

Germans Make Fierce Attack on Rheims and Bern 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 up the question of clearing-house settlements, no announcement has yet been made that 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 a specialist 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 assailed 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 credit; 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 liabilities. When the war broke out it let loose its reserve with so free a hand that on Aug. 7 it had fallen to 44.6 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, bankruptcies were averted, confidence returned and gold has been flowing back into the bank ever since, until the reserve is now up to over 52 per cent.

This is of 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 comptroller 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 Hanover stand out in dubious eminence with reserves respectively of 25 and 26.3 per cent.

These are simple cases—of great banks which are actually hoarding money in a time of stress, of banks which are sitting tight and 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 Act. 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 reserves melt the situation in Canada? Or, put it in another way, and in the words of 'The New York World,' is it not fair to say that because a bank hoards its money in times like these and keeps itself "strong," this 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 much further advanced in this respect than are either we in Canada or the United States. Both the United States and Canada are the furthest away from the w.r. 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. May we once more say to our friends the Canadian banks, and especially to those who are opposing the recognition of legal tender of bank notes in the clearing house, Don't be a Clam!

Misses Mary Moffatt and Alice Lea, presented to Lady Gibson. Lady Pelham an excellent entertainment was given last evening among her friends entrusted to the large throng present for out the afternoon. Tea was served in the conservatory and an excellent musical program provided by the following artists: Mr. Donald MacGregor—who visitors, and garden benches were arranged along the terrace overlooking the lawn to the left, upon which Mrs. William Donald Barron and Miss Girdlestad part of the program was Kathleen W. H. Dunning's. The excellence of the food served is only eclipsed by the moderation of the King's a handsome bouquet was the price charged.

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.

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.

GERMANY DARE NOT RISK NAVAL DEFEAT

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

BRITISH NOBLEMEN AMONG WOUNDED

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

LUNEVILLE MADE TO PAY HEAVILY

One Hundred and Thirty Thousand Dollars Collected by Germans.

NUMEROUS ACTS OF PILLAGE HAVE BEEN COMMITTED, SAYS PREFECT.

ADDITIONAL ACTS OF PILLAGE HAVE BEEN COMMITTED, SAYS PREFECT.

HAMILTON CITIZEN DIED YESTERDAY

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

BORN AT PICKERING

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

By a Staff Reporter. HAMILTON, Monday, Sept. 21.—James Wilnot Lamoreaux (58), 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, Ontario, in 1884. He was a prominent member of the Hamilton and Pickering clubs, and was a past president of the Commercial Club. He was a member of the Hamilton and Pickering clubs, and was a past president of the Commercial Club. He was a member of the Hamilton and Pickering clubs, and was a past president of the Commercial Club.

Arrested for Shooting. Rosco Collona, 27 McNab 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 was taken to the police station, and was held in the lock-up. He was charged with the murder of James White, who was shot and killed on the street. Collona was charged with the murder of James White, who was shot and killed on the street. Collona was charged with the murder of James White, who was shot and killed on the street.

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

Reported Big Discovery. According to information given out on Saturday the biggest feature in connection with the civic investigation has been the discovery of a large quantity of dynamite in the city. It is reported that the dynamite was hidden in a building in the city. It is reported that the dynamite was hidden in a building in the city.

Charge Conspiracy. It is charged that the investigation committee has evidence that there was a conspiracy to defraud the city. It is reported that the conspiracy was organized by a group of men in the city. It is reported that the conspiracy was organized by a group of men in the city.

Mountain Reservoir. At a conference on Saturday of the board of control and Hydro commission it was practically decided to secure an expert engineer to give an independent report on the cost of the mountain reservoir. It is reported that the reservoir is to be built on the mountain. It is reported that the reservoir is to be built on the mountain.

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. It is reported that the nurses were suspended for being late. It is reported that the nurses were suspended for being late.

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

Fire in Tudor Inn. Fire broke out in the kitchen of the Tudor Inn, King street east, yesterday afternoon. The fire was extinguished by the fire department. It is reported that the fire was extinguished by the fire department. It is reported that the fire was extinguished by the fire department.

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 territory, the prohibition does not apply to such 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 week 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 the United States branches of firms of hostile countries, but not with mere representatives of such firms in the United States.

Mr. Reid states that United States agents of German and Austro-Hungarian firms have been trying to do business with our citizens, and this will not be tolerated.

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. 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

Special to The Toronto World. NEW YORK, Sept. 20.—Altho 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:

"A naval defeat, which may reasonably be expected even by the most patriotic German, would have a most demoralizing effect upon the people of the fatherland and the army. The people have always looked at that captain of the sea, the German navy, as their main reliance. If the army does not succeed they are lost. Not even a naval victory would avail them from the protection of the sea, and the Russian pouring in upon the German capital from the other."

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 is the hardest fought encounter of the war. It has been a frontal attack against a powerful foe splendidly entrenched and strongly situated. Only the better fighter wins such a battle. To have conquered at Aisne is to have proved oneself irresistible."

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

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 suburb of Luneville is a heap of ruins, numerous acts of pillage have been committed and a contribution of 550,000 francs 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.

Others reported wounded are: The Hon. Fitzroy Richard Somerset, 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 22 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.

Awful Victory. "To speak of Kaiser matters, I have seen great train loads of captured German cannon, taken during the last week, and still greater train loads of captured German prisoners and elsewhere, looking wonderfully happy and contented, and finally, I have seen our splendid airmen performing their reconnaissance work, speeding away to the thrill and terror of a great rally."

Victory is not yet, but we await the morrow with great hope and confidence.

GIRL GUIDES SANG AND MARCHED AT CASA LOMA Saturday Afternoon Fete Enjoyed by Many Guests—Sr 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 Mesdames Ambrose Small, Morgan Dean, Follett, Russell A. E. Hardy and the

of British German enable. DOOMED by Teuton Wrested the far east is the silk trade built up will in and Chinese in Hugh Roch- England, seen last night by a party of Brit- back to Eng- in the east. Francisco steamer Maitai two German Leipzig, which vessel. It was that the captain was enabled the port of San some anxious member of British consul on ally made San, by putting out been in China for his travels a great deal found that to interfere in and did every- safety and com- to Rio- strongly fortifi- man in the east. Tientsin, the as soon as any- ter," said Capt. the German port, of their forti- this twenty-four the northern part with Japanese, better than the become the most of the world, and on the Germans, Chinese hands, some, Chinese, who- vos fought for rejoin the party are hurrying to shew for service the party to come west went direct New York.

designer and in- Saturday Even- Home. died on 49, at his home, 473 Broad- relief illness last- v. Ontario, Eng., was very pro- viding industry, ber of the Naval on in 1884, Jan- Canada, where- and was the ship building in- steel vessel in- nected with the and the Polson years, lately be- naval architect. Redwood, one of the largest dredges in Can- ber of passenger which has been country. Among the designing of a watertight hatch which was com- plished on the invention, the st been received, as by the Ameri- company of Cleve- freight vessels, 0-foot self-trim- contract for to American.

COLLIDE. containing Harry street, and David order was struck car, No. 1628, at Portland streets, but the im- in feet in the air, to the Western head wound. Sit- uation injury. The rig was being st from Winters'.

TOURISTS. automobile. Highest standard L. Hamilton