150,000 MORE BRITISH TROOPS TO LAND IN GER

A BETTER BANKING SYSTEM FOR CANADA

Based on National Currency Instead of Bank Notes, and on the Principle of Rediscounting by a Great State Bank Using This National Currency---Stop Watered Stock and Call Loans.

OTTAWA August 20.—In the debate of call loans in Canada? If our banks had not sent that \$200,000,000 out of the country for purposes of stock speculation—which I absolutely depre-

solutely the creation of the government, and it ought to rest on the security of the state and on the credit of the man meet approval, will meet with the honor of the empire, and we shall do it both in the way of sending our contingents to the scene of warfare. That sentiment was well expressed yesterday on have to the scene of the house. both sides of the house; but while we have to raise money to meet the ordinary expenditure of this country and for war purposes, and because of the forwar purposes, and because of the have gone at it in a roundabout way. have arisen, we must also do something in order to carry on the ordinary
business of this country. We must
do something for the empire, but we
must do something also for Canada.

We Must Help Business.

The minister in his speech reeferred
to the fact that business was more or

to the fact that business was more or less dislocated by this great war which has sprung up in Europe and to which we are a party. We must, however, I have seen, practically to adopt this principle of rediscount by means of principle of rediscount by means of the country; carry on the business of the country; principle of rediscount by means of we must keep our industries and national notes. I commend that absorbed manufactures going; we must find ememployment for our people. While
this is a war measure and dealing
with sources of income for the Dowith sources of income for the Dominion, we must find some way—and
a budget must deal with the general

proposes to increase that issue to fifty million. I commend him for doing so; but will that be sufficient? While it may be sufficient for the ordinary commitments of the country and the war expenditure, is there in it any provision for keeping trade going and of per issue guaranteed by the state. It preventing, if possible, the stagnation may be based on gold, but the Bank of England note is a pathematical than the means whereby they may do so, what is the good of such legislation? The requirements of the country are which threatens to overwhelm the in-dustries of this country? dustries of this country?

to increase the issue of Dominion notes to at least one hundred that is the best money in the world. million dollars and, if necessary, keep I: used to be called "greenbacks" in the gold reserve at 25 per cent. In the old days in the United States. order to secure gold sufficient to main-tain the reserve at 25 per cent. we in the United States notes are the best money in the United States, and it is the best might have to issue bonds. Perhaps money in Canada today, and we must in time of war it might be necessary have that system. We have not the to have a 25 per cent. gold reserve; a right kind of currency nor the right kind of banking.

15 per cent. reserve would probably kind of banking.

Mr. Macdonald: What do you promeet the circumstances. —I am not going into the details of that; but it pose?

Mr. Macdonald: What do you progoing into the details of that; but it pose?

Mr. Maclean: Practically two things. of Dominion notes should be greatly increased over the amount proposed by the minister, and the necessary gold reserve can be secured to maintain that currency in the best possible progressive states and have all the

Rediscounting for Banks The minister has also made the proposal to use Deminion notes to any amount for what is practically general business purposes. In connection with the currency of Canada I have advocated in this house on previous occa-sions that we ought to have a system of rediscount in this country such as now exists in the United States, and for which there is now organized a system of reserve banks scattered thruout the United States. In that proposal there is the central idea that the United States are not going here-after to look to the banks for the currency and the credit of the business community; but they intend to make the currency rest upon the credit of the country; and they intend to make the currency rest upon the credit of the country by way of national notes secured by gold reserve, and also by increasing the available money of the country by establishing reserve banks or banks of rediscount which will rediscount for the banks by use of national notes, commercial paper and other securities that may be offered to the banks.

Call Loans on Stocks. In Canada with the commitments that we have and confronted as we are with this great war, not only must sources of the government for war must have means to supply the country with sufficient currency to carry on business. It might be said that our are the best money in the world tobanks can do this. Can they? Is the day. To my mind, that is the only curgovernment today, in the face of this rency suitable to the conditions of this war, able to go to the banks of this country for assistance? Our banks today have of total available one thousand five hundred millien dollars. Yet apparently the minister of finance says today that he sees no prospect of getting money from the banks for the special requirements to which he has referred, but that he must go as a borrower outside of the country. That is probably the right course to pursue; but does this house course to pursue; but does this house that of that he is much concerned. In cases

Country today. The banks are banking system shall be based on the principles adopted by other and modern countries, especially in old-fashioned Europe. Their system is far ahead of ours in the way of helping industries and obvicting unemployment; yet we have gone on with this old system. The banks up to the present have and this country know that of that he is much concerned. In cases one thousand five hundred million dollowerd is actually sent out to the lars, \$133,000,000 is used up by call branches of the bank all over the loans outside of Canada and \$67,000,000. country that they must go slow on dis-

ness of the country.

the general business of Canada. What in ought to commend itself to this house and to this country in the light of the experience of the present day and of the great progress of national finance and banking as illustrated by the practice in other countries? It is that the currency of the country, that is, the money in circulation, ought to be absolutely the creation of the government, and it ought to rest on the se-How to Get Elasticity. The business men of Canada today currency of this country and about providing finances for the country's needs than they are with regard to the war itself. I believe that the counentire note issue. There is an intimaadditional notes up to any require-ment as against securities deposited with fiscal agents of the government named for that purpose. When we

requirement of today is not merely a war budget; it is a general budget; it is the declaration of a financial policy and the establishing of a sysa budget must deal with the general situation in the country—to increase the currency and the credit resources of this country for the benefit of trade.

More Government Money.

The present issue of Dominion notes is thirty million dollars with a gold reserve of 25 per cent. The minister proposes to increase the currency and the willing to give employment but cannot do so, because they cannot get the necessary accommodation from the banks, it is the duty of parliament to find a way, by improvement of our banking laws and our currency laws, to insure sufficient grain, and the best way of doing that is under a system of national notes. Capital and sufficient currency to carry on the business of the country. today. We want a currency and an expanded banking system that will meet all the requirements of the country. The farmers in the west want banking facilities in order to market their We want a currency and an exing the farmers in the west. We propose to empower the banks to make loans on grain, etc., but if the banks have not the currency and have not the means whereby they may do so, in the direction of a much larger issue of national currency, and I think that The government ought to ask for of the United States secretary of the the minister, when he brings down his treasury as "government money." And resolution dealing with this issue of national notes, ought to make it at least \$100,000,000. Later he ought to take power to issue an amount of na-tional notes for purposes of rediscount; if not at this session, then in the approaching session. We should then have a system of banking the fundamental principle of which would be (1) the currency of the country to be national currency, based on the

credit of the country and represented by national notes; (2) a system of re-

discount by means of national notes.

Our banks practically confess that

of the Bank of Commerce and the Bank

of the government, it should have great

tem of rediscounting, and it should

emit the national currency. By con-

ducting operations as the bank of the

country, and by adopting the two great

principles of national currency and re-

out in any way antagonizing the other oanks. It would strengthen them.

Sweeping Changes Needed.

If we have not grown as fast as we

capital: it should operate under a sys-

vided by the state. Why should not they are unable to carry on the business of this country. They are willing to help present customers in a way, this state follow the example of all but can they help new customers? New customers have to be helped. urrency of this country in national notes, or tokens, secured by a gold reserve—the amount of which I will The minister has various proposals in connection with rediscounting, as far as they go. He says the governnot discuss—thus providing an issue of a national currency that will be elastic enough to meet conditions? will make advances against securities deposited with them. Who is to be the judge to see that there is Mr. Macdonald: Would you issue that currency to the banks? fair treatment in regard to that very matter? If it is put in the hands of Mr. Maclean: At present the banks issue over \$100,000,000 of their notes, and that, together with the Dominthe banks themselves, they may be willing to initial the securities of cerion notes and coinage practically sup-plies the needs of business. Instead of tain interests or individuals friendly to them, but we have to have a system of advances or of redisindividuals allowing the banks to issue notes, I lend national counting which is in the hands of an solvent bank up to within its paid-up absolutely independent body, organized, capital and rest. The details of inter-I suggest, as the great national bank of Canada. We want not only these est charged therefor I will not go into national notes; we want a state bank a great bank, perhaps built up out

now, but the interest rates should be low. Then let the banks withdraw their issue. In this way you would immediately do away with the foolish of Montreal, to be known as the Bank of Canada. Acting as the fiscal agent and antediluvian business of the clearing house, balances being settled cally gold. That is a roundabout way With a national currency secured by gold there would be none of this clearing house work, and our national note would circulate in the United States discounting, such a bank should con-tribute in a flarge measure to more satisfactory financial conditions, withas their national notes circulate here The United States had to finance itself in times of stress and trouble b means of national notes. For a while these notes were at a great discount. I can remember when what was called "gold" was quoted at \$1.60. That is, if you had \$1.60 in United States na tional notes you could get one in gold.

But those notes came to par and they

National Currency the Best,

The system of national currency has

been adopted all over Europe except

The metal currency of the country in the form of tokens is absolutely pro-

country. credit also for his proposai to issue The Banks Afraid of Depositors. national notes up to any amount Now, let me tell the house and the country of business in today. The banks condition

business of the country in the effor

porting the mother country and do-ing our full share in every direction ing our full share in every direction, we will have done something that will bring again peace and prosperity to the world, and we have all wished to see militarism disappear; it is the curse of humanity in this day; we have to keep at it until it is finished. I care not how long the battle; it may be a most serious, long and discouraging struggle, but now that we have entered upon it we must see it thru and tered upon it we must see it thru and our legislation must be based on the fact that it is to be a long and a severe struggle. If that is the case, and while this is an emergency measure we have here today, we must revise our orientation in regard to our financial strucback here next session and establish

The Wall Street Menace The national credit is based on the savings of the people whether in in-surance companies or banks or saving will not consider the task accomplishsocieties and on investments of one kind or another; also the credit of a country is based largely on securities that our companies issue. We have been issuing in this country, as they have in United States a place of the consider that the companies issue. We have been issuing in this country, as they have in United States, a class of the credit of this country and caused enormous losses to our people. If we had in Canada now the money we have ost in speculation in watered stocks, engendered and encouraged by the action of our banks thru their call loan system, we would not have needed any emergency proposals here today. If we want to hold up the national credit, which is partly based on the securities issued in the country, we have got to take charge of all those issues, no they may be. I read the other day that a great railway corporaties perhaps with the consent parliament, I do not know; but from this moment there should not be any kind of security issued in this country that has not passed the approval of some responsible government board in the direction of seeing that that issue will not hurt the national credit. The has been injured by watered issues. Our national credit has been so in-We saw the stock exchanges jured. closed the other day because of trading enormous stock, carried on in Europe and this country and support-ed by the banks of this country and other countries.

The Watered Stock Menace. If we have control of the banks it s time we told them that the savings of the people of which they are the custodians shall not be used for stock speculation, that if they are to be used for facilitating investment it must be on lines approved of by some respon sible government board. sible government board. The stock exchanges of Toronto and Montreal ought not to be allowed to be reopened until this matter has been cleared up.
The way to do it is for the government, in taking the wide powers they are taking now, to take further power urday, completed its work of organizato say that advances by banks of this to say that advances by banks of this country for carrying stocks on margins shall not be allowed. Are we to know before this session closes that the savings of the people to the extent of \$200,000,000 in the banks of this country and placed on loans for stock speculative purposes in the United States, is to be ordered back if it can and not again used for that purpose? The responsibility to do this is on the government. They have the surface of this completed its work of organization, Departments covering every phase of the league's work were arranged, so that any woman in Toronto who wishes to do anything to relieve the suffering caused by war conditions will be able to find scope for her energy. The names of these departments and their convenors will be published shortly, as well as a list of the women who compose the central committee. The meeting passed a resolution calling upon the mayor to give official sanction to all the patriotic funds being collected in the city. hould have grown, it is because our banking and currency laws do not keep abreast with the requirements of the times. I give the minister credit for relying on national notes to help him and not again used for that purpose? The responsibility to do this is on the government. They have taken wide out of this emergency, and I give him me tell the house and the what is the acual of business in this provision; it should be the bold and that has been wrought. Let applied to the power would be the bold and that has been wrought. Let applied to the provision with the provision that has been wrought. Let anybody go into Montreal or Toronto or any of the towns of Canada and see the dis-tress that has been wrought, how profits made out of real estate or manufacturing or merchandising have been dissipated in years gone by. Nearly all the profits that have been made in Can-

TEUTONS CLAIMED **GREAT SUCCESSES**

Report by Wireless Repulse of French in Lorraine and Belgium.

EIGHT GUNS CAPTURED

Army of Crown Prince Ad vances on Both Sides of

Special to The Toronto World. ouraging nature. The strong nich has been advanced against innen, a town on the German a said, was completely checked

office, has been completely frustrated by the German defenders. In Lorraine the despatches stated, the French are retiring from the border.

Germans Amused.

Reports of the Havas News Agency, according to an official statement, from the German minister of foreign affairs, concerning the "so called French progress" are causing amusement among the German people.

An army under the crown prince of Germany is advancing on both sides of Lonkwy, having defeated and forced back the French defenders. The army under the Crown Prince of Bavaria, which has already reported one victory in Lorraine, is pursuing the beaton enemy, according to the radio reports. The pursuing Bavarians have reached the line at Blamont, Luneville, and are continuing the advance. Since Friday German artillery has been pounding at Namur, with no decisive victory as yet.

The embassy here was notified that a number of new Zeppelin airships are nearly completed. They will be put to work along the eBlgian coast and over the English channel.

DRIVE THE GERMANS FROM BELGIAN SOIL

French Resolved to Free Territory, According to Official Declaration.

Special Direct Copyrighted Cable to a system of currency and of national PARIS, August 22.—The following credit adequate to the requirement of official communication was made pub-PARIS, August 22.-The following

lic today: "Despite the entry of the Germans into Brussels, France is resolved to

defence of their country, but the enwatered securities that have injured gagements which we have undertaken are only the more solemn, and our cooperation will be be pursued with extreme energy." JAPS TO OCCUPY

SOUTH MANCHURIA

Pekin Despatch Says Large Numbers Are Arriving on Chinese Soil.

Special Direct Copyrighted Cable to The Toronto World.
PEKIN, Aug. 23.—Having decided on war, the Japanese Government is preparing to extend hostilities over China eastward of the Yellow River. At noon today all Germans were placed under surveillance and already some are being ejected from Mukden, Changchun and at Dalny. The German consul at Mukden, and other Germans at Manchuria have been ordered to leave or be arrested, while large numbers of Japanese are arriving at Tsinanfu with the object of seizing the German railway at Shantung immediately after hostilities are opened. The Chinese express the belief that the Japs intend to occupy southern Manchuria.

WOMEN PATRIOTS HAVE COMPLETED ORGANIZATION

Opportunity Open Now for Toronto Women to-Work Toward War Relief.

A prolonged meeting of the executive committee of the Toronto Women's Paturday, completed its work of organizabeing collected in the city

our banks, and who today feel the great stringency in regard to currency, against these two things, allowing our banks any further to lend money for stock speculation purposes and allow-ing any stock issue of any kind under a federal charter or a federal act of

OCCUPATION OF OSTEND MAY THREATEN ENGLAND

English Military Expert Belie ves Kaiser May Be Planning Spectacular Dash Across North Sea — German Main Line Aims for Belgian Port Instead of French Frontier.

Special Direct Copyrighted Cable to NEW YORK, Aug. 23.-A British

after the declaration of war was to continent in the event of Ostend send a mine-laying steamer to scatter Dunkirk and Calais falling into Ger floating mines in the lower part of the man hands."

Battle Near Charleroi Attack Made on Namur

Ostend Not Yet Occupied by Germans-Belgium Now a German Province, at Least Temporarily, Since Battle Has Yet To Be Fought-Seizure of Art Treasures Feared

graph Company says that a big battle appeared to have been taking place since early morning near Charlerol, in southern central Belgium.

Charleroi is less than 25 the farmer of the French frontier. No details of the fighting have reached here. It is not known who won or even which army, Belgian or French, opposed the kaiser's troops. It is quite possible that the French in force have made a stand to prevent invasion of their own stand to prevent invasion of their

a heavy engagement took place at Charlerot. On that occasion it was asserted that 6000 Germans had been killed. Possibly this is a continua-tion of the same encounter, which may so long awaited.

There was other fighting in South Belgium today. The Germans, with big guns, began a hombardment of the Strongly fortified City of Namur, and the Belgian fortifications endeavored to defend the place as they did Liege.

Apart from these engagements, the Belgian situation seemed to be as follows:

Apart from these engagements, the Belgian situation seemed to be as follows:

were filing their despatches. They could not do so if the town were in the hands of the invaders.

Preparations were made to have own wide open for the ingress whatever German forces choose to occupy it. The civic guard was dis-banded and 400 volunteer soldiers who had been there were sent away.

lows:

Despite early reports, Ostend, the scacoast town on the Dover Strait, appears not to have been taken yet by the Germans. What news there was from Belgium reached England thru

BUST OF KAISER HURLED INTO LAKE

Extra Police Patrol For Park.

Special to The Toronto World. BERLIN, Ont., Aug.23.-Early this norning persons unknown tore the oust of Kaiser Wilhelm I. from the monument in Victoria Park, which was erected seventeen years ago. and was found in the Rideau Canat at the threw it into the lake, badly damaged. exhibition grounds Saturday morning Three young men were seen at a late hour last night hovering around the bridge in the park.

The mayor has ordered an extra patrol for the park.

The incident has caused great excitement and bundreds visited the scene today. The monument was erected in 1897 as a memento of the Franco-Prussian war of 1870.

GERMAN MINES DESTROY STEAMERS FRANCHISE IS REFUSED

Two Dutch Ships Clearing Canadian Press Despatch. From Swedish Ports Blown Up in Gulf of Finland.

LONDON, Aug. 22.—(Central News Cable). The British Admiralty makes public a report that two Dutch steamers, clearing from Swedish ports, were blown up yesterday by German mines in the Gulf of Finland. It is known that Britain thus far, has laid no mines during the present war, but the Ger-mans continue to indiscriminately scat-ter mines in direct contradiction of ter mines in direct contradiction of the Hague convention.

RUMOR DROWNING DUE TO FOUL PLAY

Mayor of Berlin, Ont., Orders Ottawa Police Investigate Death of Major Campbell-Father in Toronto.

Canadian Press Despatch.

OTTAWA, Aug. 23.—The police are investigating rumors of foul play in connection with the death of Major A R. Campbell of Saskatoon, whose body An inquest was opened Saturday night and adjourned until Monday night. He was major of the 105th Saskatoon Fusiliers and had come to Ottawa when the war broke out to enlist, but had not been attached to any corps. The remains will be forwarded to Toronto, where his father, Col bell, lives, for interment. Major Campbell, who was in his 30th year, is survived by a widow, and a telegram has been received from her that she is leaving for Toronto.

TO SWEDISH WOMEN

The woman's suffrage bill was rejected by parliament last night. This bill has been supported by the Liberal and Socialist parties, The

vote on it was favorable in the sec-ond chamber, but adverse in the first. BRITISH STEAMERS WITH GRAIN.

GALVESTON, Texas, Aug. 22.—The British steamers Maizie and Elliston cleared today for Birkenhead and London with wheat cargoes amounting t bushels. This makes a total of fifteen grain cargoes cleared for foreign ports this month, aggregating more than 3,420,000 bushels. OPE SE Marched

Conservative ing Pat

OTTAWA, taken by the go sent crisis as e fective. He sub tion of the Libe was of the mo overnment an

in every way.
more contingen
Canada if they
engaged in a ri should be no le Col. Sam Hu Clark for his rement refered to ber for Red D first contingent. to say that ev front was in t offered to go b sent at this ti "The patriotic

not be refused. recruiting stati trains." There were five thousand that number the courage, ethe Belgians affence that would give as themselves on

themselves on A Privile Hon. George touching refere of his son, Per dealt with me would today he the Canadian Mr. Graham w. Mr. Graham w not as a matter regarded it a shoulder to shifthe British E. Canadians were all party differed by the could not but solemnity of the

solemnity of the a nation of duages, but new are today. often concealed racial fueds had noble bonds an ness, all self This session of

This session o cated the put mentary life o God "What is be The right does a single battle There is morr march out, an pets and the not lose courag a series of rebelieve that i right will prev right will preSir George
quently to the
bers of parlia
for the front.
only to fight
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