reich, had damaged the good relations existing between the two, and had constituted a danger to public order and security, the chief of police said in announcing the ban.

In Memel, on the other hand, the time seems to have come to talk softly (the "big stick" has served its purpose for the time being but is still carried in plain sight). And so a series of trade agreements between Germany and Lithuania has been announced, restoring the flow of goods.

apprehending those transients who transgressed the law. Ald. Doohan remarked on two cases which he reported and about which nothing was done. Ald. Ross wanted to know if there was no way to collect those fees without "chasing around." The matter was left for later discussion.

Spanish Premier

(Continued from Page One)

Premier Leon Blum acted to assemble his foreign affairs and defence ministers together with the army, navy and air force chiefs of staff for an emergency discussion of the situation created by the Reich's sudden move, it was understood.

No diplomatic protest to Berlin is expected, however.

With a French army of 450,000, compared to a German army totalling 900,000 to 1,200,000 in the next several years, Deputy Fernand Laurent demanded an immediate session of the Chamber of Deputies' military affairs committee.

It is considered extremely doubtful, however, that the French period of obligatory military service—two years, like Germany's new term—will be increased to three. People's Front circles generally oppose any increase on grounds it would constitute too great a burden on French taxpayers, despite a developing Rightist drive to bring it about.

MARYSVILLE

MARYSVILLE, Aug. 25—Mr. and Mrs. Morris Kenney and family who spent Sunday with friends in St. Stephen have returned home.

Mrs. Royden Shanks, Misses Mildred Pond, Ella Higgins, Mary Murphy Gladys McCafferty, Florence Loney motored to St. Stephen during the week-end where they visited friends.

Chester Cochrane entered the Victoria Public Hospital where he underwent a surgical operation and is now doing nicely.

Mrs. Louis Titus who has been a patient at the Victoria Public Hospital for the past two weeks is progressing favorably and it is expected she will return home this week.

Miss Jean Leary and Edwin Browning of St. John were Sunday guests of Mr. and Mrs. Alfred Shanks.

Mrs. Robert Doherty is a patient at the Victoria Public Hospital where she has been operated on for appendicitis.

Many Present At Funeral of Late George E. Fisher

The funeral of the late George Edward Fisher, one of New Brunswick's most popular and prominent men, took place this afternoon from the residence of his daughter, Mrs. Kenneth L. Golding, 777 George street the service taking place at 2.30 o'clock and being conducted by Rev. George Telford assisted by Very Rev. Dr. Moorhead. Interment was made in the Old Burial ground here. A large number of people were present at the funeral of deceased was personally very popular, and earned the love and respect of hundreds of people during his lifetime. The late Mr. Fisher passed away at Woodman's Point, N. B., on Monday.

FUNERAL YESTERDAY

The funeral of the late Elisha Kelly took place yesterday afternoon at two o'clock from the home at Kingsclear with Rev. Mr. Killam in charge of the service. The mourners were Victor, Bedford, Elwood, Shirley, Darrell and Leslie Kelly and pallbearers were Osmond, Coburne and Burton Kelly and Herman Kitchen. Interment was made in the Baptist cemetery at Kingsclear.

EXHIBITION DATES

The Fredericton Exhibition Ltd., are holding their big fall fair from September 12th, to 19., this year. A bigger and better show all the way round is predicted. Agricultural, industrial and commercial as well as many high class vaudeville acts have been billed. Truly it is a treat for the entire family.

CREDITORS' MEETING

At a meeting of the creditors of the McFarlane Wagon Company held yesterday afternoon at the office of the official receiver, Ernest A. MacKay, H. G. Hoben was appointed trustee, and H. A. Smith and Earl Young were named inspectors.

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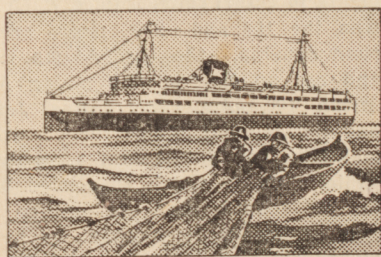
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