

Germans Make Fierce Attack on Rheims and Burn Cathedral

Ruins of the Burned City of Louvain.



This photograph shows the charred walls of the cathedral in the centre, and the famous city hall, which was saved after the Germans had set fire to the city.

Why Should Banks Close Up Like Clams?

We return again to the question of banking. As far as we can learn no let-up has taken place in the stringency caused by the sudden withholding of credits to Canadian bank customers on the outbreak of war in Europe. The banks are not availing themselves, as far as we can learn, of the remedial measures supplied by parliament; nor do we see any sign that the Canadian minister of finance intends to follow the example of Lloyd George and make them "finance business." And yet we hear complaints have had to reduce their output and workmen have to be laid off because of the shortening of credit. And the committee of the Bankers' Association held a meeting in Montreal on Friday, and must have had in mind the question of clearing-house settlements, no announcement has yet been made on the old rule in regard to gold settlements in the clearing house is to be suspended. On the contrary, one of the financial papers, as apologist for the banks, says this question of clearing-house settlements is a purely academic one!

To our mind, it is the most practical question before the Canadian business men today, and we are rather tired of pointing out how if banknotes were made legal tender in the clearing-house settlements over \$40,000,000 of excess currency would soon get into circulation and go a long way to relieve the stringency in business that we know and everybody knows prevails in Canada at the moment. Just why the minister of finance does not see his way to intervene no one seems to know, and so inaction and indecision, perhaps arrogance, mark the situation and has marked it for some weeks now.

Nor do other Canadian papers seem to take interest in this issue of unsurpassed importance. They talk about everything but the money stringency; some of them are telling us about the gold reserves, and some of them are telling us how strong some of our banks are; but most of them are leaving the subject alone. The question of railroad policy and railroad rates and the question of banking policy and currency do not come within the subjects discussed in the ordinary Canadian papers. And yet people read everything they can see on this topic, and they are reading The World; and at the three or four meetings addressed within the last few days by the member for South York unusual interest was shown in this topic when he brought it up.

At the last meeting, that at Hillcrest schoolhouse, on Friday night, not only was the speaker listened to with interest, but for twenty minutes after his address he was flustered with questions arising out of his remarks; and one gentleman (he might have been identified with a bank) enquired whether, in view of the fact that the British Government had guaranteed the banks of England in taking care of business when the war broke out, should not the government of Canada do the same here. Mr. Maclean's answer was, there might be something in the contention, but as far as he knew the guarantee in England was limited largely to foreign bills discounted by British banks. He stated, however, that if the bankers thought they should be guaranteed in any risk they took they should come to the government and say so, and have the matter adjusted; but there could be no excuse in not coming to the relief of business unless they made a definite statement as to why they would not continue their assistance to customers. He also intimated that if the government was to take all the risk, it might decide to take all the profit as well and go into the business on its own account; and to that end he was not averse to the establishment of a national bank.

But the outstanding fact is that the stringency continues. The banks have not recalled their sudden withdrawal of credits; are not using the relief measures of parliament as they ought; and public opinion is not expressing itself, the papers are saying nothing, the boards of trade and manufacturers are saying nothing publicly, although they may be thinking a great deal. In England, however, everyone is talking of the question and speaking out, and in the United States they are beginning to speak out, and the condition of affairs there is very much like in Canada, and, by contrast, very different from that in England.

And in order that our readers may get a grasp of the situation in the United States, we propose to reproduce a leading article from The New York World of Saturday. It reads as follows:

BAD BANKING OR GREEDY BANKING?
Editorial, New York World, Sept. 19.
The Bank of England commonly at this season carries a money reserve around 50 per cent. of its liabilities. When the war broke out it let loose its reserve with so free a hand that on Aug. 7 it had fallen to 4.6 per cent. of liabilities. The bank followed freely an accepted rule of banking in times of crisis.

What was the result? The bank rate was held at 5 per cent., the open market rate became lower, banknotes were averted, confidence returned and gold has been flowing back into the bank ever since, until the reserve is now up to over 25 per cent.

This is a bank and country in the midst of war. Contrast it with the policy of the great New York banks, in a country which far more lightly feels the effects of war.

These banks ordinarily at this season carry reserves of 26 to 27 per cent. deposit liabilities. If in this extraordinary crisis they had let their reserves fall to half these percentages in liberal and cheap accommodation of customers, they would have done less for American business than the Bank of England did for British business.

But what did they do? And an answer in the currently published advertisements of conditions as reported to the controller of the currency for Sept. 15.
The big National City Bank is found carrying specie and legal tender reserves as high as 24 per cent. The First National is at 21 per cent., the Chemical at 21.8, the Bank of Commerce at 20.7, the Park at 20, while the Chase and Manhattan stand out in dubious eminence with reserves respectively of 25 and 26.3 per cent.

These are sample cases of great banks which are actually hoarding money in a time of stress, of banks which are sitting tight while they should cut loose, of banks which are making some effort to liberalize credit. But the net result is the creation of a stringency which has made money and credit twice as dear as in war-torn London, which is holding back business, oppressing industry and bringing many to the verge of bankruptcy.

It is idle to point in excuse to the 26 per cent. minimum reserve requirement of the National City Bank. The elasticity of that provision has always been recognized. Its practical suspension in times of stress is always conceded.
The best that can be said of most of the big New York banks in this crisis is that they have sinned wretchedly against the rules of enlightened banking. The worst that can be said is that they have exposed themselves to the charge of deliberately fostering a credit stringency for their own profit at the expense of all other industry.

Now what this means is that the American banks are not acting like the banks of England and exhausting their cash reserves away down to a point never before reached for many years; but that they are hoarding their reserves and refusing accommodation to customers. To use the words of The New York World, the American banks have sinned wretchedly against the rules of enlightened banking. Would not these banks, in the situation in Canada? Or, put it in another way, and in the words of The New York Evening Post, is it not fair to say that because a bank hoards its money in times like these and keeps itself "tight," there is no evidence of astute banking? A corporation endowed with a great public franchise must discharge the public service that goes with that franchise.

If the Canadian banks can make out a case why the government should guarantee their loaning up, we would like to see that case stated. As far as we know the government has already gone a long way in giving them a moratorium in regard to their own bank notes and giving them the right to issue excess currency; if they think that something further should be done they should state it; but they should not abandon the ordinary business man and leave him high and dry, as many have been left. And from this it follows as plainly as night follows day that if our banks are not prepared to act generously under the circumstances, then it is up to the people and up to parliament to find a system of banking more like that of Europe; and that to us seems to be the real issue in this country.

Our old-fashioned banking is not equal to modern conditions and a great reform must come; and to our mind it must be a national currency and a national reserve bank for redempting and a participation of the state in all our banking organizations very much on the line of that obtain in Europe, where they seem to be very much further advanced in this respect than are either we in Canada or the United States. Both the United States and Canada are the further away from the war, outside of the English-speaking people of Australia, and yet we are suffering more than the people of Europe! The real difference, to our mind, is that under the system of banking in Europe they have modern banking based on public credit, whereas in Canada we have the old-fashioned system based on private corporations which reserve the right of closing up as tight as a clam when they see fit to do so. We must open our eyes to the fact that we are suffering more than the people of Europe; and that to us seems to be the real issue in this country.

Under the supervision of a very able committee of women, including Misses Ambrose Small, Morgan Dean, Follett, Russell A. E. Hardy and the

HAMILTON CITIZEN DIED YESTERDAY

James W. Lamoreaux, President of Tobacco Company, Answers Call.

BORN AT PICKERING

Roscoe Collona Arrested on Charge of Shooting With Inten to Kill.

By a Staff Reporter.

HAMILTON, Monday, Sept. 21.—James Wilnot Lamoreaux (55), president of the Tuckett Tobacco Company, died suddenly yesterday morning. He had been in failing health for some time, but his death came without a minute's notice, it being due to heart failure. His many friends were shocked to learn of his untimely demise, as he was in his usual health on Saturday and early yesterday. He had resided in Hamilton for the past thirty years, having come here from Pickering, his birthplace. He was a prominent member of the local business community, and was a past president of the Commercial Club. He was a member of the Tuckett Tobacco Company, and was a member of the Hamilton and Central Presbyterian churches. He leaves a wife. The funeral will be held Tuesday afternoon at 2 o'clock at Hamilton Cemetery.

Arrested for Shooting.
Roscoe Collona, 277 McNicoll street north, was arrested Saturday evening on a charge of shooting at James White with intent to kill, and of carrying a loaded revolver. Collona, who is a fruit farmer, and was taking the fruit when White ordered him away. Collona immediately drew the revolver and shot at White.

New Altar Consecrated.
Bishop Clark, at a special service yesterday afternoon, consecrated the new altar in St. Mark's Anglican Church. Many attended the service, which was most interesting. Canon Sutherland and Rev. C. A. Spangling assisted.

Death of Miss Fraser.
Margaret Fraser, eldest daughter of the late Philip and Mrs. Fraser, died yesterday after a brief illness. The funeral will be held this afternoon from the home of an aunt, 231 Sherman avenue north.

Reported Big Discovery.
According to information given out on Saturday the biggest feature in connection with the civic investigation has been discovered since the announcement on Wednesday evening. It concerns irregularities in the buying of supplies.

Alid. Young will probably take steps to have reinstated some of the fifteen men who were discharged by the city board of health under Dr. S. Faulkner. Alid. Young said that some of these men had no idea that any wrongdoing was going on, while the men now in the employ of the city have been guilty of irregularities according to the evidence already submitted.

Charge Conspiracy.
It is charged that the investigation committee has evidence that there was a conspiracy to defraud the city. It is in connection with this that several unconnected features will develop. These, it is said, will necessitate the city and council launching criminal actions at once.

Mountain Reservoir.
At a conference on a meeting of the board of control and Hydro commission it was practically decided to secure an expert engineer to give an independent estimate on the costs and benefits of a larger reservoir on the mountain. It is said that an annual saving of \$20,000 would be made by this plan.

Nurses Suspended.
Because they were eight minutes late in getting into their quarters last night, four nurses at the City Hospital have been suspended by the lady superintendent for three months. The ladies in question have nearly completed their course and effort will be made to have them reinstated.

To Build Sewage System.
The proposed general sewage system for the east end of the city this autumn, the city solicitor said, can be built on the local improvement plan. Steps will probably be taken to have the work started as soon as possible to provide work for unemployed.

To Have Home Guard.
On Tuesday morning a meeting of the taxpayers of Barton Township will be held for the purpose of organizing a home guard.

Fire in Tudor Inn.
Fire broke out in the kitchen of the Tudor Inn, King street east, yesterday afternoon. The fire was extinguished after several hundred dollars was incurred. The office of the American Express Company is in the lower part of the building, and was not damaged by the fire.

GENUINE BRANCHES NOT BLACKLISTED

Business With Germans and Austro-Hungarians Permissible Under Conditions.

By a Staff Reporter.

OTTAWA, Sept. 20.—A royal proclamation made public in Ottawa on Saturday, states definitely that no person in the British dominions shall do business with Germans or Austro-Hungarians, but where an enemy has allied or neutral territory situated in British, French or German territory, not being neutral territory in Europe, transactions by or with such branch shall not be treated as transactions by or with an enemy.

According to the customs department this does not conflict with the order issued by Hon. J. D. Reid last week, prohibiting Canadians from doing business with the United States representatives of German or Austro-Hungarian firms. The attitude of the minister of customs is that Canadians may do business with bona fide branches of firms of hostile countries, but not with mere representatives or agents of German and Austro-Hungarian firms. Reid states that United States agents of German and Austro-Hungarian firms have been trying to unload goods from these countries on Canada, and this will not be tolerated.

BRITISH ADVANCE SLOWLY FROM TRENCH TO TRENCH ARTILLERY FIRE IS DEADLY

Battle Along Aisne Is Most Terrible of the War, But Exhausted Troops of Allies Face Death With Unshrinking Valor -- Germans Fall Back Foot by Foot -- End of Conflict Near.

Canadian Press Despatch.

LONDON, Sept. 20, 9.45 p.m.—A correspondent of The Times sends the following despatch from "Behind the British Lines," dated Sept. 19:

"The great battle draws to a close. Exhaustion, rather than shot and shell, has wrought a terrible peace along the river banks—a peace which my experiences of the last few days lead me to believe may be the herald of victory. That, at least, is how I find the situation."

"I have seen our troops and the French go into battle these last days, not as worn and weary men, but as conquerors. I have seen them rest wounded from the valley of death with the conquering spirit fanned to fierce fury."

Shovels and Bayonets.
"Here is a typical description from the trenches of the great struggle: 'We are slowly beating them back. We have to do it foot by foot, for they have huge guns and their shell fire is terrible. But we keep pegging away. How? Well, we dig ourselves in—we British lads have learned that lesson—and then we go on fighting and fighting until the moment comes when we can make a small advance. We crawl up again and dig ourselves in, and so on.'"

"At the end, it of course comes to cold steel. We are all right there."

Appalling Night Scene.
"The scene on the river at night was magnificent and appalling beyond words. The whole valley was swept with a blaze of searchlights from darkness until dawn. Great beams moved up and down, searching the skies and trenches and revealing masked batteries on the heights and dark forms lying along the ridges."

"Here and there a lurid flash revealed the bursting of a shell, or a wisp of fire—a volley from some concealed vantage—and over all rolled the perpetual thunder of the guns, a fierce and thrilling accompaniment."

"An incessant rain, too, flooded the great river, making the work of the heroic engineers a veritable task of Hercules."

Into Jew's Ditch.
"This was a battle to the last ounce of strength, in which man and horse poured out their whole lives in a few minutes. Day and night the combat raged without intermission, ebbs and flows, like the tide, seething like a cauldron. And into the hell strong men went down. Oh! It was a brave sight to see them go, gallantly and lightly, to return perhaps in a few hours broken for life, or maybe never to return at all, for the loss was terrible."

"The battle westward by the forest of Agle has been carried back from the river bank, a matter of some ten kilometres (about 6 miles). But at Soissons, the enemy still holds a few ground. Here, in the some quarters above the town, they have massed a powerful battery of artillery of such heavy metal that our guns have not been strong enough to cope with it."

"For this reason, and this reason

Australian Submarine is Officially Reported Lost

Rear Admiral Patey Says Search Failed to Discover Any Wreckage—Loss Attributed to Accident, As no Enemy Was Near and Weather Was Fine.

Canadian Press Despatch.

MELBOURNE, Australia, via London, Sept. 20.—Rear-Admiral Sir George Patey, commander of the Australian navy, in a wireless despatch to the government states that the submarine AEI, which was reported yesterday as lost, disappeared with 35 officers and men on board. Other vessels of the fleet made a search but failed to discover any wreckage. The loss is attributed to accident, as there was no enemy within 100 miles and the weather was fine at the time.

This is the first disaster in the history of the Australian navy. The AEI was under the command of Lieutenant Commander Thomas F. Besant.

Canadian Press Despatch.
LONDON, Sept. 20, 4.22 p.m.—The following announcement was made by the official information bureau this afternoon:
"Lieut. Commander Thomas F. Besant, Hon. Leopold F. Scarlett and 32 men on board the Australian submarine AEI are reported lost."

GERMANY DARE NOT RISK NAVAL DEFEAT

Special to The Toronto World.

NEW YORK, Sept. 20.—Although Germany is the second naval power in the world she has accomplished nothing yet on the seas, remaining safe in the Baltic, while the British fleet, aided by the French, has swept German commerce from the seas. The inactivity of the German navy is so striking that it is the topic of the leading article in the current issue of The Army and Navy Journal. It is intimated in the article that the reason the German fleet has been kept open a furious way for the most part, is that its defeat, which is considered a reasonable supposition would have a most demoralizing effect upon the German people and German army. The article says in part:

Use of German Navy.
"No student of military conditions can fail to speculate as to the ultimate fate of the German navy. It was built to defend German commerce. At the present time this commerce has practically ceased to exist; but the fleet remains, virtually intact near shore under the protection of mines and forts. This quiescent attitude of the navy raises the question of what the function of a fleet really is. It is

alone, they have been able to withstand our attacks. Happily, the French have now brought up their heaviest guns and are about to open a furious bombardment. One advantage the enemy possessed he must presently lose."

Hardest Fought of War.
"Understand this, the hardest fought encounter of the war. It has been a frontal attack against a powerful foe, the splendidly entrenched and strongly situated. To have conquered at Aisne is to have proved oneself irresistible."

The correspondent speaks of "the strange, almost intangible courage and eternal cheerfulness of the British, the

LUNEVILLE MADE TO PAY HEAVILY

One Hundred and Thirty Thousand Dollars Collected by Germans.

LACK OF PROVISIONS

Numerous Acts of Pillage Have Been Committed, Says Prefect.

Special Direct Copyrighted Cable to The Toronto World.

BORDEAUX, Sept. 20.—Sub-Prefect M. Minies of Luneville says in a report that Luneville has been occupied three weeks. More than one hundred houses have been burned, and the sub-prefecture is a heap of ruins, numerous acts of pillage have been committed and a contribution of 500,000 francs (\$130,000) in gold has been exacted. During the greater part of the occupation there has been a great lack of provisions. No gas, electricity or kerosene is available, and the inhabitants are obliged to use candles for lighting purposes. Four hostages have been given daily to answer for the security of the German troops. The railroad station and the barracks were wrecked and the electrical plant and the postoffice were rendered useless.

BRITISH NOBLEMEN AMONG WOUNDED

Son of Duke of Athol, Famous for Gallantry, Included.

Canadian Press Despatch.

LONDON, Sept. 20, 2.20 p.m.—A casualty list made public tonight by the war office again shows a large number of officers among the killed, wounded, or missing. Sixteen officers are reported to have been killed and 35 wounded and 10 to be missing. The famous Coldstream Guards and the Buffs were the most prominent among the sufferers, the former having 13 men wounded or missing and the latter 10 wounded or missing.

Among the wounded are Lord James Grenadier, Guards, whose brother is a lieutenant in the 1st Buffs, and the Duke of Athol. He is a captain of the Queen's Own Cameron Highlanders and won both the King's and Queen's medals for bravery in the South African war. He is 34 years of age.

Others reported wounded are: The Hon. Fitzroy Richard Somerset and the Hon. Nigel Fitzroy Somerset, respectively the eldest and the third sons of Lord Raglan, and Major Alfred Henry Maitland, third son of the Earl of Lauderdale.

Lieut. Fitzroy Richard Somerset is 26 years old and belongs to the Grenadier Guards, while his brother is 27 years old and a lieutenant in the Gloucestershire Regiment. Major Maitland is 42 years old. He has seen active service in both Egypt and South Africa, and has been awarded medals in each campaign for distinguished service.

GIRL GUIDES SANG AND MARCHED AT CASA LOMA

Saturday Afternoon Fete Enjoyed by Many Guests—Sir John Gibson Attended.

The Girl Guides acquitted themselves admirably on Saturday afternoon at "Casa Loma," where, amid ideal surroundings, and attended by delightful weather, a successful fete was held.

Under the supervision of a very able committee of women, including Misses Ambrose Small, Morgan Dean, Follett, Russell A. E. Hardy and the

presented to Lady Gibson. Lady Pelham's excellent entertainment was presented to the large throng present for the purpose of swelling the coffers of the War Relief Fund. The castle and grounds were brilliantly lit up, and the program provided by the following artists: Mr. Donald MacGregor, who rendered Tosti's "Good-Bye," and arranged along the terrace overlooking the lawn to the left, upon which the large group of performers were stationed, consisting of daintily depicted patriotic songs and marches.

The Lieutenant-Governor gave a brief opening address, and immediately after the singing of "God Save the King" a handsome bouquet was presented to the King.

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DUNNING'S

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