

FAVORS A CENTRAL BANK

VANDERLIP GIVES HIS IDEAS OF PREVENTING A PANIC.

Speech at Columbia in Favor of a Combination of the Scotch System of Branch Banks and the German Central Bank of Issue—Lesson to Learn From Canada.

Frank A. Vanderlip, vice-president of the National City Bank, lectured at Columbia yesterday on the modern bank.

Mr. Vanderlip pointed out in his address the panic which is the result of the conditions which exist here, has been enabled to pass through the crisis without any disturbance to its banking system and supplied the funds to move the crops in the Northwest when our banks were helpless.

At the close of his speech he went into some of the remedial measures that have been suggested, and recommended a combination of the Scotch banking system of Scotland and the German system of a central bank of issue.

On that point Mr. Vanderlip said: "Under perfectly normal conditions the use of money as a medium of exchange shows a considerable variation. Nearly 50 per cent. of the people of the United States are engaged in agriculture."

There is a time of crisis two things are likely to happen. The first is a general picture of the banks and resorts to money as a store of value, converting its bank credits into cash and hoarding the cash.

It requires but a moderate development of such a character to produce a most disastrous result. There are twelve to fourteen billions of deposits in all the banks in this country.

There are many solutions, in my opinion, that will measure true and sound by an application of these principles.

GOSSIP OF WALL STREET.

The character of yesterday's market was established by the fact that the trading was able to force a decline in the first hour on the ground that the day and date made an ominous combination—Friday, the thirteenth.

There were rumors that the day would witness a heavy decline, but of course no one would have believed that the market would have been so quiet.

There was of course no very great opportunity in operating on the market, but a superstition that induced the room traders to sell the market at the opening, but this class of operators are forced at times to embrace every opportunity to make even a very small profit.

American Sugar Refining by selling at 34 1/2 not only made a new record for the year but dropped lower than at any previous time since 1895. It sold at 80 1/2 then.

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PACIFIC RAILROADS REPORT

BOTH SOUTHERN AND UNION DROP ON OCTOBER SHOWING.

Operating Expenses Increase Out of Proportion to the Increased Gross Earnings and the Net Earnings of Both Decline—Explanation of the Changes.

The report of earnings of the Union Pacific and Southern Pacific railroads for the month of October was received with great interest in the Street yesterday.

Both roads showed a substantial increase in gross earnings over October, 1906, but net earnings showed a large decrease, especially in Southern Pacific, on account of the advance in operating expenses.

The Union Pacific statement showed the following figures: Gross earnings, \$7,789,817, an increase of \$815,380; operating expenses, \$4,965,971, an increase of \$1,150,427; net earnings, \$2,823,846, a decrease of \$385,975.

The following statement was given out in explanation: About \$451,000 of the increase in expenses is for maintenance of way, structures and equipment. Renewals of crosses increase \$80,274 and charges for equipment depreciation \$90,550.

The Southern Pacific figures are as follows: Gross earnings, \$12,083,974, an increase of \$1,213,238; operating expenses, \$8,906,179, an increase of \$2,533,638; net earnings, \$3,177,795, an increase of \$1,433,663.

The following statement was given in regard to this showing: About \$1,353,400 of the increase in expenses is for maintenance of way, structures and equipment. Renewals of crosses increase \$148,000 and ballasting \$30,000.

As now operated, the petition says, the road involves an expenditure of \$1,300,000 over and above receipts from all sources, assuming the payment of rental and interest on the first mortgage bonds.

REPORT ON THIRD AVENUE.

RECEIVERS SAY IT CAN RUN INDEPENDENTLY WITH PROFIT.

Douglas Robinson and Adrian M. Johns, the Federal receivers for the New York City and Metropolitan Street Railway companies, filed a petition in the United States Circuit Court last yesterday afternoon asking for instructions regarding the operation of the Third Avenue Railroad Company, which is under lease to the New York City Railway Company.

Upon receipt of the petition Judge Laocube fixed Thursday, December 19, for hearing on the matter. The petition of the receivers recites the failure of the Metropolitan by order of the court to pay the quarterly instalment of rent to the Third Avenue, and after outlining the obligations of the company and the property it holds says:

In the event of an annulment of the lease from the Third Avenue to the Metropolitan Street Railway Co., the receivers would, as your petitioners, that appropriate provision should be made whereby the Third Avenue properties may be operated by them until such time that road can form a separate operating organization and until the numerous contracts affecting the whole system can be so adjusted as to entail the minimum of loss and hardship on all concerned.

The receivers say that the Third Avenue Railroad Company line proper might well be operated in connection with the other companies, whose stock is pledged under its mortgage, as one system without great hardship to the public.

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ECONOMICS AND THE BANK

ORGANIZED 1830

This Bank has been in existence over THREE-QUARTERS OF A CENTURY, is one of the founders and a member of the NEW YORK CLEARING HOUSE ASSOCIATION, and is thoroughly equipped to provide excellent facilities for its patrons.

THE CHICAGO & ALTON RAILROAD CO. To all Stockholders, New York, December 14, 1907. A dividend of \$2.00 per share on the Cumulative 7% Preferred Stock...

THE MONONGAHELA RIVER CONSOLIDATED CO. To all Stockholders, Pittsburgh, Pa., December 14, 1907. The Board of Directors of this Company has this day declared a dividend of one-half (1/2) per cent. on its preferred stock...

THE KANSAS CITY SOUTHERN RAILWAY CO. To all Stockholders, New York, December 14, 1907. A dividend of \$2.00 per share on the Cumulative 7% Preferred Stock...

THE BETHLEHEM STEEL COMPANY. To all Stockholders, Bethlehem, Pa., December 14, 1907. A dividend of \$2.00 per share on the Cumulative 7% Preferred Stock...

THE NATIONAL TRUST COMPANY. To all Stockholders, New York, December 14, 1907. A dividend of \$2.00 per share on the Cumulative 7% Preferred Stock...

THE BUFFALO MINING COMPANY. To all Stockholders, Buffalo, N.Y., December 14, 1907. A dividend of \$2.00 per share on the Cumulative 7% Preferred Stock...

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PROPOSALS.

SEALING BIDS OR ESTIMATES will be received by the Board of Health of the Department of Health until 12 o'clock P. M. on FRIDAY, DECEMBER 20, 1907.

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