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SATURDAY MORNING, AUG. 2, 1913
THE KIND OF MONEY BANKS NEED.

The banker is a man who receives on deposit money from his customers, either repayable on demand without interest or repayable after notice, with or without interest as may be agreed upon. He must maintain his bank premises, his corps of clerks, be responsible for the safe return of the money and be prepared to honor the drafts of his depositors at all times. Obviously if he is to make money he must do so by investing these deposits. In normal times the bulk of the deposits will remain undisturbed in his hands for a considerable period. In the case of ordinary savings deposits the bankers reckon they may safely loan ninety per cent. The banker, of necessity however, is compelled to keep some cash in his vaults to meet ordinary demands and also to invest a part of the deposits in liquid assets, such as high-grade public securities. At some periods there is more likelihood of the depositors calling for their money than at others. The banker in times of stringency has to take into account any uneasiness or hysteria of panic which may induce his depositors in unusual numbers and to an unusual extent to call upon him for their money. The birth and growth of such uneasiness is a factor which the banker cannot ignore even though generated by one of the bankers themselves. The banker who piles up an unusually large reserve and boasts of how safe his bank would be in case of a run puts the public upon enquiry and may cause depositors in his own and other banks to feel less confident.

In times of financial stringency the business men of the country suffer because the usual banking accommodation is denied them and they naturally complain that the banks are causing the stringency or making it worse. The fact of course is that the banks are not prepared to lend their money as freely as usual, because they must keep on hand a larger amount than usual to meet the possible demands of their depositors. This point is well brought out by an article in The Victoria Colonist, which we reproduce today, and which we notice has been reprinted by The Brandon Times and other western newspapers. The Colonist truly observes that the banker cannot do as he pleases with the money of his depositors, but must stand ready at all times to meet their drafts upon him. After all, the first duty of the bank is to the depositor.

What are our banks to do? They have plenty of assets, but need more money if the business of the country is to be properly managed. The government is unable to lend them the credit of the country. They may get Dominion notes in exchange for gold, but that does not add to their stock of money, neither will they be helped by issuing certificates against their own gold, or the gold reserve. If they increase their circulation they are increasing the claims against them payable on demand.

If, on the other hand, the banks could directly or indirectly borrow money from the government at a low rate of interest, they would have one depositor who would not be subject to hysteria, who would not unexpectedly demand payment, and who would be only too pleased to see the money loaned to the people. Moreover, this money would be real money emitted by the sovereign power, a national currency, legal tender for debt, public and private, redeemable by the government. In short the banks would become agencies through which the credit of the nation would meet the needs of the country.

Under our present system the great asset of national credit is unavailable for the relief of business. The credit of the banks is all we have to rely upon, and the banks can maintain their credit only by keeping reserves sufficient to meet all possible demands of their depositors. In 1907, Finance Minister Fielding issued ten million dollars of national currency as a loan to the banks and subsequently this was indemnified by parliament. But our financial situation should not depend for relief upon sporadic action in technical violation of the law—some comprehensive legislation of a permanent character should be enacted. A plan for banking and currency reform was presented to parliament at the last session by the member for South York (Mr. Maclean), similar in many respects to the Aldrich-Vreeland Act, under which Secretary MacAdoo is loaning national currency to the banks of the United States today.

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fear of contradiction that many strong Canadian banks would be glad to borrow from two to ten million dollars in Dominion notes from the government, putting up as collateral public securities and fine commercial paper, and paying interest therefor at 2 or even 3 per cent, and that this money so obtained would be used in relieving the present stringency by giving to the business of the country that sufficient banking accommodation of which it stands in need. We do not pretend to say that the Aldrich-Vreeland Act could be adopted without change; we are not wedded to the details of any particular plan. Our point is that the banks cannot freely lend the money of their depositors but must keep money on hand for any possible call of emergency. At a time like this something more than the credit of the banks is needed by the business of the country. To its relief should come the credit of the nation. That is being done in the United States today; the government of that country issues currency for which it is responsible and lends it thru the banks to the people. The banks pay two per cent for the money, but they are glad to get it, and to loan it again to their customers for the movement of crops and other proper business enterprises.

LAND TAXATION.
 Editor World: A friend has sent me a clipping from your issue of the 12th inst., with an article therein entitled "Land Taxation" blue pen to me, and as I am very keen on this question of the right kind of taxation, may I call your attention to a common mistake by people and newspapers writing on this subject? You have your article headed "Land Taxation," whereas it is nothing of the kind, but land values taxation—quite a different thing. Indeed, we maintain that it is not taxation at all for the public to take the value of the land, but the presence and activities of the population.

THE NEW CRIME.
 Mr. W. K. McNaught is now the subject of attack by the opponents of a publicly owned car service, on the ground that he is in favor of the plan. Mr. McNaught has not seen the tentative agreement; he did not discuss it or any alleged details; he was glad the valuations were at work, so that the facts could be had; he expressed no judgment on the merits of the case because he had nothing to pass judgment upon. Like the majority of the citizens he is glad that there may be a chance to purchase the railway, and if the terms are favorable he will be glad to support the public ownership of the street car system.

WOMEN'S RESIDENCE CLUBS.
 The News, in a recent editorial, draws attention to the fact that Toronto is in need of suitable residence clubs for unattached girl workers. This is perfectly true. Before going any further in the matter, however, it is well to consider just what sort of institution would be the most efficient. In many cases it has been found that the residence of this kind, the girls, for whom it was intended, refuse to occupy it. The reason is not difficult to discover: any young girl of Anglo-Saxon parentage values her independence highly. It is because of this desire for independence that hundreds of women prefer hard and ill-paid factory work to the greater comfort and safety of domestic employment.

The average girl worker feels that in entering a woman's residence club she loses much of her personal freedom.

dom. In many cases the governors of these institutions attempt to control and limit the girls to quite an unjustifiable extent; hard and fast rules as to the times of coming in and going out are enforced; the reception of callers is hedged about with difficulty and inconvenience, and in many cases long and unnecessarily frequent religious observances are enforced. Worst and most humiliating of all, the girls are made to feel that, although they are made to feel that they owe their board, they are still in a way recipients of charity and that they owe an immense debt of gratitude to the kind ladies and gentlemen who are responsible for the home.

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Natural History of Toronto Region

In connection with the Twelfth International Geological Congress the Canadian Institute has been instrumental in preparing a volume on "The Natural History of the Toronto Region," printed by Dr. William Briggs and to be issued today. Although designed especially for the members of the congress, parties of whom have been investigating selected districts of the Dominion, the work appeals to all having interest in the history and natural history of the city and vicinity. The numerous articles covering that extensive field have been prepared by specialists in their respective departments and are much more than mere compilations, while the maps and illustrations, which add much to the attractiveness of the book, were either drawn expressly prepared or reproduced from original sources by permission of the German Institute with complimentary to the way not only the happy idea of commemorating the visit of the congress, but also the Toronto and the inhabitants of the region that falls within the scope of its work.

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At Osgoode Hall
 August 1, 1913.
 Before Geo. S. Holmstedt, K.C., Registrar.
 Snider v. Carlton—W. J. Elliott, for plaintiff in second action moved for order, consolidating action with action of Central Trust and Deposit Co. v. Snider. S. H. Bradford, K.C., for Carlton, and Hillock, F. C. Snider for plaintiff in this action. Stands till first day after vacation. If parties agree, Central Trust Co. to be made co-plaintiff in this action and the other action stayed.

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SONS OF SCOTLAND.
 The annual Scottish games, to be held in Exhibition Park on Monday first at 2 p.m., promise to attract a record number of competitors. The program includes a 10-mile and a 5-mile motorcycle race, while special provision has been made on this occasion for heavy weights, which, while not practiced in later years, used to attract a number of prominent and reputable Scottish athletes. Most of the events are open.

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