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FOURTEEN PAGES—TUESDAY MORNING MAY 14 1912—FOURTEEN PAGES

VOL. XXXII—No. 11,608

How to Get More Banking Funds.

In Canada currency notes for everyday use in business are issued: (1) by the government; (2) by the chartered banks. Let us first tell the story of these government notes.

* * *

The government is authorized by statute to issue legal tender notes, (a) to the amount of $30,000,000 against a reserve of 25 per cent.; (b) to issue notes in excess of $30,000,000 against 100 per cent. specie reserve.

* * *

Of the notes issued by the government there are two kinds: (a) what are known as "legal tenders," (b) what are known as "bank legals."

* * *

Legal tenders are turned over to the banks for gold and are legal tender for any debt in Canada. They consist of $1, $2 and $4 bills in the smaller denominations and $500 and $1000 dollar bills in the larger denominations. The new minister of finance proposes to put out some $5 and $10 bills of this same currency. The total issue, according to the latest returns, of these Dominion notes known as legal tenders was $20,621,561.

* * *

But the Dominion Government also issue what are called "bank legals," in the shape of $5000 bills, which the banks use among themselves for the purposes of the clearing house. They get these bills by depositing gold specie against them in the receiver-general's offices and they are of the class which the government is authorized to issue beyond the $20,000,000 already referred to, against a 100 per cent. specie deposit. What the banks do is to turn a lot of their gold over to the Dominion at the receiver-general's offices and get these $5000 bills in return and these big bills are held by the banks for the purpose of the clearing house or for conversion into gold the moment it is required.

* * *

The statute authorising Dominion notes and practically limiting their issue to $30,000,000 was passed in 1887 when confederation was an experiment, our population three millions instead of eight millions and our entire banking capital and resources less than that possessed by one individual bank in Canada to-day.

* * *

Incidentally it may be mentioned here that the banks are required to keep 40 per cent. of their cash reserve in Dominion notes, but as a matter of fact they keep between 80 and 90 per cent. in Dominion notes (mostly bank legals) which are just as convenient and valuable as gold. Of $114,008,407 of Dominion notes, $96,778,823 are held by the banks as part of their reserve.

* * *

It will be seen therefore THAT NO MORE THAN $20,000,000 OF GOVERNMENT NOTES ARE EVER IN PUBLIC CIRCULATION IN THIS COUNTRY, and as we said in our paper of yesterday all the rest of the government notes, those that are in the hands of the banks, are simply gold certificates and not notes more or less based on credit.

* * *

The bank statement for the month of March, the last one to hand, shows that the CHARTERED BANKS HAD OUTSTANDING AT THE CLOSE OF THAT MONTH NOTES TO THE AMOUNT OF $86,918,404. These were in the denomination of five dollars and multiples thereof, were credit notes with no specific reserve of specie for their redemption. To recapitulate.

Dominion notes in one and two dollar bills only serve the people as money to the extent of $20,000,000.

The banks furnish money to the people practically to the full amount of their issue at any particular time. This issue is frequently up to the $100,000,000 mark.

The banks make a profit on all the money they issue.

The government gets some benefit and benefits the people by issuing paper money against a reserve of twenty-five per cent.; it makes no money on any issues above $30,000,000 as these are mere receipts for so many ounces or pounds of gold which the government guards and becomes responsible for without any compensation.

* * *

Canada is the only country that we know of where both state and banks issue currency notes, and just why this is so we cannot very well tell. We would prefer to see in the interest both of the banks and of the country the whole note issue a national issue instead of mainly a bank issue, and that IF A BANKING MONOPOLY IS TO BE CREATED, THE STATE THAT CREATES IT BE A PARTNER IN THAT MONOPOLY AND SHARE IN SOME OF THE PROFITS.

* * *

Our proposal, therefore, is that the right of the banks to issue notes equivalent to their paid up capital be withdrawn and replaced by a national issue authorized by parliament of Dominion notes say, up to half a billion dollars, secured by 25 per cent. gold reserve; and that this money be lent to banks under proper restrictions and at reasonable interest for the use of these notes in their regular banking business.

* * *

As we pointed out yesterday there is a great lack in Canada to-day of money sufficient to do the business of the country, and as the banks cannot get any more or very little more in the shape of paid up shares, and they seem to have been unable to induce the public to increase their deposits by any appreciable sum, some way must be found to get more money. The World's quick way and straight way and absolutely safe way is by having recourse to a national note issue up to a reasonable amount somewhat on the lines already suggested.

W. F. M.

HOTEL AT HUMBER BAY IS DESTROYED BY FIRE

Two-Storey Frame Structure Owned by W. L. Hansen Was Burned at Midnight and Loss Will Reach Several Thousand Dollars.

THE DAMAGE.

Humber Beach Hotel	$20,000
Contents of hotel	9,000
Restaurant	3,000
McMillan's Garage	2,000
Total loss	$34,000

Damage amounting to several thousand dollars, fully covered by insurance, was caused by a fire which broke out in the Humber Beach Hotel at 11.45 last evening. The hotel is owned by L. W. Hansen, who took it over last January from T. J. Boland. A refreshment booth, owned by Richard West, not insured, was also burned, and at 1.30 this morning the flames were spreading to a garage west of the hotel and were gradually eating their way thru the roof of the hotel proper. The building to the west of the hotel, which is owned by West, was the old restaurant which was owned by Mrs. Meyers at Sunnyside, and was removed to the Humber when the city bought it in order to make room for the Sunnyside bridge.

The flames broke out in the stable at the side of the hotel, where there were several cows and horses, and one cow was burned to death.

From the stables the flames spread thru the ball-room to the hotel proper into the west wing. Most of the goods from the bar were taken out and piled on the roadway. Thru the bar the fire spread into the side rooms, and thence into the large and expensively decorated dining-room on the eastern side, which was erected only two years ago. The loss in this wing alone will be several thousand dollars.

In the past two weeks the whole building has been remodeled.

As soon as the alarm was given several sections of the city fire brigade were called, and reached the scene as quickly as possible. Engines from Cowan-avenue and Dundas-street were sent out and water was pumped from the Humber River.

The pavilion of I. N. Devins, northeast from the hotel, about 40 feet away, was scorched, and for a few moments the Humber Bay Hotel, owned by J. Newton, was in danger. There is no bucket brigade in that district, and the only means of fighting fire until the arrival of the firemen from the city, is by taking water from the river and lake. Young men who live in the vicinity of the Humber, turned out and by the aid of buckets succeeded in keeping the flames from the boathouse of O. L. Hicks, just east of the hotel proper.

Owing to the inflamable nature of the wood, the blaze spread rapidly, and the large verandah, which was erected at great expense, was completely demolished.

Twenty guests were in the building when the fire was discovered, but all escaped.

The new dining-room, which had been completed only two summers ago, after a bad fire had gutted the old hotel, was just having the finishing touches put on it. Mr. Hansen counted on this section balancing up the other parts, and therefore increasing the sale price. Less than three months ago he agreed to pay T. J. Boland $25,000 a year for five years for a lease. The land and building, however, he could not purchase, and rented it at a sum figuring in the thousands for the five-year term.

The Hicks boathouse to the west is part of the estate, and before leaving the premises Mr. Boland guaranteed to the new tenant that this business would bring in several hundred dollars a year. Negotiations are still going on between Mr. Boland and Mr. Hansen for the building and property, as it appears Mr. Hansen was not satisfied with the return coming in from the business.

At 1.30 the fire had completely destroyed the garage west of the hotel and Meyers' old building, owned by Richard West, and rented to Thomas McMillan, a machinist of Humber Bay. A French car of 50 horsepower was in the garage at the time, as well as a smaller machine, both of which were taken out before the building was destroyed. The garage was valued at $1000.

At 2 o'clock the flames were still spreading and it looked as if the entire building would be destroyed.

The hotel at 3 o'clock this morning was totally destroyed, entailing a loss, including the furniture, of nearly $33,000. The building was worth $20,000, the furniture $9000, and there was $3000 worth of hand-painted china destroyed.

E. Bradley and A. J. McVicar, motorman and conductor, on a passing Long Branch radial car, first noticed the fire and raised the alarm. At this time the blaze had gained considerable headway. The railwaymen awaken the occupants of the hotel.

AVIATOR AND HIS PASSENGER MET ALMOST INSTANT DEATH

LONDON, May 13.—(Can. Press.)—Victor Louis Mason, an American identified with extensive mining interests, and at one time private secretary to the American secretary of war, Gen. R. A. Alger, and to his successor, Elihu Root, was killed to-day while making a flight at Brooklands with the English aviator, E. V. Fisher. Fisher also was killed, by being pitched out of the machine when at a height of about 150 feet.

Fisher was about to give an exhibition and picked Mr. Mason as a passenger from among the spectators. They circled the track once when, eye-witnesses say, the machine, which was a monoplane, made an abrupt turn. It wavered a moment and then fell straight to the earth. The sudden stoppage in the air threw Fisher headlong from his seat. Mason was pinned beneath wreckage, which caught fire, and he was badly burned before being extricated. Physicians state that both men died almost instantly.

Engine to Blame.

It is surmised that some fault developed in the engine of the aeroplane, which caused the accident, as the weather conditions were perfect. The bodies were removed to a mortuary to await an inquest, which probably will be held Wednesday.

Fisher was regarded as a daring aviator. He had met with a number of accidents, one in October last, in which he was rendered unconscious and his passenger painfully injured. On another occasion, after a cycling accident, Fisher made a flight with one arm strapped to his side.

Victor Louis Mason resided in Passaic, N. J. He was born in Washington in 1870. His wife was Miss Daisy Comstock Simons of Washington. He was associated with Gen. Alger in Detroit from 1899 to 1902.

Thomas Sopwith was also flying around the grounds with a passenger at the time and witnessed the accident. He flew in the direction of the wrecked machine and alighted close beside it. The two men tried their utmost to beat down the flames.

In the meantime the crowd rushed to the spot and extinguishers were applied, but when the flames were quenched the machine was almost destroyed.

Fisher's body was found 20 yards away, his neck having been broken. Among the spectators were Flanders, owner of the monoplane, and Commander Samson, who made a notable hydroaeroplane flight at Weymouth last week.

According to newspaper reports Mr. Mason was a friend of Commander Samson. The latter accompanied him to the grounds and, it is reported, arranged for the flight with Fisher.

TRAINING SCHOOL AND SPECIAL CLASSES ARE CITY'S SHARE OF BURDEN

Introduced by Provincial Secretary Hanna and followed by him with a speech in which the minister of the government approved his exposition, Superintendent Johnston of the State Training School for the feeble-minded at Vineland, New Jersey, outlined what he declared to be the proper apportionment of the responsibility in the care of such cases at convocation hall last night.

Mr. Johnston declared that it was the duty of school boards to provide special classes for children who for reasons, physical or mental, were not capable of keeping pace with the normal children in the schools. This was not only the only fair way to give the most for his money to the tax payer, but proved the most economical solution of the feebel-minded or physically retarded child in the schools.

He said that next it became the duty of the cities to provide training schools for the children when a systematic and thoro medical inspection should draw from these classes and other sources those who were properly classed as feeble-minded, but who were capable of being brought to a certain stage of efficiency by scientific treatment and schooling.

The next and last responsibility, he said, lay with the government of the state or province. This was the duty of providing institutions for the perpetual custody and care of those who were incapable of benefitting by training and also for those for whom all that could be done had been done by the training schools.

He declared that this responsibility for the provision of training schools should

Continued on Page 7, Column 1.

NOT A SQUARE DEAL

THE LITTLE FELLOW: He won't let me catch the big fish and then he goes and nets the little fish and feeds 'em to his big ones.

TO INVESTIGATE MADE GROUND AT FACTORY

An Effort Will Be Made to Determine Whether Wall of the Neilson Factory Collapsed Because of Settling of Filled-in Land—Investigation Continues Nightly Till Concluded

After adjourning the inquest into the Neilson wall collapse the lawyers and the coroner and city architect discussed the situation at the morgue last night, and decided to dig around the foundation of the wall for the purpose of seeing if the new-made ground caused the trouble.

Before many witnesses had been examined at the opening of the inquest into the death of Mrs. Eva Anderson, who was killed when the south wall of the William Neilson Company's building collapsed a week ago Saturday, it was clearly evident that it would take several sessions to hear all the evidence, and this proved to be the case. At 10.30 the coroner called a halt, and both counsel and jury agreed that it would be better to meet each night until the mystery of the disaster is cleared up than to tire themselves with long sittings.

County Crown Attorney Greer did the questioning, assisted by H. L. Drayton, K.C., while Lally McCarthy, K.C., looked after the Neilson Company's interests.

A very detailed account of the accident was given by John William Sole, the engineer, who was in charge of the hoisting engine placed in the lot south of the building.

Opened at the Top.

The factory was originally two storeys, and they were adding three more to it. On the day of the accident he was working in the third storey. About 10.30 he noticed some bricks falling from the south wall at a distance of 20 feet from the east end. To all appearances the south wall opened at the top and dropped, dragging the western part with it.

"Did the wall appear to fall out?" asked Crown Attorney Greer.

"No, it just dropped," answered the witness.

"As if there was something the matter with the foundation," was the query.

"Yes."

Sole said that no boiler exploded, nor was there sufficient vibration from any of the machinery to cause the wall to collapse.

After the first crash, said Sole, the wall seemed to drop at the end and pull the rest with it. He saw no bricks in the cellar, but the peculiar thing which occurred to him was the fact that all of the brick and mortar was piled in or near the hoist shaft in the basement, and it was here that most of the people were found. Witness was not sufficiently close to the wall to see the bricks gradually break.

Premier as Chief Guest

Right Hon. R. L. Borden will be the guest of honor at the annual luncheon of the United Empire Loyalists of Canada, to be held at McConkey's, at 1.30 p.m. on May 17.

Memorial for "Titanic's" Crew

LONDON, May 14.—The London papers publish a statement made by The Liverpool Journal of Commerce, that J. Bruce Ismay intends to provide an endowment fund for pensions for disabled seamen of all classes connected with the White Star Line, and for their widows, as a thank offering and a memorial to the heroism of the Titanic's crew. The fund, it is further said, will probably amount to $100,000.

DOINGS AT LEASIDE

The C.P.R. Starting Big Improvements —The C.N.R. May Have Its Car Yards and Sidings on the North Side, the C. P. on the South.

The improvements of the Canadian Pacific's line east of Toronto are now getting under way.

One of the first is the raising of the grade up the Don Valley to Leaside. This is very steep near to Leaside station, and plans are out and work started to lengthen it and ease it by making a big fill in the Don ravine on one of the Lea farms, immediately to the south of the station. As a consequence, the junction with the main line will be carried further on to the east, by perhaps a quarter of a mile. Big timbers to carry the trestle for the fill were being unloaded yesterday, and they will be driven in position and a steam shovel started at once.

The two big viaducts over the two branches of the Don are to be replaced by larger ones carrying double tracks.

An arrangement has been made with the Canadian Northern for a joint section from Yonge-st. (northern station) to Leaside.

A further proposal is under consideration of the engineers of both companies for the C. P. R. to give their present siding on the north side of Leaside to the C. N. R., and for the C.P.R. to have larger siding on the south side, where the new fill and the new track above referred to is located. This would put the C. N. R.'s sidings and car yards on the north, and the C. P.'s on the south. If this is done, the C.N. R. would have to transfer to the C. P. R. some 60 odd acres that they recently acquired of Lea farms south and east of the C. P. R. tracks. This will also put the C. P. R. alongside of Thorncliffe Farm, and the C. P. R. evidently lie more amicably with Mr. Davies than the C. N. R.

Work on the C. P. R.'s new main line east of Agincourt toward Whitby and Oshawa will have hundreds of men working on it in a few days.

The heaviest worked single track on the C. P. system is probably the line east of Leaside at the present moment. It is to be rebuilt and double-tracked to Agincourt, some six miles, with two big new viaducts over the two Dons.

MUIR MEMORIAL UNVEILING SATURDAY

Granite Pyramid Bearing Inscription and Portrait of the Author of "The Maple Leaf" Will Be Unveiled by Grand Orange Lodge in Mount Pleasant Cemetery.

Testifying to their deep respect for the memory of Alexander Muir, members of the Orange Grand Lodge of British North America will assemble at Mount Pleasant Cemetery on Saturday afternoon ext, on the occasion of the unveiling of a granite pyramid beside the grave of the author of "The Maple Leaf."

Col. Scott, grand master, will perform the ceremony, and addresses will be given by Mayor Geary, Controller Hocken, Fred Dane and other prominent Orangemen. Orangeman will assemble before the cemetery gates at 2.30 p.m. and the unveiling will take place at 3 p.m.

The granite shaft contains a portrait of Mr. Muir and the inscription "Alexander Muir, 1830-1906, Father of Canada's National Song, 'The Maple Leaf Forever.' Erected by Orange Grand Lodge of British North America."

The fact that six years have elapsed since the death of Mr. Muir without such recognition taking place, is due to the long cherished hope that either the Dominion or provincial government would take steps to erect a memorial.

More Winsome Than Ever.

To the large audience that attended the opening performance of "The Runaway," at the Princess Theatre last night, Miss Billie Burke, the beautiful comedienne, appeared more winsome than ever. Indeed, she seems to grow younger each season.

Something About Cool Hats.

A recent number of The British Hatter gives a very interesting story of the relative summer comfort qualities of the different hats. It finds the Panama the coolest by many degrees. Next follows the cork helmet, and the unlined straw sailor. Strange to say, the top hat or silk is next in line with some five degrees cooler atmosphere surrounding the head than either the stiff or soft felt hat.

This, by the way, is the silk hat season, and with the races and June weddings in sight you should see that your new silk is ready. The Dineen Company, 140 Yonge-st., are showing the latest blocks by all the big makers, including those by Henry Heath of London, and Dunlap of New York, for which the company are sole Canadian agents.

SEVEN YEARS AT KINGSTON FOR DINENNI

Judge Changed Charge From Murder to Manslaughter — Prisoner Collapsed When the Sentence Was Explained to Him by the Interpreter.

All traditions to the effect that the Italians are an emotional race of people were ably substantiated yesterday afternoon in the criminal assize court when Raphael Dinenni was found guilty of manslaughter in connection with the death of Mrs. Elizabeth Fallen in December last. After listening to the remarks of Michael Basso and others in regard to the man's previous fair character, Mr. Justice Middleton imposed a sentence of seven years in the Kingston Penitentiary.

Interpretor Basso had no sooner explained the length of the prison term to the Italian, when he threw both hands into the air, uttered several incoherent exclamations in his native tongue, and pitched headlong to the dock floor. He cried like a baby during its teething months, and the hot tears flowed down his face unchecked as he was half carried from the court room by two sturdy attendants. His groans and anguished cries could be heard in the corridors of the city hall as he was taken to a cell.

The Charge Reduced

The original charge was one of murder, but just before the defence counsel, Mr. J. M. Godfrey, rose to address the jury, the judge intimated that he would instruct the jury to try the case as that of manslaughter on the ground that Dienni did not deliberately commit the deed with the intention of causing death.

Dr. Robinson testified that he had attended the dead woman about ten days prior to her death, but this visit had nothing to do with the subsequent events. After the fight he was again called in. Mrs. Fallen was lying on a

Continued on Page 2, Column 4.

GUESSES AND FACTS.

Because of the fact that K. L. Aitken, manager of the Toronto Hydro-Electric system, has been granted six months' leave of absence, several of the Toronto newspapers are making guesses as to the reason.

The facts are that a change in the entire system is to be made. W. H. Sweany, business manager of the hydro, will be in charge of the system while Mr. Aitken is away. It is said that he will be in charge for an indefinite period. When the new hydro offices are opened on Yonge-street, opposite Shuter, the department will be run as a business proposition, with the business manager as its head. A new engineer will be appointed, who will be junior to the business manager.

It is said also that the government hydro-electric commission will be in closer touch with the Toronto department, and that the waterworks department eventually will become part and parcel of the hydro, the same as in London, Ont., thus effecting a large saving in time, money and electrical energy.

THE PROPER ATTITOOD—YIN O' GRIEF.

Jaff: I've got th' Wee York Club framed up, John. I'm to be president an'—

John: What am I to be?

Jaff: Ye can be vice an' tile the door, John.

John: Who's to be in it else?

Jaff: There'll be me an' ye an' Tanfman Church, and Maister Forman o' the costy hall, an' yer freen Hiram, Dan Dwan—

John: Dan's dead.

Jaff: But we'll pit him in. Lombard Street is yin o' th' Landmarks as ye ken.

John: What about Robert John?

Jaff: 'Maister Flemmin' certainly.

John: Where'll th' club be?

Jaff: In th' backie o' my bit store, John.

John: But ain't it goin' to be a son of temperance affair?

Jaff: It'll be th' twa ways, John, for an' against, so as to maintain a proper balance. Dinna ye see hoo Th' Glob's for lower freights an' nae for reducin' them; for British connection an' for makin' Canada an adjunct o' th' United States; for public ownership an' gien th' puir companies a chance—

John: If you don't let Joe Atkinson in I'll join an' take the pledges and buy th' regalia an' sash. An' if there's to be any aprons, count me in—

Jaff: It'll no be aprons but tall hats, John, wi' black bands. But TH' MAIN THING in aw' oor members, John, o' TH' WEE YORK CLUB, IS THE ATTITOOD: th' attitood, THAT YE'RE GRIEVED TIL NOTE THAT LITTLE YORK IS GROWIN'. An' oh, John, ye hae th' attitood th' noo. An' wi' th' bit hammer in yer haun', John. But I'm haen th' wee hammers or wee maals made til beat th' table wi' when you want a Bird's-eye Maple or something o' th' kind at the club.

John: Have lots of hammers in the ranch, ole man.

Jaff: A wee bit hammer 'll go wi' th' badge, John. But look th' attitood. John. An' ye look it, John. Wha wants til see Wee York on th' aggrandise, John?