

# Two Hundred Men Perished When Cruiser Pathfinder Sank

## Cruiser Blown to Bits Only Fifty Men Saved

### Probably Two Hundred Killed When Pathfinder Struck Mine in North Sea—Terrific Explosion Resulted in Disappearance of Ship—Help Arrived Quickly On the Scene.

Canada Press Despatch. LONDON, Sept. 7 (7.20 p.m., Sept. 6, delayed).—It is learned on reliable authority that the captain and crew of the British cruiser Pathfinder, which was sunk by a mine in the North Sea, have been saved. The destruction of the Pathfinder occurred about 4 o'clock Saturday afternoon in a point ten miles northeast of St. Abb's Head, Scotland.

While she was patrolling the coast the cruiser struck a mine which exploded near her bow. Travelers 10 miles distant felt the shock. From Eyemouth, 14 miles from the scene of the explosion, a huge cloud of smoke was visible on the sea. The torpedo boat destroyer was the first to reach the scene. She was followed by the St. Abb's motor lifeboat.

The Pathfinder was literally blown to pieces, and the sea was strewn with the wreckage.

**Wreckage Strayed Water.** The devastating effect of the explosion on the Pathfinder is emphasized in the report of Coxswain Nisbet of the St. Abb's motor lifeboat, which first arrived to give assistance. He says that for a mile and a half the water was strewn with wreckage of every conceivable description. There was little of the pieces that was larger than a man's leg. In the midst of the debris he found a ship's Bible floating and extraordinary collections of personal articles from the cabins in the interior of the ship.

**Steam Drifters to Rescue.** A message received in London states that in addition to the motor lifeboat several steam drifters hurried to the spot where the Pathfinder sank, and adds that it is learned on reliable authority that the captain of the Pathfinder and some fifty or sixty of his crew were saved.

About ninety of the crew of the Pathfinder, dead and wounded, were picked up by torpedo boats and taken to a hospital at the naval base. Capt. Leake and several other officers were saved. An official announcement of the casualties among the officers were one killed, nine missing, one seriously wounded and one slightly wounded.

An eye witness, describing the sinking of the ship said: "In less than a minute after the explosion we saw the smoke of two vessels and suddenly two torpedo boats came into view tearing thru the water. We tried to attract their attention, but they made straight for the scene of the wreck. I do not know how any wreckage or

## The People, Not the Banks, Should Make the Currency Laws.

No country should make a private monopoly of its currency or money supply. Canada is the only country that has done so, and our people and our business are suffering in consequence. There is a money scarcity not altogether due to the war, suffering in consequence. We might as well turn over the making of the tariff or the administration of the political system to irresponsible private beings responsible to the public; members of parliament, ministers, officials, even judges. Their conduct in the discharge of the duties they assume can be reviewed at any time and explanation demanded. They may be removed or disciplined. The minister of customs and the minister of finance and all the officials under them are responsible for the working out of our tariff legislation. We do not let those who pay the customs and excise duties make the tariff law or administer it. But we let our private banks make and supply the currency, the money of the nation; and they perform this business largely from their own point of view and to their own advantage. There is no patriotism in banking—it is a very cold-blooded business.

Where does our currency come from? The state supplies the gold, the silver and the copper coinage, and the one and two-dollar bills. All the rest of the currency is supplied by the banks in the shape of bank bills. There is always from ninety to one hundred millions of dollars of these bank bills in the banks or in circulation. The banks are the sole masters of letting out and getting in this currency. They make it, and they can refuse to let it out to customers. Much of the business is done without the direct use of currency; it is done by credit sent to business men by banks, by deposits in banks, and those in business pass checks on the banks to one another, the net result of which is to cancel one credit against another or one debit against another. Banking is largely a business of hearing or cancelling the debts as between the different members of the community. But all this is a different story as far as currency is concerned.

Our story today is about currency—and as we've said above, the banks supply our currency. They have the right to issue notes—promise to pay—up to an amount equal to their capital, for which we charge them nothing; and we give them the right to issue additional or excess currency substantially equal to thirty per cent. on their paid-up capital, on which they are expected to pay to the government interest. The total bank-note issue thus authorized is over 130 millions of dollars, of which about 90 millions is issued. The banks are the sole masters of their money; they loan it or they hold it; they take no risks in regard to it, nor in regard to any money in their hands. There is no sentiment in banking.

It is true we have authorized the minister of finance to issue Dominion notes on the security of the Dominion of Canada, and we have paid some of these out for public debts, and we have exchanged some (twice and once) with the banks in order to help in providing a circulating medium. But we only get these ones and two out because the banks are prohibited from printing notes of these amounts. It is true we have printed some five and some larger denominations, but as the banks have the same sizes, and once they get these Dominion notes in their hands they keep them in cold storage. That the banks find it highly profitable to issue bank notes is proved by their close organization to keep Dominion notes out of circulation. They'd chase out all the ones and twos if they could.

It is true parliament has authorized an increase issue of Dominion notes, but under conditions that make it difficult to get them out. Largely because the banks have had all the say in the issue of Dominion notes. They have as a matter of fact dictated the currency system of a Canada, including Dominion notes, ever since we've been a country. Every minister of finance has put himself in the hands of the banks; has done what they allowed him to do, and little else. The business men, the manufacturers, the people, have never been consulted. All the emergency legislation passed three weeks ago was the result of conferences between the minister and the master bankers. No presidents of boards of trade, of manufacturers' associations, of farmer organizations, of labor organizations, were consulted. They were all vitally interested. The people in the streets and in the fields were not consulted. The matter decided was hardly explained in the house. Any one who raised the currency issue when the Bank Act was revised in parliament, less than two years ago, was treated as a crank.

And yet the currency question is of ten times the import of the way in which banks are to be organized and regulated. In times of stress we find out that it is a supreme issue.

With the connivance of the banks parliament three weeks ago authorized a further issue of Dominion notes in order "to conserve the financial and business interests of the country"; but we left the initiative thereof in the hands of the banks; and as they are supremely jealous of national currency, are afraid that it will injure or destroy the fat monopoly they have now of controlling the currency of the country, they are organized as a matter of fact against its use. If they have to get more currency—and they are disposed to let out more money to customers for carrying on business—they will put out more of their own notes as authorized by the provision for "excess currency," as it was called when it was first created for the purpose of moving the crops.

But inasmuch as some of the banks are seized of the idea that extreme caution is the order of the day in war times, and therefore that they have insufficient confidence in the situation, they refuse to lend out even this money; and by the rules of the clearing house in regard to redeeming one another's notes in gold or its equivalent they can effectively discipline the other banks that have sufficient confidence in the situation, or who think they owe a duty to their customers in business, and thus head off the use of this excess issue of thirty millions. When we say this, we speak of what we know, and on the authority of men directly concerned.

In word, we are at the mercy of the banks, both as to bank-note currency, and largely at their mercy in regard to national notes. Few, if any, of them have yet borrowed Dominion notes against approved securities, also authorized for the first time at the recent session. They do not care to take the risk, because they must become endorers of the loan.

After three weeks' experience the government has changed the rules of letting out this national currency, and we have questioned whether they will succeed. Why? Because we have given our banks a monopoly of the currency issue, and we have put them between the nation and the banking of national notes on approved securities!

But these bank managers and their organization—Bankers' Association, they call it—are absolutely without any responsibility to the public, to parliament, to government! They have to give account to no one—saving their shareholders—for what they do. They are, like the kaiser, all powerful and irresponsible. And they have in cases considered the officials of postoffice, and general manager in one many banks, and this one man has for a long time now been picking the directors of the banks; they are the whole works. They are very like the kaiser in a way. We do not know better men for their business, say than Colonel Wilkie and Mr. Duncan Coulson. They have built up big and strong banks. And the colonel is at the head of the Bankers' Association, and in virtue thereof, the main adviser of the minister of finance. But are these able and all-powerful men the men who ought to make our currency system and our national financial policy? So far they've done it. The time has come for a change and this war stringency has rushed it forward. Now is the time to make a truly national currency in place of bank notes and to establish a national bank by means of which the regular chartered banks—deprived of the note-issue powers they now have—would avail themselves of the national note, and the national credit might be advantageously used for the good of business, or to come back to the words of the act of parliament, "to conserve the financial and business interests of the country." We may be called a demagogue, and a "limp-lighter" and other things, but we are not going to stop till we win out in this direction.

And the thing we propose is what, after many years of plunging and mystery and much heart-burnings, our neighbors, the United States, have come to. They have at least a national currency, and they are organizing national reserve banks to loan an unlimited issue of national notes to the member banks of the reserve banks as against approved securities. The banking of the States hereafter is to be with a national currency and on the credit of the nation, plus the resources of the banks. But the nation is to do the legislation and make the rules under which both are to be conducted. In other words, banking and currency are to be treated as public functions, mainly for the public advantage. No one wants to injure the banks, no one denies their service to the public, but it must at least be a partnership, not a jug-handled arrangement, and the public must be the senior partner. And it is surprising how many people in Canada think this way since they began to get light on the mystery.

**DEATH'S HEAD HUSSARS REPORTED ANNIHILATED**  
Canadian Press Despatch. LONDON, Sept. 7.—A Petrograd despatch to The Daily Mail dated Sunday says that the Bourgeois Gazette reports that a squadron of Death's Head Hussars, of which the Crown Prince was commander during his stay at Dantzig, was defeated and completely cut up near Rocooczin in Poland. Count Stolberg, the commander of the squadron, and all the other officers were among the fallen.

**BELLEVILLE FAIR OPEN.**  
LONDON, Sept. 7.—Belleville fair opened today under unfavorable circumstances, but with a good attendance. Many of the stalls were declared the fair open. The exhibits of live stock, grains, etc. are good. The condition of the ground was such as to preclude the holding of speeding contests. The fair will continue Tuesday and Wednesday.

**INCITING MOHAMMEDANS.**  
LONDON, Sept. 7.—The correspondent of the Reuter Telegram Co. at Rome says that a despatch has been received from Naples, saying: "Steamers arriving from Egypt report that German emissaries are inciting the Mohammedans against England, saying that Germany is everywhere victorious."

## TEM KILLED, PROPERTY WASTED, HOMELESS BY FLOODS AT KANSAS CITY

### Dreadnought Australia In Chase of Nurnberg

Canadian Press Despatch. HONOLULU, Sept. 7.—The Watson Navigation Co's steamer *Wilhelmina* reported on arrival here today that she picked up a wireless message from the British dreadnought *Australia*, then in Hawaiian waters, saying that she was in full chase of the German cruiser *Nurnberg*, which left here Sept. 1.

The *Nurnberg* is a small cruiser of only 3454 tons, and, if overhauled, would have little chance with even an armored cruiser. Her main battery consists of ten 4-inch rifles.

It is believed here that the *Australia* cable to British Columbia was cut by the *Nurnberg*.

Interruption to the cable is between the Bamfield, B. C., cable station and Panning Island. No particulars are obtainable.

## BATTLE AT VERDUN SHOULD BE DECISIVE

Repulse of Germans Will Give Allies Chance to Assume Offensive

## KAISER IS DESPERATE

Emperor's Presence Significant of Vital Importance of the Struggle.

Canadian Press Despatch. LONDON, Sept. 7.—A great decisive battle is being fought at Verdun, the strong fortress of France on the Meuse near the French frontier.

If the fourth German army, marching southward, cuts off the retreat of the French eastern armies, which recently have been holding the Germans in check between Toul, a fortified town fourteen miles west of Nancy, and Epinal, also strongly fortified and near the Alsace frontier, it might repeat the coup which in 1870 drove General Charles Denis Struter Bourbaki and his army of 150,000 men into Switzerland. Hopeful critics are speculating on the possibility that the German swing around to the south may mean an effort on the part of the invaders to march south of their retreat thru the Meuse district, but more likely it is a scheme to strike such a paralyzing blow to the French army as to render the investment of Paris a safe operation.

**To Effect Junction.** The southerly movement of the German army may effect a junction with the crown prince's army and that of Bavaria, which has been held on the defensive in Lorraine. Thus the Germans would advance from the east and north in a vast enveloping movement to crush the allies' right wing by sheer weight of numbers, as their left was pushed back during the last fortnight.

These preliminary movements, if showing nothing else, at least prove that the Germans realize that the siege of Paris, even its occupation, is quite worthless from a strategic standpoint while the allies are free.

Corroboration of the above mentioned theory is contained in a despatch from Berlin, which describes a battle in the difficult country between Verdun and Bethel, as the deciding conflict so far as France is concerned. This despatch states that the opposing forces are almost equally divided, but that the French have the advantage, fighting from a defensive position of their own choosing.

Another significant fact is the general agreement that Emperor William is inspecting the field of operations in this neighborhood.

Reports disagree as to his exact whereabouts, but all agree that he is in the vicinity of the Franco-Prussian border.

**Will be Decisive.** The conflict in this region must have decisive results. The capture of the great French fortresses would be a terrific blow to France, while the repulse of the German army would give the French a chance to assume the offensive, a course needed on account of its moral effect in the western theatre of war.

The mine danger in the North Sea is becoming such a menace that it may be closed to navigation during the night time. The admiralty notice gives the right to put out the coast buoy lights at any time which would make it difficult for German mine layers to continue their work.

## NEARLY MILLION TROOPS ENGAGED

Kaiser's Forces Fought With Backs Toward the French Capital.

Canadian Press Despatch. PARIS, Sept. 7.—In the fighting which is going on today to the east and north-east of Paris, nearly 1,000,000 troops are said to be engaged. The German forces have their backs toward the capital. French troops are harassing their march. From time to time the Germans turn and engage the French at their back. French shells fall continually in the German rear. Judging from reports made public in Paris, German troops covering the

## Cloudburst Over Large Section of the City and 500 Homes Were Flooded—Hundreds Still Missing—Many Thrilling Rescues.

Special to The Toronto World. KANSAS CITY, Sept. 7.—More than 1,000 persons were made homeless, two men were killed and a property loss estimated at \$1,000,000 was caused by a cloudburst here last night and this morning. It was the worst flood that has visited this city since the event of 1903. Fifty children and their parents were rescued by policemen and two volunteers who swam to the marooned family and took them in a tub from the second story window.

Beginning at 9 o'clock last night the rain fell continuously until 9 o'clock this morning, during which time seven inches of rain was recorded. Many homes located in the path of the storm were swept away by the swirling waters. In parts of the city where the streets were low the water drained from the hills and stood twenty feet deep. Scores were rescued from houses and buildings by boats and rafts.

**Thrilling Escapes.** Many thrilling escapes were narrated. The southwest boulevard district was the hardest hit. That section was flooded over an area of 20 blocks long and from 2 to 6 blocks wide. In some sections the water reached the second stories of residences and commercial buildings. It is estimated that 500 homes in that district were flooded. Tremendous losses were caused because the insurance companies have refused to write flood risks. Until the water recedes it will be impossible to tell the total damage.

Hundreds are missing; but it is believed that most of them were driven from their homes and will be accounted for later. Heroic rescue work was performed by firemen, policemen and private citizens.

As soon as the rain stopped the water began falling. The weather is still threatening, and it is feared more rain may add to the suffering of the flooded district. Many churches, residences and business places were opened to aid the victims.

Every corner filled. A moving overpowered the confidence of the city. It was not more than for traffic. Each one thought the portion of the buildings it was crowded. The gates had before the first rain seemed to be organized in the previously amalgamated grounds the turning of the clicking entries.

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## BIG RUSSIAN FORCE PRESSES AUSTRIANS

Vienna Admits Outlook is Black—Muscovites Far Outnumber Adversaries.

VIENNA, Sept. 7.—The main Austrian army of invasion, commanded by Gen. Moritz von Auffenberg and Dankl, are desperately engaged today with an overwhelming Russian force between Hrubieszow, Russian Poland, and the Galician border.

The Russian troops are commanded by Gen. Ruzsky, who recently forced the Austrians to evacuate Lemberg, and it is stated here that the Russians outnumber the Austrians four or five to one. The Austrians are heavily entrenched and are fighting on the defensive, pending the arrival of reinforcements from Germany.

Gen. Von Auffenberg in his official report admits that his armies are hard pressed.

In Galicia the Austrian forces on the San River have been reinforced and the Germans are bringing up their heavy guns. The centre of the Russian attack is the fortifications at Przemyśl, west of Lemberg. The Austrians here are heavily fortified and new guns have been mounted which command a sweep of the river. The Russian proved very effective. Completely destroyed.

## CAPTURED VESSELS REACH HONGKONG

Many Prizes Taken—German Engineers Held at Revolver's Point.

Canadian Press Despatch. SHANGHAI, Sept. 7.—Hongkong reports the arrival there of a number of prizes, including the American steamer *Paklat*, *Frisia* and the Rajaburi.

The prize crew of the *Paklat* held the German engineers at their work for three days at the point of revolver, and frustrated an attempt to disable the engines.

The American steamer *Hanamet* is of 2708 tons burden and is owned by W. Katz of Shanghai. The *Paklat* and the Rajaburi are owned by the North German Lloyd, the former being of 1277 tons burden and the latter of 3150 tons. The *Frisia* is a ship of 3150 tons.

Both the *Hanamet* and the *Frisia* have previously been reported as having been seized. The *Hanamet* is suspected of carrying contraband. Her owner, W. Katz, has applied to the American consul at Shanghai for indemnification.

**ELGIN COUNTY'S CAMPAIGN.** Canadian Associated Press. ST. THOMAS, Ont., Sept. 7.—The Elgin County Patriotic Association has been formed here with the raising of \$100,000 in a three-days' campaign as its objective. G. A. Warburton of Toronto is to direct the campaign.

**RIFLE CLUB AT LONDON.** Canadian Associated Press. LONDON, Ont., Sept. 7.—A civilian rifle association has been formed here with some forty business men already enrolled. The Cove rifle range is to be used for practice.

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