

The Toronto World

FOUNDED 1880.

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will pay for The World for one year, delivered in the City of Toronto, or by mail to any address in Canada, Great Britain or the United States.

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WEDNESDAY MORNING, AUG. 6 1913

THE CENTRAL GOLD RESERVE SCHEME.

Finance Minister White's stay in London synchronized with the appearance of an article in The London Times, explaining the purpose and intent of the clauses in the last Bank Act, creating a central gold reserve.

At present the banks have in their vaults about 38 million dollars in specie, and hold Dominion notes for which they may demand gold from the Dominion Government aggregating 84 million dollars. These Dominion notes to the extent of 77 million dollars are large "bank legal," i.e., notes of the denomination of \$5000 used in clearing balances among the banks. Now, the banks would like to have more of their gold represented by currency in circulation. They could easily get for their gold or big bank legal, Dominion notes in denominations of \$5 and multiples thereof, but they prefer not to have any Dominion notes in circulation.

By the central gold reserve legislation, the banks will be able to draw their gold or a considerable part of it from the vaults of the government, deposit it in the central reserve, and issue bank notes against it. This legislation will therefore enable the banks to get an emergency currency at all times, without permitting the circulation of Dominion notes among the people, and are told:

But a prudent minister of finance will not assume that times will always be ordinary, and indeed it is possible that this autumn will see a situation of painful pressure upon Canada's financial resources. At such times a more or less insignificant action by a bank may start a panic. It is at least a serious run on deposits.

In the United States the emergency currency is being furnished by the government. In Canada under the central gold reserve plan, it is to be furnished by the banks. We are told that the Dominion Government cannot issue paper except against a gold reserve of one hundred per cent; the banks will have a reserve of one hundred per cent for their notes issued against the central gold reserve, but their circulation generally will have no such support. Even today, the note issues, government issues and bank issues combined, exceed the visible supply of gold in Canada by over \$9 million dollars.

Our position is that the national credit is a better foundation for the currency of the country than the credit of individuals or private corporations and that the national government and not the banks should issue the money of the country. The central gold reserve scheme, as we view it, throws upon the banks the burden of relieving a situation, of which it may be said without offence, that it is beyond them. The "reserve" has not been organized; we do not know when it will be. We more than suspect that the banks and the people alike will turn to the Federal Government of Canada for relief, such as the banks and people of the United States are obtaining from their government.

ANOTHER FRANCHISE TO BUY.

With the full consent and approval of the city council, the township authorities granted a franchise to the Forest Hill Railway Company yesterday. It costs the grantees nothing, but it may cost Toronto millions.

The railway will demonstrate the principle that population follows a car line. It will run thru what is now a vacant real estate district. This will rapidly fill up as the line is built, and the promoters, who will probably sell their franchise to the established radial interests, will make fortunes on the real estate in which they are interested along the route.

When everybody else has reaped the profits the city will be asked to annex the territory and supply the population with the blessings of civilization. We thought it would have been wiser to let the city have a hand in the profit-reaping to start with, and have not changed that opinion.

WHAT IS ONE LIFE?

The more fact that one man lost his life there is no reason why you should stay racing altogether," was Aid McElride's hard-headed comment on the suggestion that motorcycle racing be eliminated from the Exhibition program.

"On with the dance; let joy be unconfined." Cranks and boozers who don't care to see people risking their lives may stay away from the sport, and should not interfere with other people's pleasures.

What gives motorcycle racing its fascinating thrill is the chance that three or four fellows may be all mashed into



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OK SPECIAL OK
EXTRA MILD STOUT

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The Invalid—the Student—the Overworked Business Man finds health and renewed vigor in O'Keefe's Extra Mild Stout. Rich in mild, stimulating food values, mild in strength and flavor, it is an ideal food tonic and home beverage.

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pulp at the next corner. The Miss Fannies and Sweet Willies who don't like such excitement shouldn't go. Isn't that the idea?

AN "IF" IN THIS.

What Journals have been applauding Mr. McNaught for speaking out in praise of the Mackenzie offer and what Journals would "loudly" condemn Hon. Mr. Beck if he spoke out against it?

We ask these questions because The Telegram, which has a way of talking at large, or thru its hat, has stated that "the Journals" to which it alludes would act in this manner; and because there are a number of assumptions in The Telegram assertion that seem quite baseless. Mr. McNaught spoke some time ago in praise of the principle of purchasing the railway. This is quite different from praising the terms proposed, but The Telegram thinks not. The agreement to purchase was not signed until after Mr. McNaught left the city on his vacation. He could not therefore have praised an agreement which did not exist. The Telegram thinks he could. Mr. Beck has stated that he would say nothing about the agreement till all the facts were before him. The Telegram thinks he might. If he did, The Telegram thinks some Journals would condemn him. Judging by The Telegram's stand, they would, for The Telegram professes an infallibility more profound, if less pragmatic, than that of theology, and that kind of infallibility involves the condemnation of everyone and everything of which it disapproves.

The Telegram informs us that "the Mackenzie offer is a concrete grab of \$30,000,000." If there is no more in it for the city than The Telegram asserts, The Telegram ought to be wild with delight for the valuations will report against it. The Hydro-Electric Commission will denounce it. The city council will turn it down, all the rest of us will have to apologize. Mr. McNaught will have to retire. Mayor Hocken will take up permanent residence in Newfoundland. Tommy Foster, the honest watch dog of the city, will be installed as city treasurer. "R. J." will continue to preside over the strap-hanging public for eight years more or longer, and The Telegram will celebrate a jubilee.

GERMAN CITY ADMINISTRATION.

Cologne, the largest city in West Germany, and the fifth in the German Empire in population, recently had a "municipal exhibition." It occupies an area of 49,422 acres, ample to house its population of 600,000, and to leave room for future expansion. Land is plentiful and the municipality itself is a large landowner, reaping in this the advantage of a law which recognizes the right of a city to secure part of the values which its citizens have been chiefly instrumental in creating. As is common in Germany, Cologne derives a considerable revenue from its land and other investments, and from its publicly owned and operated services.

In an article appearing in The Municipal Journal of London, England, its special representative at Cologne says the greatest stress is laid there upon a systematic and sound administration of finance. In that connection the following principles are officially laid down and rigidly observed:

1. The revenue and expenditure of the municipality must be in such order that the financial position of the city must be apparent at any moment.

2. No expenditure must be made if funds are not at hand to meet it.

3. Loan expenditure must be kept

as low as possible, current expenditure must be met by current income and only extraordinary expenditure may be met by loan. All loans must be redeemed as soon as possible.

4. All properties which "depreciate" must provide renewal fund.

5. A "tax balance fund" is provided to steady the variations in the yield of taxes owing to periods of bad trade.

Cologne's financial year extends from April 1 to March 31, and every year the administration brings in a new budget, which is subdivided into departmental budgets. These latter must be prepared by October 15 of each year, and remitted to the city controller for checking and endorsing. They then are considered by the various committees and ultimately reach the city council, whence, after discussion, they are referred to a finance committee to be later finally approved. All the finances are checked by a "continuous audit" of a very complete and exhaustive character.

POLITICAL CONTROL OF THE CURRENCY.

The big banks of the United States are not openly antagonizing the administration's currency reform bill, is a long step in the right direction, however much they may object to this, or that provision. They realize that Mr. McAdoo is a big strong man who realizes and does not fear to use the tremendous powers vested in his hands as secretary of the treasury. With the president and congress behind him, the secretary is a formidable figure for even the money trust to antagonize.

Thus we find the City National Bank—Standard Oil and money trust institution, and the biggest bank on the continent—criticizing the currency bill before congress, not vehemently and aggressively, but in a fair and dispassionate manner. It is quite prepared to admit that the government and not the bank should issue the currency of the country, but argues that the bankers rather than the board appointed by the president, should decide as to loans, rates of discount, rediscounting of commercial paper and so forth, and even goes so far as to recommend that two boards be appointed; one, to be composed of bankers, and the other to be more directly responsible to the president.

The big bank will apparently have to be satisfied with an advisory board, to be named by the bankers; the administration and the majority in congress will not yield the point that full power and responsibility must be lodged in the government. This view is endorsed by leading newspapers of the country, and well worthy of careful consideration are the following observations from The Newark Evening News:

The issues of banking and currency—money and credit—indirectly and vitally enter into the life of every man, woman and child in the nation. They form the nervous system of industrial life. Neither their sensitiveness, importance nor influence can be over-estimated. It is the power to create a panic or allay one. It is the power to kindle a fire of destruction or to bring about a saving power—in the wrong hands—a saving and stabilizing regeneration—in the right hands, where should the control of anything so intimately vital lie—with the bankers or with the government? The question cannot be evaded. The City Bank's two-board proposition can be dismissed without argument. It is precisely those discretionary functions that it proposes to leave with the bankers that can make trouble, and the misuse of those discretionary powers cannot be proven or reached

by enforcing the law. "The only real issue, who is to have these powers—not who is to enforce the law. And the power is the more dominating because banking is a mystery to too many 'average men,' to trace the causes and effects. It is a power worth fighting for—one to make or unmake parties and dynasties. The effect of one panic—1893—was a political power for 20 years.

Inadequate transportation facilities are emphasized by civic holidays.

The Mexican situation has developed a bad case of too much Wilson of the Henry Lane variety.

Sixty pounds' pressure at the nozzle when a section of the city is threatened with destruction is worth ninety pounds of promise at the city hall.

The parcel post is no longer an experiment in the United States, but a demonstrated success, and as a business proposition has come to stay regardless of the dismal prophecies of the express companies.

However glad the thousands may be to get away from Toronto for a holiday, they are equally pleased to return and take up their respective parts in making this the greatest city on the continent.

There will be no made-to-order Wall street panic across the line when the time comes to remove the western crops. The secretary of the treasury has taken the situation in hand and will advance the western banks a sum sufficient to meet the requirements, and the money barons of the street are now wondering what will happen next.

Toronto is well equipped with hotel facilities under normal conditions, but conditions are not now, nor will they be, normal in this city for years to come. The rapid growth which is just beginning and which will continue until Toronto is the third city on the continent will necessitate additional hotel accommodation, and the sooner they are provided the less will be the complaint of visitors, home-seekers and investors.

One good industrial plant employing 3000 workmen means an additional population of from twelve to fifteen thousand people, and there are a number of such plants across the line looking for locations over here, where they have the world for a market. Toronto can get a number of these plants by going after them, and no better investment of time and effort can be made than to act promptly in this matter.

RHEUMATISM.

Editor World: Please could you give the readers of The Toronto World a good remedy for rheumatism? A Subscriber.

Rheumatism is said to be the result of the deposit of uric acid in the muscular system, caused by the eating of meat. Vegetarians claim to be free from this disease, and state that by giving up meat it may gradually be cured. To eat oranges at first in the tissues of the uric acid and hasten the cure. Most western people prefer to die eating beef.

There is the bee-keeping cure. The principle is practically the same as that of the oranges, but not quite so agreeable. The policy of laying out acts upon the uric acid, setting up a condition which tends to its elimination. The Mayor of Indianapolis is taking a course of 40 stings this week. You can also consult a doctor.

THE CENTRAL GOLD RESERVE

An Explanation of the Mysterious Creation in the Canadian Bank Act Comes Out in London.

Very little explanation was given to parliament when the Bank Act was revised last session of the new clauses creating a central gold reserve under the control of the Bankers' Association. The minister of finance did not have much to say about it. Whether it has been created yet or not, The World could not ascertain yesterday. But a well informed correspondent of The London Times has lately put more clearly and explicitly than any previous writer, the precise facts as to how the currency system of Canada will be affected by the new central gold reserve, if the Bankers' Association and the government put it in operation. He says:

"Neither the provision for loans upon external debt nor the provision for the creation of a central gold reserve, which is the central gold reserve, is a domestic matter, inserted in the new notions of banking stability which have been recently introduced. It is a far more important indirect effect of helping to enable the latter to improve their earnings; but with the growth of mixed farming, the provision of a central gold reserve should have a far more profound influence—not only in times of stress, but in the year-round.

"As recalled above, the banks under the old act were able to issue their own paid-up capital, and beyond to the extent of 10 per cent on their capital and reserve funds. The new act, however, at April 30 last, the paid-up capital of 799,217, and the margin of emergency circulation of 108,414,337, a total together of \$883,631,554. The new act, however, at April 30 last, the paid-up capital of 799,217, and the margin of emergency circulation of 108,414,337, a total together of \$883,631,554. The new act, however, at April 30 last, the paid-up capital of 799,217, and the margin of emergency circulation of 108,414,337, a total together of \$883,631,554.

"Within one month Ward One will have more playground and park area than any other ward in the city." This was the statement made by Acting Mayor Church yesterday afternoon after he had intimated that the city solicitor had just sent out notices that the city would expropriate all water lots in the east and west of Victoria Park.

Exclusive of water lots the city will expropriate 18.70 acres of property in this district for park and playground purposes. This land has been surveyed and a survey is now being made of the water lots.

Besides the extension being made to Victoria Park the city will expropriate four other pieces of property in Ward One for park purposes. One piece has an area of 23 acres.

Eddy's "Safeguard" Safety Matches

- in special convertible box.
- good matches always ready at the bottom.
- burnt sticks are dropped in the top.
- noiseless; heads do not glow.
- and absolutely non-poisonous!

For safety's sake—Eddy's "Safeguard" Matches—ONLY—should be in every home.

EDDY'S Matches are the only NON-POISONOUS matches manufactured in Canada.

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serve to be released instantaneously by the deposit of gold or Dominion notes, and in practice, since the gold and Dominion notes are to a considerable extent expected to remain deposited in the central reserve, the circulation will be permanently extended.

"And in that period of the year when the emergency circulation clause is inoperative, even the central gold reserve will be a most powerful means of preventing office going forth with the banks. The emergency clause does give a substantial margin of safety during the autumn and winter, but during the remainder of the year the approach of circulation to the authorized limit has the past put the banks in a poor position to meet demands upon their resources. The question of obtaining a run on the banks at all times and with the utmost promptness has been one of the chief defects in the Canadian system. The central gold reserve promises to meet the situation and without the manifest risks of extending the emergency clause to a longer period of the year—as has been suggested."

The Philosopher

of Folly
ON THE SIGNS OF BRIDGES.

The poor unlucky candidate who got the job of laureate and now is poet for the state—in truth I envy not his fate. This luckless artisan in rhyme must be prepared at any time upon Pegasus back to climb and make him soar to heights sublime; his feet must never halt or tire—when ever comes the signal "Fire!" he must instantly grab his lyre and write an ode for special verse; each time they wring his office song, forthwith he must burst out in song, impassioned, noble, stately, strong, a full yard wide and six yards long. When Britain sends a poem cry "tis not for him to question why—his is the task to do and die; so oft with many a weary sigh he'll cudge at his sluggish brain from morn until the daylight wanes and grind out unpoetic strains which give him forty kinds of pain, and to a sad and pious case—when papers hold a front-page space which will he knows his ode must grace, how oft he'll think "Have I the face to let this balderdash and bunk land on the public's eye? I don't think I can do it." He'll write this junk when I was off my head or drunk. A hundred thought and slightly wits will pull this effort all to bits—they'll handle it without their mitts and put my name upon the prize. Alas, who is me, that in my pride I figured out that I could ride Pegasus any time I tried—Alas, that Alfred Austin died!"

PLENTY OF PARKS

FOR EAST TORONTO

Acting Mayor Church Says
Ward One Will Lead in
This Respect.

"Within one month Ward One will have more playground and park area than any other ward in the city." This was the statement made by Acting Mayor Church yesterday afternoon after he had intimated that the city solicitor had just sent out notices that the city would expropriate all water lots in the east and west of Victoria Park.

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539 Yonge Street. Phone North 2833.

WIDOW AND CHILDREN

SHARE FLEMING ESTATE

Will of Former Commandant of
Body Guards Filed For
Probate.

Heirs of the late Lieut.-Col. F. A. Fleming, who commanded the Governor-General's Body Guard, inherit an estate totaling \$19,757.32, made up mostly in stocks, \$72,942, and real estate, \$28,450; \$10,411 life insurance is included in the estate.

The will, dated Oct. 18, 1909, bequeaths to the widow all personal effects, excepting two gold watches, one of which goes to the son, Noel, and the other to the daughter, Ethel. She also receives the life income from a fund of \$60,000, which is to be invested for her by the executors.

The remainder of the estate is divided equally between the two children.

The Habit of Thrift

may be best cultivated with the assistance of a Deposit Account. If you have a Deposit Pass Book, you will have an incentive to save the small sums which too often are frittered away in petty extravagances. No matter how small the amount with which you begin, by regularly and systematically adding a portion of your income it will rapidly increase. The Compound Interest at Three and One-half per cent, which we add will materially assist its growth. You can open an account with one dollar. Obey that impulse. Take a pass book home with you tonight.

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Choice. ass. Single Piece Collars and Irons, etc., Cross, Point terms from say, \$1.50 for the Black, \$6.00, \$6.50. Real Irish Linen to give, ranging from yard.

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and Cui

Embroidered Inset, very for the Black, \$2.50, \$3.75.

Motor S

Fine, Fancy and Shoulders variety of d and black w ends—\$2.00.

Creme d

Scarves

In white, b shoulder or attached, an \$2.50, \$3.00.

Ladies' S

Splendid ass French and ing, black, \$7.50, \$9.00, \$4.00 pair.

MAIL ORDERS

JOHN CA

55 to 61 Kin

GIVE CHAR

FOREST

(Continued)

under the direct of the highways. Will

With regard to Weston road, Mr. the work would be done. He also is siding on the G. sidered adjoining in order to give a vice. The council cost of this impro roads completed in the district and benefit by it.

Reverend R. J. Buil the council re York, Etobicoke was also success after a vote of Land Co. and J. that Bayview an avenue, east of quito should look out that while t ceiving all the te no improvement ed for in return, improving these like a very small sizes.

Not Do "It's true," said we've got to do not doing any to do a little." Ye H. Miller, "we c Don't worry, we was referred to for a report.

near West Boylen additional \$2000 school, now bel grant will likely purch an investment, vancing the cash.

A little humor proceedings by a von, Telro-Eli complaining that street, Tordmore of the hydro hio painting it in stri of the council.

It thought if w light on the pole allow them to be purposes," rema is no business of hydro should loo "The letter poles." The letter

A petition was Maclean and the estimate of the cost electric wires on the road, from t nue to York Mill to the Hydro-Ele a report.

A letter from a resolution of the expedient to anne Township of York south of the To

(FRAM)

SPECI

Wheel your lengthen the watch. Pe structed, it delicate m the moven possible in

OVER a thin article deso Tella you how to THEAMERICA CO. OF TORO Largest mac in Br