GERMAN RETREAT AS DISASTROUS AS NAPOLEON'S FROM MOSCOW

Banking and Currency Now Canada's Big Issue

The banking and currency question grows in interest for the general public. Our banking magnates should attend a meeting like that in West Toronto or the one at Runnymede, in the same district, both within the past ten days. The people appeared much concerned as to the scarcity of money, lack of work because of the refusal by banks of credit to employers, and the granting by parliament of a moratorium to banks—suspension of gold payments for bank notes—while no one had yet come forward with a reasonable plan for the deferment of payments in the case of mortgages on poor people's homes, where the owners were not able to meet them because of lack of work, or in cases where payment in full was called for, the time limit of the mortgage having expired, and renewals were not to be had. They were also highly interested in the celerity of action of Lloyd George as national head of the finances of Great Britain in helping to carry on business in that country in time of war: how he aided the banks with the guarantee of the government and then forced the banks to finance business generally. It was surprising to see the grasp the ordinary citizen has of the first principles of banking and currency, especially if it is put to him in plain terms by those who know the question. It soon loses the mystery that is supposed to enshroud it.

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But perhaps the most significant question in this discussion so far was the question put at the Runnymede meeting by one of the representatives of organized labor: "Who," he asked, "was in parliament when the credit of the nation (and by this he means largely the right of issuing currency) was turned over to a private interest, that of the banks?" **Why should it ever have been parted with?** Many other people also wish to know how Canada today happens to be the only country that is in the position of allowing private banks to issue the currency. Let us answer as best we can. In the early days of this country, say, seventy years ago, when banks were first being talked of, there was a great scarcity of money and still more of credit, and the government of that day were willing to do almost anything to get banks established, to get more currency, and some kind of improved system of exchange organized. Parliament of that day, under the circumstances, practically allowed the banks "to write their own charters," and this phrase, "to write your own charter," has become rather notorious if not historical in the records of this North American continent, and in the records of all our legislatures. In far too many cases have charters been written by the parties who got them.

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The legislature was either careless or more than anxious to get some kind of service, and allowed the charter to go thru on the terms of the parties receiving it. In consequence of this situation, the right to issue bank notes, while it may have been of little concern then, ought to be of the highest concern today; and while parliament reserved the right to revise the bank charters every ten years, the unfortunate fact is that **the rights of the banks have been increased each time the charters were revised**, and in no instance was this more flagrant than in the revision of two years ago!

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As the banks grew in strength and their profits increased, and as they were organized on the lines of strengthening their privileges, they did not like the idea of postal savings banks, they did not like the idea of postoffice money orders, postal orders; and they deliberately intimidated the government and parliament whenever it was proposed to increase the interest on deposits in government savings banks and in the postoffice; and they also looked with dread on the issue of Dominion notes, which were practically a national currency; and when they could not head this off completely they were able to limit the issue of Dominion notes to $1 and $2 bills, with some others of very large denominations, used principally as counters in the banks, rather than for everyday currency.

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But since the time that Canada has organized her chartered banks and gave them these great privileges other countries have been following a quite different line and have been gradually and steadily coming to the practice of the state issuing the currency, whether of coin or of notes—withdrawing bank-note issues and substituting therefor national currency. This has been worked out in France, in Germany, in Russia, in Italy and many other countries, including those of South America, and notably in the case of Australia and some of the British possessions. The United States has spent the last fifty years since the great civil war in gradually replacing the bank-note issues of those days with federal notes. The war was only fought to a successful issue and the reconstruction of the country after the war carried out by means of national notes, which, on their first issue, were at a discount. Gradually, however, federal notes in the States have become as good as gold, and are preferred even to gold and silver.

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In England, the only bank allowed to issue notes today is the Bank of England. Other banks that had that privilege thirty or forty years ago have gradually had that privilege canceled, and, as a matter of fact, the Bank of England notes of today are national notes; and Lloyd George within the last six weeks put out national notes of one pound and ten shillings each to the extent of a hundred million dollars, which are nothing but promises of the treasury commissioners in connection with the department of the exchequer to pay the bearer one pound or ten shillings, as the case may be. There is no gold behind them other than the credit of the nation. And this has proved to be the best money they ever had in England.

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We, in Canada, recognize now our one and two-dollar bills as the best money we have, and while we issued some five-dollar bills not so long ago, the banks have carefully got hold of them and put them in cold storage as gold or a substitute therefor.

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And then, besides the question of currency, there is the question of credit, and credit is a thing that can be sold by those who are in the business, whether by the banks or individuals of wealth. But there is not one's credit now so good as the credit of the country. As was pointed out in Mr. Chiozza Money's article, printed in this paper yesterday—and Mr. Money is a member of parliament and a financial expert as well—the credit of a nation is the only thing wherewith to finance a country in time of war, and if in time of war, then certainly in time of peace as well.

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Therefore, the new way of financing, new more or less to Canada, but not new to some of the countries of Europe, is that the banking and currency ought to be absolutely within the control of the nation itself, and that by means of its credit and by the issue of national notes based on that credit, money can be supplied to banks on security for the purpose of financing the business of the country; to use the words of Lloyd George the other day.

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The question, therefore, that is coming up at these little meetings in Toronto, and similar meetings will now be held in other places, is how long will it take Canada to get on this new basis, of having absolute control of the issue of all currency and of lending the credit of the nation to business by way of the chartered banks, and not only this, but regulating the banks in the rates they charge for the use of the national credit and the national currency.

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The chartered banks of Canada, however, will make a desperate fight against any such reform, and, as a matter of fact, they appear to have been the only parties consulted in the recent measures of parliament to assist the financing of Canadian business by reason of this war; and apparently they are doing their best to minimize the service of these measures. They do not want to take advantage of the issue of excess currency if they can help it, they do not want their own bank notes made legal tender in the clearing house of the banks because it more or less interferes with their privileges and brings them one day nearer the adoption of an absolute national currency and absolute leadership on the part of the nation in the credit of the country.

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The banks, having got the privileges and having acquired the leadership of credit in Canada, **are under no compulsion to discharge the functions that should go with the right to issue currency and sell credit. They can refuse to act, and they have refused to act, in time of war,** and they have withheld their own currency and they have refused credits; because in the last analysis it will be found that they came to the conclusion that **there was a risk in business of this kind in war time; and there was no force compelling them to take this risk!**

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Now, to force the banks to take the risk or share in taking the risk was the object of Lloyd George's legislation, and his issue of paper money by the state; this also was the object of the emergency legislation passed in Ottawa four weeks ago; but what seems to have been the outcome is that our banks still refuse to act and still distrust the general condition of business, and are therefore not willing to share the risk. That is where we get off!

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These are the questions that the people of Canada must discuss from this time on, and there should be no let up until such time as national currency is established and that the [illegible] control of the credit created by the nation for the benefit of business ga[illegible] This may be a big undertaking, and it may be hard to get support for it [illegible] but the cause has been launched, and it will win here, as in every other [illegible] The pioneers in this work need not be discouraged if business men are slow in [illegible] themselves; they are thinking a great deal, and it might be as much [illegible] it is worth to directly antagonize those who now have a monopoly [illegible] And this same dread has more or less characterized parliament, and parliament up to date has practically been a registering machine for strengthening the monopolies of chartered banks! As Mr. Money said in his article, "there are many things [illegible] will never be the same again after the war," and that "one of these measures will be a way in which financial credit is transferred from the control of individuals to the control of the state."

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The World has received many letters on the situation here in Canada; but here is an extract received from one written by one of the ablest and most active public men of Canada:

"I have never had occasion to make a careful study of our bank system and the principles upon which it rests, and you can readily understand why I am not able to express an opinion on any proposed remedy. From all I can gather, however, **I am more and more convinced that our Canadian banks do not exist for the people and that radical legislation is required to bring about a much-needed change in financial conditions.** At present our banks constitute a financial ring that controls the situation; they should not have this power. The central state authority should issue all currency and [illegible] a federal bank of rediscount. In my judgment, it is also essential that the capital required for agricultural development should be forthcoming in quantity and on easy terms. This might necessitate the establishment of rural banks connected with the central federal bank. I am convinced that an uprooting of old ideas is necessary and that the sooner we set about it the better.

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These views are very much in line with those of The World and of W. F. Maclean, as expressed in parliament and on the public platform, and they go to show and express the opinions we believe of thousands of Canadians and thousands more who, once the question is understood, will endorse it.

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Of course it will be said: Why bring these things up in time of war? Because that is the very time to bring them up, and, in any event, that is the time they are forced to the front, and when explanations must be given. Mr. Money says in his article, just referred to, the bank situation forces the question to the front and the speed and accuracy of the British Government, and especially of Lloyd George, bear out this contention.

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The supreme question in Canada today is not the tariff. Our currency is the most pressing question outside of railway rates that we have before us; in fact, banking and transportation must be national propositions and dealt with from the national point of view. No nation is safe which bases its currency and credit on private corporations.

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Mark our words, and we repeat it again, that the greatest question in Canada is that the nation control its banking and currency.

BRITISH CAVALRY ACTIONS WITH GERMANS IN NORTH FRANCE

British cavalry have frequently during the past ten days come into collision with German troopers. One incident which is recorded in detail concerns the Hussars. The incident was recounted to a Daily Express special correspondent by a wounded British Hussar, who, together with some captive German Cuirassiers, had arrived at a French railway station, the name of which was not allowed to be given. "My informant fell in with a party of the 4th Cuirassiers on Friday, or, rather, they fell on them. 'We came plump on them round a corner in a little village,' said he. 'Absolute surprise for both of us. Before you could wink, we were flying at one another as hard as the horses could go, and the villagers were yelling and scrambling into the houses on either side of the road. There was no firing; it was absolutely a proper cavalry charge, like you see in the pictures—horses going hell-for-leather, and every man sitting hunched up under the No. 1 guard and hoping he wouldn't get his knees crushed by the fellows on each side of him. Lighter tho they were, the Hussars went at a pace that more than compensated for their inferior weight. The Cuirassiers, in full stride and on fresh horses, might have ridden over them; but, slower at the "take off," and, as was subsequently proved, mounted on horses already ridden to death, they were taken at a tremendous disadvantage. Twenty-seven of them were killed and twelve were taken prisoners.'"

GERMAN ARMIES STRIVE TO PRESENT SOLID FRONT FOR A DECISIVE BATTLE

French, Should They Succeed in Cutting Off Army of Crown Prince, May Bring Disaster to Enemy—Germans Have Maintained Cohesion and Hope to Take Up Strong Position.

Canadian Press Despatch.

LONDON, Sept. 15, 9.15 p.m.—The battle of the Marne has about come to an end, and altho the allied armies are keeping in touch with the retreating Germans it is evident that the latter are taking up positions to stay the northward advance of the French and British.

Gen. von Kluk with his army has made a stand north of the River Aisne on a line marked by the forest of L'Aigle and Craonne, while the armies of Generals von Buelow and von Hausen, the Duke of Wurtemberg and the crown prince are falling back to straighten out the front on which the next bigh battle is likely to be fought.

Altho the Germans have been badly punished in their long retreat and have lost many guns and men, they maintain cohesion, and, unless the French succeed in their attempt to get between the army of the crown prince and those operating to the west of him they will present a solid front when the time comes for another clash, which will be as big as the recent battle.

In Strong Position.

The new position of the Germans if they can gain it, offers better opportunities for defence than the ground they have passed over during the last ten days.

Their right apparently extends as far west as St. Quentin, thru a country intersected by rivers and streams that will embarrass the attacking forces. The main German forces, under Generals von Buelow and von Hausen, the Duke of Wurtemberg and the crown prince, stretch along the River Aisne to the hills behind Rheims and then north to Verdun, thus securing the roads and railways running north from Rethel to the Belgian frontier and eastward to Luxemburg and Metz in Lorraine.

Thus by bringing the army of the crown prince of Bavaria more into line they will be covered on one wing by their own fortress of Metz.

Some military experts are of the opinion that the Germans will offer their next big resistance on the Meuse and that another battle of Sedan will be fought before many days.

Pursuit is Keen.

Much must pass before this takes place, however. The allies, at last reports, were keeping up a keen pursuit with probably fresh troops. The French left, with large forces of cavalry, some of which are reported as far north as the Belgian frontier, continues to harrass the German right, while British and French forces, which gained passage over the Aisne two days ago, are now somewhere between that river and the River Oise, and are trying to repeat the outflanking movement which they carried out on the Ourcq last week.

Rheims has been reoccupied by the allies, but the reports make no mention of the neighboring fortresses of Lafere and Laon, the recapture of which should not be difficult, as they are constructed to resist attack from the north and the south front is relatively weak.

On the French right the Germans are falling back to Chateau Salins, just across the Lorraine border, which has been the scene of so many skirmishes since the beginning of the war.

In Vosges and Alsace the situation remains unchanged, both sides reserving all their strength for the more critical contest in the west.

SUSPENDING BILLS PASSED IN ABSENCE OF UNIONISTS

Home Rule and Welsh Disestablishment Issues Revived Bitter Feeling---Asquith Gave Pledge That Ulster Would Not Be Coerced---Hopes to Avoid General Election.

Canadian Press Despatch.

LONDON, Sept. 15, 7.30 p.m.—After the Unionists had made a formal protest and had left the chamber the house of commons this afternoon passed thru all its stages the bill introduced by Premier Asquith to suspend the operation of the Irish home rule and the Welsh disestablishment bills.

In the house of lords the motion for a second reading of the home rule bill was adjourned on a vote of 93 to 29.

Introducing his bill, Premier Asquith strongly repudiated the assertion that the government had violated any of its assurances not to proceed with controversial legislation. To have postponed the passage of the bill until after the termination of the war, he said, would have had a deplorable effect on the Irish race all over the world and on Irish recruiting. The premier promised that before the home rule bill came into operation the government would introduce an entirely new amending bill.

Bonar Law's Charge.

Andrew Bonar Law, the opposition leader, during whose speech the Liberals left the chamber, entered his protest against the bill introduced by Mr. Asquith.

Mr. Bonar Law charged the government with trading upon the loyalty of the Unionists to their country, and said that Mr. Redmond had made a greater mistake than he had in insisting upon this victory.

At the conclusion of Mr. Law's speech all the Unionists left the house, the opposition leader declaring that they would allow the government to do what it liked with the suspensory bill.

Redmond's Words Pacific.

John E. Redmond, the Irish Nationalist leader in the house of commons, replied to Mr. Law in a speech supporting the bill. The Irish leader expressed the hope that in the intervening period when the Ulsterites and Nationalists were fighting shoulder to shoulder, a new spirit would arise all over Ireland, making a real settlement possible.

The Welsh and labor leaders having expressed their satisfaction with the bill it passed thru all the stages with cheers from the Nationalists and the ministerialists.

Fear General Election.

Previously Charles Bathurst, Unionist member for Wiltshire, had asked Prime Minister Asquith to consider the desirability of extending the duration of the present parliament till 1917, or of constituting a coalition so that a general election shall not be fought on the ordinary lines of a domestic controversy.

This suggestion followed the motion made by Premier Asquith to introduce a bill to suspend the operations of the Government of Ireland Act and the Welsh Disestablishment Act.

Mr. Bathurst urged the undesirability of the country being convulsed in a general election during the war.

Mr. Asquith responded: "I trust that will not take place."

In answer to a question, the premier said that the home secretary and the attorney-general would take steps to inquire into the allegation of German atrocities.

No Coercion of Ulster.

Referring again to the postponement of the operations of these two acts, the premier promised that the government would introduce in the next session of parliament another amending bill with the best hope that under new conditions something like a satisfactory, permanent settlement might be reached. He declared that any coercion of Ulster was absolutely unthinkable, and "so far as I and my colleagues are concerned, this is a thing we shall never countenance or consider," he said.

The premier concluded by asserting that the government was honestly desirous, at this time of grave national emergency, of acting fairly, reasonably and equitably to all the great interests concerned.

The bill suspending the operation of these two acts was passed by the house of commons thru all its stages.

In the house of lords the Unionists opposed Lord Crewe's motion for a second reading of the home rule bill, which was adjourned by a vote of 93 to 29.

REVISION COURT PROBE TO BE HELD TOMORROW

John S. Hall Denies He Secured Signatures Improperly to Separate School Appeals.

Chairman Drayton of the court of revision stated yesterday that an inquiry would be held tomorrow regarding the alleged irregularities of separate school appeals. He said that it was not likely that subpoenas would be issued in the first instance. Nine-tenths of those wanted would appear without a subpoena.

An emphatic denial was made yesterday by John G. Hall, secretary of the separate school board, of the charges by the board of education's agent, Fred Dolson, that names were improperly secured to appeals asking that taxes be diverted from public to separate schools.

At yesterday morning's sitting of the court Nathan Zinger, 239 Manning avenue, claimed to be a public school supporter, and that no tenant in the house was a separate school supporter. The agent of the separate school board on Monday applied that Guiseppi Fernicoloz be placed on the assessment rolls to pay taxes to separate schools. Zinger stated that no such man lived in the house.

The assessment of the sub station plant of the Toronto street railway at Harrison street and Dovercourt road was reduced from $285,000 to $194,000. The reduction was made with the consent of the civic officials as the railway representative claimed that the plant could not be sold for anything like the assessment.

Several other reductions were made, including $2000 on Jesse W. Dunn's property at 28 Halton street, but the majority of the assessments appealed were confirmed.

DEATH WAS ACCIDENTAL.

Tony Bukoski came to his death accidentally according to the verdict rendered by a jury under Coroner Morgan at the morgue last night which considered the circumstances surrounding his death. According to the evidence he was riding at the corner of Simcoe and Adelaide streets on September 8th with a friend on the handle bars of his bicycle when he was precipitated under the wheels of an auto truck owned by J. R. Smith and Sons, lumber dealers of 55 Strachan avenue. His friend jumped off when he saw the impending accident and escaped uninjured.

OSGOODE HALL WRITS

The following writs were issued at Osgoode Hall yesterday: John M. Walkey against Edward Reed for specific performance of an alleged agreement for the sale by the plaintiff to the defendant of 73 Pendrith avenue or for damages.

Louis Nelman against Harry Blantire and William Jenkins for performance of an alleged agreement for the sale of 51 Ruskin avenue.

Elly Marks and Arthur Cohen against Henry Creisman to recover $1,000 deposit alleged to have been paid by the plaintiffs under an agreement for the purchase of 18 Duncan street.

CALLED TO PROVIDE FINANCIAL HELP

Manitoba Legislature Also to Deal With Payments on Real Estate.

Canadian Press Despatch.

WINNIPEG, Sept. 15.—Manitoba's newly-elected legislature met for the first time today, in an emergency session, to deal with the situation caused by the war. In his brief speech, Lt.-Gov. Sir Douglas Cameron said, referring to the legislation which is proposed:

"In common with every other part of the empire, the Province of Manitoba is heartily in accord with the attitude of the imperial government touching the vital questions which were involved in the causes leading up to the war, and I am much gratified to be able to inform you that in no part of the Dominion has there been evidenced a keener desire upon the part of Canadians to be permitted to contribute personal service and sacrifice to Britain's cause than in this province, from which already thousands of citizen soldiery have gone for that high purpose, while thousands more are anxiously awaiting orders to go. That they may be enabled to render substantial assistance toward a victorious conclusion of the struggle, is our earnest wish and prayer.

"The matters to be submitted to your consideration include a bill to enable the government of the province to take advantage of the assistance provided by the federal authorities to meet financial conditions due to the existence of the war, and a bill dealing with the question of payments on real property."

Dunning's

At home for you and me, where we can eat the best and feel at home. 27-31 West King street, 28 Melinda street.

PAN HELD DUMB WAITER

Accidental death was the verdict brought in by a jury under Coroner M. M. Crawford at the morgue last night after hearing the evidence in relation to the death of Mary Hunter at the Western Hospital on Monday afternoon, about 3.15 o'clock. Mary Hunter was employed at the hospital as a pantry maid and was found crushed to death with the upper section of her body in a dumb waiter. As no person saw the accident it is thought that the waiter caught on some obstruction and when it was released it came down on her. From the position in which she was found it would appear as if the obstruction had been a pan, as it was at the top of the waiter which caught her.

SHOPLIFTING CHARGED.

Mrs. Susie Willcott, 48 Grange avenue, was arrested by Detective Twigg, in a departmental store yesterday afternoon on a charge of shoplifting. She had in her possession a gold bracelet and cheap necklace, both of which, it is alleged, she stole.

TO SELL NO DRINK TO MEN ON GUARD

Officers of Regiment at Welland Canal Make Request of Hotelkeepers.

ST. CATHARINES, Ont., Sept. 15.—At the suggestion of officers of the 19th Regiment, on guard duty on the Welland canal, the St. Catharines license commissioners have issued a note to various hotel proprietors suggesing that in future no intoxicating drinks be sold to soldiers in uniform. Most of the proprietors have declared their intention of following the suggestion.