Real Estate Valuations
See Tanner & Gates, Realty Brokers, Tanner-Gates Building, 26-28 Adelaide St. West.

The Toronto World

Real Estate Arbitration
See Tanner & Gates, Realty Brokers, Tanner-Gates Building, 26-28 Adelaide St. West. M. 5893.

PROBS— Mostly fair and warmer, but some local thunderstorms.

FOURTEEN PAGES—THURSDAY MORNING AUGUST 6 1914—FOURTEEN PAGES

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Senate Reading Room
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SENATE FO

GERMAN FORCES REPULSED ON LAND AND SEA

Earl Kitchener Has Been Appointed Secretary of State for War

The Great Dislocation and Canadian Finance

The outstanding feature of the great dislocation now on in Europe is the determination of the free-governing nations of that continent, backed by imperial Russia, to put down the "Caesarism" of the German emperor. It is a fight for free government in the twentieth century against the feudal system of the fourteenth century; the fight of democracy as against despotism. Never was there such a mighty struggle on these lines before. The right of the people against despots has been fought time after time in individual countries, but in this case the fight has spread all over Europe and its effects are and will be felt in Asia, in America and in the furthermost parts of the world.

* * *

And England leads the fight against the German despot and against his great military machine; England is at the head of the confederacy of nations that have taken up the challenge that has been hurled at them by the military madman of the world, now in Berlin.

* * *

Another fight has been going on in a much smaller area, but of world-wide significance; and that is the determination of the United States that no government on the American continent be recognized that is based on assassination as instanced in the case of Mexico. There were a good many jeers hurled at President Wilson when he laid down this principle, but after some months of patient waiting Huerta is a fugitive, the Panama Canal is about to be opened and a new set of conditions will prevail in Central and South America based on Wilson's declaration against assassination. There is no doubt now that President Wilson has been supported in this position by the government of Great Britain.

* * *

To our mind the United States is as much interested in the vindication of free government in Europe as it is interested in the vindication of free government in America as against despotic rule. And somehow we think that Great Britain and the United States are closer together in promoting the welfare of the world than ever they were heretofore.

* * *

And now we come to the question of banking and finance, and what is likely to happen in view of the surprising condition of things financial in Europe. It looks to us as if New York is to become almost immediately a greater money centre than it has hitherto been, and more a money centre for the American continent, and, as long as the war continues, certainly more of a money centre for Canada.

* * *

The United States is at this very moment reconstructing its whole banking system, based on two principles: (1) Of doing away with the over-concentration of money in the one city of New York, and in place of it having a distribution of reserves in twelve leading cities of the Union, at which point national reserve banks are about to be established. These national reserve banks will have the power of discounting commercial paper held by any and all of the local banks in their respective reserve districts; and for the first time the United States will have in operation a banking principle long recognized in Europe, viz., that of rediscounting paper for banks by means of a national organization. And also with this great reform another principle is coming into effect and that is the withdrawal of all bank notes in the United States, even those that were practically national notes inasmuch as they were guaranteed by United States bonds and printed by the national treasury.

* * *

By reason of the outbreak of hostilities in Europe and by reason of the dislocation that has taken place in our own banking arrangements with Britain, the Government of Canada has in a moment adopted these two great principles, that of rediscounting for our banks with national notes and increasing the issue of national notes in sums sufficient to meet any emergency. Gold payments in this country have been suspended, and payment in national notes is about to take their place; and we believe that the ultimate result will be that as soon as parliament can be convened, we will have embodied in our banking law a permanent system of rediscounting commercial paper thru one or more banks acting for the nation, and we will practically substitute national notes for bank notes. At the present time we allow the banks to issue notes as against their own capital, but we believe this plan will be changed and in its place the nation will lend its notes to the banks, at least to an extent equal to their capital, at a moderate rate of interest; and that we will have, much earlier than anybody expected, Canada with a system of national rediscounting and national notes as the currency and method of the country in general use.

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To our minds, the banks in this country ought to accept these two principles and accept them gladly. They will simply have to readjust themselves to it as the banks have done in all other countries.

* * *

Having got to this principle of national notes and rediscounting as contained in the order-in-council passed two days ago on the advice of our minister of finance, it remains to be seen what the attitude of the banks of the United States, and especially of the Government of the United States, will be toward the national notes of Canada now about to be issued in larger quantities, backed by the entire credit of the nation and by large gold reserves at Ottawa.

* * *

We believe that these national notes of Canada will hereafter be the common currency of Canada, and we also believe that they will soon have the standing of the national notes of the United States and have practically a par currency in the banks and banking centres of the United States. We imagine that our government and our bankers are working at that problem at this moment. At all events that is what appears to be the thing desirable in this crisis, namely that Canada have the closest and best possible relations with the United States in money matters based on the recognition of our national notes in the same class as those of the United States.

* * *

Great events bring great changes: when rediscounting and national notes as outlined above, were introduced in the discussion in parliament less than two years ago, the proposition got a cold reception. Since that time Mr. Wilkie of the Imperial Bank has declared for the rediscount principle, and on the co-operation of all the banks, as decided on Monday last, it is now in effect in Canada. We believe that we have suddenly and most advantageously improved our financial position both in our own country and abroad; tho it may take a little time to make the readjustment. One thing that will need to be done is to issue our national notes in other convenient denominations than the ones, twos and fives and multiples of hundreds. Tens, twenties and fifties should be available as soon as parliament can amend the existing law.

CANADA CALLING FOR VOLUNTEERS TWENTY THOUSAND TO CROSS SEA ENLISTMENT WILL START TODAY

Contingent Will Be Imperial Force With Status of British Regulars, and Only Men of High Military and Shooting Qualifications Will Be Taken—Volcartier, Que., Chief Mobilization Centre.

By a Staff Reporter.

OTTAWA, August 5.—Mobilization orders were sent out tonight by colonel, the Hon. Sam Hughes, minister of militia. Twenty thousand men are called for and as applications have come in from 100,000 volunteers there will be no trouble in securing the first army division in a very short time. The commanding officers all over Canada will act as recruiting officers. The enlisting will start tomorrow and will be entirely voluntary.

It will be an imperial force and have the same status as British regulars. The instructions that have been issued require that the men shall have standard physical qualifications and also high military and shooting qualifications. The enlistment will be till the termination of the war and the individuality of the militia regiments will be preserved as far as possible.

Process of Selection.

Other considerations being equal, officers, non commissioned officers and men will be selected in the following order:

1. Unmarried men.
2. Married men without families.
3. Married men with families.

The men must be between 18 and 45 years as a rule.

Officers and men who have had experience but are not now members of the force can enlist. Officers of the reserve can join if otherwise qualified.

Further mobilization orders will be issued later.

Valcartier as Centre.

Valcartier near Quebec will be the main mobilization centre and the place is rapidly being prepared for the troops.

There may also be a mobilization centre on the pacific coast, Hon. Clifford Sifton is one of the latest volunteers. He offers his services in any way they can be used.

Lady Drummond has also sent a wireless despatch from the "Calgarian" via Cape Race offering to pay the expenses of eight nurses.

GAPS IN CABINET ALREADY FILLED

Earl Beauchamp and Hon. Walter Runciman Appointees, Premier Announces.

Special Direct Copyrighted Cable to The Toronto World.

LONDON, August 5.—The gaps in the British Cabinet occasioned by the resignations of Lord Morley and John Burns, because of their disagreement with their colleagues concerning the government's policy were filled today. Premier Asquith announced in the house of commons that Earl Beauchamp, first commissioner of works, has been appointed to the place of Lord Morley as lord president of the council, and that of the Right Hon. Walter Runciman, hitherto president of the board of agriculture, would succeed he Right Hon. John Burns as presidetn of the local government board. Premier Asquith also announced in the house of commons that a war credit amounting to one hundred million pounds sterling will be submitted tomorrow to the house for sanction.

Russian Fleet Bottled Up.

AMSTERDAM — Turkey has proclaimed the Dardanelles and the Bosphorus closed to preserve her neutrality. This "bottles up" the Russian fleet in these waters.

Southampton Port Closed.

LONDON—The port of Southampton has been closed to merchantmen. The American liner St. Louis sailed last week with passengers and about $1,000,000 in gold on board will proceed at once to Liverpool.

GERMANS HURLED BACK BY A BELGIAN BRIGADE

Fierce Fighting Around Liege — Defenders Displayed the Utmost Gallantry.

Canadian Press Despatch.

BRUSSELS, August 5.—The Belgian war office announced tonight that fierce fighting had occurred in the environs of Liege and that so far the Belgians were concerned the situation is excellent.

"The Germans," the announcement says, "were driven back by an heroic attack made by a Belgian mixed brigade which already had earned for itself the highest honors. No German who passed the fort survived."

WOMEN TO PARADE.

MONTREAL, August 5.—A unique war demonstration is planned for tonight when a parade of women thru the streets of Montreal will take place, with the object of drawing together English speaking, French, Belgian, Russian and Dutch women and the women of any other race whose sympathies go out to Britain and France.

A BARGAIN IN LADIES' PANAMAS.

The Dineen Company put on sale today the balance of all their untrimmed ladies' Panamas and have divided them into two lots.

$5.00 Panamas for $2.00.
$7.50 Panamas for $3.50.

See the display today in our North Yonge street window.

Those ladies' Panamas were purchased quite recently from a South American commercial agent who had to sell. Come in and see them as early as you can. They won't last long. The W. & D. Dineen Co., Ltd., 140 Yonge street.

GERMAN REVERSES

Battleships Sunk or Captured by French Fleet in the Mediterranean and Mine-Ship Sunk by British Fleet — Belgian Troops Won an Overwhelming Victory and Germans Lost Several Thousand Killed and Wounded.

War developments of the day confirm the general belief that the Kaiser's forces have made an inauspicious start. The German land and naval engagements for the most part have proved set-backs. Reports of conflicts at fully a dozen different places—on the French and Russian frontiers, in Belgium, in Holland, in the North Sea and in the Mediterranean tell of distinct reverses for the war lord's fighting men. In the naval engagements, the German cruiser Panther was sunk in the Mediterranean, the Breslau and Goeben were captured, a decided blow to Germany; and a late report from the French Embassy says that France has captured a third German cruiser.

Credence also is given the rumor that the French fleet cut off the last mentioned ship, a scout cruiser in the German North Sea.

* * *

The report earlier in the day, that two German warships were sunk and one captured in an engagement with a British squadron in the North Sea, was followed tonight by the official announcement that the British cruiser Amphion has sunk the Hamburg-American Line steamer Koenigen Luise, equipped for mine-laying, a small river boat and not the North German Lloyd trans-Atlantic liner of that name. A message received this afternoon from Guernsey, Channel Island says that a French gunboat towing a large German steamer, anchored in the roadstead, under the guns of the castle. The Paris correspondent of The Chronicle claims reliable authority for the report, already mentioned, of the capture by the French fleet, of the Goeben and the Breslau, and the sinking of the Panther, the Mediterranean fleet overtaking the cruisers after bombarding Bona, Algeria.

* * *

England is said to be intent on destroying the Kiel Canal, now protected by German warships. A despatch says that several German steamers anchored at Hull, England, have been seized as prizes by the British authorities, and the crew of naval reservists made prisoners of war. Further news of a setback to German naval activities is that a British man-of-warsman has seized the German barque Perkes, which sailed from New York July 18, for Hamburg. She has been towed into Dover.

The outcome of a naval battle between the German and the British fleets, off Hull, is anxiously awaited here.

* * *

An outburst of enthusiasm followed the announcement on the newspaper bulletin boards late last night, that a British torpedo boat destroyer had captured a German liner in the Mediterranean, near Malta. Cheering lasted for several minutes when the bulletin was posted that Lord Kitchener, the hero of Khartoum, agitation for the appointment of whom as secretary for war, had been made during the entire day, had been officially named for that post.

So much to date for the kaiser's rebuffs on the sea.

* * *

In conflicts Germany has suffered even greater reverses. Word comes from the British Isles that the Belgian troops have won an overwhelming victory near Spa, the noted watering place, wiping out two entire regiments of German Uhlans after reenforcing the border patrol at Liege, following the capture yesterday of the Belgian town of Vise by German forces The German advance was checked by the line of forts near Liege, and an armored train filled with Germans was blown up with fearful carnage. Subsequent attempts to concentrate on Liege resulted in the repulse of the invading force of 8000. Prior to that the kaiser's hosts met with desperate and successful resistance from the Belgian forces on the River Meuse, bridges over which were destroyed by the Belgians, stopping the onward march of the Germans. A general attack on Liege is expected tomorrow, and the Liege guns are now shelling the Germans, whose losses, while unknown, are said to be great. According to a despatch from Amsterdam, numbers of wounded are being transported in automobiles to Maestricht, a Dutch town north of Vise.

At Flemalle, near Argentau, a body of Prussians, 80 men and 10 officers, was surprised, and 70 killed, the Belgians losing two officers and ten men. A French infantry force, according to a late despatch, repulsed a German cavalry regiment at Morfontaine, close to the German frontier. The same despatch says that 17 Alsatians were captured and shot by German soldiers while attempting to enter France from Alsace-Lorraine. An Amsterdam depatch to The Central News earlier in the day said that the Russian war office was authority for the statement that a strong German force was overthrown yesterday by a brigade of Russian cavalry near Soldan, in Northeastern Prussia, not far from the Russian frontier.

Word comes from Liege that the Civil Guard fired on an aeroplane containing six Germans, killing five of them. It is announced that the French army has effected a junction with the Belgian army at Tourna, 35 miles west Belgian army at Tournal, 35 miles west

ONTARIO FARMERS GET HIGH PRICES

Sensational Rise in Foodstuffs is Reported in Western Ontario.

Canadian Press Despatch.

LONDON, Ont., Aug. 5.—An increase in the price of flour from 30c to 50c a barrel went into effect here today as a result of the European war. Rolled oats have gone up 10 cents a bag and sugar 10 cents a hundred pounds. Further increases in the price of all three commodities are predicted should the war be prolonged. All the dealers attribute the increase to the increased European demand. Farmers are not delivering freely, holding out for higher prices.

City and towns all thru Western Ontario also report a rise in the prices of commodities. At Wingham wheat and flour have risen 15 cents, with farmers all thru the district holding their grain in anticipation of higher prices. In St. Thomas the price of flour has advnaced 25 cents a hundredweight, the direct result of cash wheat going up five cents a bushel, and millers there predict that the price will advance much further within a few days. The price of meat has not yet gone up locally.

CANADA BUYS SUBMARINES.

OTTAWA, August 5.—The government announces that it has purchased two modern submarines or torpedo destroyers. They are just new and were built for the government of Chili. They happened to be at Seattle, and are now at Esquimault, all ready for service.

BRITISH TROOPS TO LAND.

BRUSSELS—The newspaper Lepeuple says that an early landing of British troops in Belgium is expected.

GERMAN TROOPS FLED IN DISMAY

Belgian Victory at Liege Was Most Complete, and German Loss Was Very Heavy---Belgian Aeroplanes Were Superior---Germans Butchered Residents of Vise After its Capture---German Staff Officers Cut to Pieces.

Special Direct Copyrighted Cable to The Toronto World.

BRUSSELS, Aug. 5.—The Belgian army won a notable victory in the terrific fighting at Liege today, when the savage onslaught of the German forces was triumphantly repulsed and the kaiser's men forced to retire with heavy losses. Many brilliant military exploits marked the day's engagement. Among the most noteworthy was the successful charge of a single squadron of the second regiment of the Belgian troops against six complete German squadrons. The Germans fled in dismay.

Belgian Aeroplanes Superior.

The marked superiority of the Belgian aeroplanes over those of German construction was demonstrated during the fighting. The Belgian airmen manoeuvred their machines more ably, and their aim was better than that of the Germans.

The conduct of the German troops following the capture of Vise is said to have been outrageous, the men butchering the defenceless and pillaging homes and stores ruthlessly. The torch was applied after the buildings had been ransacked.

Germans Cut to Pieces.

A group of German staff officers, accompanied by a small detachment of troops, was surprised today at Argenteau by a small force of Belgians and literally cut to pieces.

BRUSSELS, via Paris, Thursday, Aug. 6, 1.38 a.m.—The fortified position of Liege had to support on Wednesday the general shock of the German attack. The Belgian forts resisted the advance fiercely and did not suffer. One Belgian squadron attacked and drove back six German squadrons.

Eight hundred wounded Germans are being transferred to the City of Liege, where they will be cared for.

Prior to the attack on Liege, General von Emmich, commanding the German army of the Meuse, issued a proclamation calling for an open road thru Belgium for the advance of his forces, and suggesting that prudence would show it to be the duty of the Belgian people to accede to this in order to avoid the horrors of war.

The Germans committed outrages against the civil population of the Town of Vise, eight miles northeast of Liege, burning the city and shooting many of the residents.

WAR SUMMARY

Canada

Hon. Sam Hughes sends out mobilization orders for 20,000 men. Enlisting starts today and will be entirely voluntary and for the period of the whole war.

Newspapers are requested to refrain from publishing unauthorized statements about military operations in Canada.

Valcartier, Quebec, will be the chief centre of Canadian mobilization.

One hundred thousand have volunteered.

Parliament will vote many millions for war purposes.

Fortresses on both seaboards strengthened.

Coal mines and cable stations fully protected.

Naval volunteers called to man Niobe at Halifax.

Government has bought two torpedo boat destroyers from Chili. They have just been completed in Seattle shipyards and will be manned by naval reservists in British Columbia.

St. Catharines regiments ordered out to protect Welland Canal and Kingston regiments to guard the St. Lawrence.

Fort Henry, near Kingston, made ready for possible siege.

Dominion Rifle Association meeting has been cancelled.

Britain

Another war fund of $500,00,000 to be voted today.

Bill passed to "restrain movements of undesirable aliens" following arrest of 21 spies.

Germans equipped with bombs and rifles arrested in London.

Lord Beauchamp succeeds Lord Morley as lord president of the council, and Walter Runciman, minister of agriculture, succeeds John Burns as president of the board of trade.

Lord Kitchener is appointed minister of war. Premier Asquith has held portfolio since Col. Seely's retirement some months ago.

Food supply to be under government control.

Britain has asked the United States to act for her in Berlin.

Cruiser Amphion sinks German river steamer, which has been fitted out for mine-laying.

Number of German steamships declared prizes of war.

Public buildings on North Sea converted into hospitals.

Call for volunteers indicates expeditionary force will be sent to Belgium and possibly to France.

Belgium

The minister of war says German invasion is successfully resisted, and German losses are heavy.

Notable victory won by Belgians at Lugi.

Border towns of Vise and Argentian in flames after capture by Germans who are reported advancing 100,000 strong at Liege.

Two German regiments on train blown up near Spain.

Germans have crosed frontier at Dalhem, seven miles north of Liege and at Francorchants and Spavelot about twenty-five miles south-east of Liege.

Blowing up of bridges checks German advance.

Attask in force on Liege expected today.

Early landing of British troops expected.

Junction effected with French army at Tournal, thirty-five miles west of Liege. Two thousand boy scouts report at Brussels.

Small detachment of German troops was cut to pieces by a small force of Belgians.

Superiority of Belgian air vraft was proven over those of the Germans.

Germany

Virtually cut off from outside communication by severing of cables.

Invasion of Dutch and Swiss territory reported.

Border skirmishes with French and Russians reported.

Official notice issued that Germany has declared war against Belgium.

France

Destruction or capture of three German cruisers in Mediterranean confirmed.

Mobilization proceeds satisfactorily. Gen. Joffre, commander-in-chief, is at the frontier.

Alsatians seeking to reach French territory shot down by Germans.

Million men reported moving toward German border.

Confirmation has been received to the despatch that a French warship has captured the German steamer Porto, off Guernsey Islands.

A prize of $1000 has been offered by a French flag maker to the first Frenchman who captures a German flag.

Holland

Germans invade Dutch territory at Tilburg.

Martial law has been declared in all parts of Holland.

Russia

Warships capture a number of German vessels in the Black Sea, which is now isolated.

Troops in contact with Germans along whole Russo-German frontier.

Russian fleet bottled up by the closing of the Dardanelles.

Large German force routed by Russian cavalry brigade near Salgau in northeastern Prussia. Both sides lost heavily.

United States

Naval engagements off Maine coast indicated by cannonading heard.

President Wilson offers to mediate.

Financial situation clearing. New York exchange may son reopen.

Billion dollars additional currency available.

Boston announces cutting of cable communication with Germany by British war vessels.

Twelve thousand men at New York await transportation to war zone.

Armored cruiser Tennessee, gold-laden, leaves for Europe.

French liner La Lorraine, with reservists, left New York for Paris.

Severe restrictions on all steamers leaving United States ports.

Turkey

Shuts Dardanelles and Bosphorus to maintain her neutrality.