

BUSY TIMES AHEAD SEEN IN MANY LINES

More Reports of Improvement From Manufacturers and Merchants.

RAILROADS' NEEDS URGED

Reports received from manufacturing and business concerns throughout the East and the middle West continue to indicate that business is beginning to show signs of improvement and that pessimism is giving way to optimism.

Some of the replies received from business concerns are as follows:

F. W. Dressel, president of the Dressel Railway Lamp Works, New York: "Business in general seems to have a somewhat better aspect than a few months ago and we have recently received more requests for prices and other information than earlier in the year. Orders, however, are not coming in, and although several lines of business report an improvement in business generally, our business is confined to railroads and railroad supply houses, which so far have been the last to respond to any improvement in affairs in general. We believe the railroads of the United States are being unnecessarily hounded, and think that if more leniency was shown them this would stimulate buying on their part, which of course would affect practically every line of business."

L. H. Lewis, general secretary of the Indianapolis Chamber of Commerce, Indianapolis, Ind.: "Every indication points to the fact that building operations in Indianapolis during 1914 will be the greatest in the history of the city. For the first six months of 1914 they exceeded those for the corresponding period in 1913. This is a positive barometer it would seem to me that business generally will show a decided improvement and big increase during the coming year. If Congress will keep hands off and the commercial interests of the United States a much needed rest and the national government will take advantage of every opportunity to develop more favorable conditions of trade and commerce. A great deal depends, however, according to the Chronicle, on how the new banking system is administered."

F. R. Pierce, president of the Louis Werner Saw Mill Company, St. Louis, Mo.: "Recently there has manifested itself in the lumber trade an increased activity, the public evidently being well satisfied with the recent election and showing a disposition to invest in the present very low prices of building material, especially lumber. Individually my company deems this a good time to prepare for business which will undoubtedly come, and we are pushing to completion a new \$300,000 plant to be in commission very early in the coming year, and we expect to have plenty of business for it at fairly remunerative prices."

Norman D. Fraser, president of the Chicago Portland Cement Company, Chicago, Ill.: "Business of this company for its first ten months of 1914 has been normal and satisfactory. The production and shipments of cement both being normal; prices have also been fairly firm. We have every reason to believe that this statement may be applied to the business of all of the cement producers in this section of the country."

F. L. Swift, president of the Eagle White Lead Company, Cincinnati, Ohio: "We think business in general has improved materially within the past thirty days."

C. L. Wheeler, secretary of the Taunton Chamber of Commerce, Taunton, Mass.: "Business in general has been more favorable outlook during the last month, hence the number of unemployed for this season of the year is about normal."

W. H. Murphy, president of the Murphy Chair Company, Detroit, Mich.: "We are employing about 550 men where two years ago we had 800. Recently, however, we have been having some difficulty in getting home trade, which is shipped into this country largely from Europe. The war has stopped export of these goods from Europe and we are getting the trade here."

PROSPERITY LUNCHEON. Merchants Association Intends to Show That Good Times Are Near.

The Merchants Association announced yesterday that it will give a prosperity luncheon meeting of the members' council of the association, which will be held in the Hotel Astor at noon on Tuesday. The purpose of the meeting is to demonstrate the belief of New York's business men that good times are at hand and that business stagnation is at an end.

In recognition of the fact that the establishment of the Federal reserve banking system has probably had a greater effect than any other event in relieving depression, the luncheon will be tendered to the officers and executive committee of the New York Federal Reserve Bank.

The principal speakers will be Benjamin Strong, Jr., governor of the Federal Reserve Bank; Pierre Jay, chairman of the board of directors of the Federal Reserve Bank; Henry R. Towne, president of the Yale & Towne Manufacturing Company and member of the executive committee, and Irving T. Bush, president of the Bush Terminal Company, an active participant in the reform of the banking and currency system.

ALCO FILM CO. SUIT SETTLED. Opposing Stock Purchased and Receiver Will Be Discharged.

The suit in equity which was started by William Stevens of St. Louis as treasurer of the Alco Film Corporation, which filed its own building at 218 West Forty-second street, and which resulted in the appointment of a receiver, was discontinued yesterday. Stock held in the Alco Film Corporation by Al Lichtman and William Sievers was purchased by Walter Hoff Seely, president of the company, and his associates. Contracts were signed by which the stock is to be transferred and the papers were also drawn for the discontinuance of the proceeding.

Judge Learned Hand of the Federal District Court appointed Arthur P. DeLoia, a lawyer of 49 West street, receiver with a bond of \$15,000, was out of town today, so that formal discharge of the receiver could not be made. This will be done the first thing Monday morning.

MECHANICS & METALS TO MOVE. Bank Will Soon Occupy Quarters of Old Fourth National Abandoned.

The Mechanics and Metals Bank, which is now at 10 Wall street, will move about May 1 to the old Fourth National Bank offices in Nassau street, between Pine and Cedar streets. Extensive alterations will be made in the building. The Mechanics and Metals National Bank will use the street floor of its new quarters for its foreign exchange department, the second floor for its main banking room and the third floor for the various other departments.

During the present year the Mechanics and Metals Bank took over the Fourth National Bank, the latter going out of existence, and all its assets, liabilities, obligations, business, etc., being assumed by the Mechanics and Metals.

DR. WEBB TO PAY \$240,000.

Referee Reports Judgment for H. L. Sprague in Railroad Case.

Hamilton Odell, referee in a suit brought against Dr. Webb by H. L. Sprague, son-in-law of the late William H. Vanderbilt, by Henry L. Sprague, lawyer, and former member of the firm of Stetson, Jennings & Russell, has decided that Dr. Webb is entitled to a judgment for \$240,000. The suit was based on an alleged breach of contract by Dr. Webb in failing to carry out in 1902 a deal to acquire the Canada Atlantic Corporation, a railroad later absorbed by the Grand Trunk. The other parties to the contract were Sprague and Arthur L. Meyer, a Wall Street operator.

The testimony indicated that Meyer became involved before the deal was closed and that Dr. Webb then arranged a plan to sell the Canada Atlantic to the Rutland Railroad, with the condition that Meyer was not to share in the profits. Eventually the scheme fell through and a deposit of \$250,000 put up by Dr. Webb and his associates was forfeited. Dr. Webb contended that he had become so crippled financially by the loss of the stock of the Canada Atlantic that he could not put through the sale, but the referee finds no clear proof of this.

Sprague sued for his half of the \$250,000 deposit for two thirds of the prospective profits of \$2,000,000 for himself and Meyer and also for \$20,000 for legal services. The road itself was sold later to the Grand Trunk for a sum said to have been \$15,000,000. Dr. Webb refused to allow Sprague's prospective profits on the deal, but gave him the \$125,000, with interest since 1902, and \$12,000 legal fees.

FEARS PATERNALISM IN NEW CURRENCY SYSTEM

"Financial Chronicle" Says Overzealous Politicians Alone Are Its Peril.

The Commercial and Financial Chronicle in its leading editorial of yesterday in commenting on the opening of the Federal reserve banks says that no banking system has ever started under more favorable conditions or with greater optimism. A great deal depends, however, according to the Chronicle, on how the new banking system is administered.

The Chronicle says in part as follows: "It is undeniable that the new system has within its scope many great advantages. It is undeniable that it provides for a mobilization of reserves and, for certain purposes, unites all the banks under more favorable conditions or with greater acclimation. If the system is administered wisely, every objection on the part of the public will be answered. It will become an instrument of paternalism in the hands of government officials. During the last three months there has been much talk of the possibility of a banking crisis. In the worry and anxiety caused by the gigantic conflict in Europe the Federal Reserve Board has been appealed to in order to prevent a panic. The paternalistic undertakings, and under the guidance of Secretary McAdoo it has shown a too ready disposition to encourage the confidence of the public."

"Neither the President's attitude nor that of the Secretary of the Treasury is very reassuring in that respect, and unfortunately, the system is now in its infancy, every step will now be taken with a view to the future. No doubt much banking experience will be gained from the operation of the system in the course of time, but the most serious danger that will always confront the system will be from the political side. The steady influence of one or two men of the War party, ever ready to be seized upon as a sufficient to overcome or avert this danger."

"The menace is not alone that political expediency, rather than sound banking methods, will be resorted to in controlling the system. It is feared that the well meaning efforts of political enthusiasts temporarily seated in high places, will be frustrated by the influence of the War party, which they have been charged with the mission of reconstructing society, even if this makes necessary the defiance of the economic law."

DAILY TREASURY STATEMENT.

WASHINGTON, Nov. 21.—The statement of the receipts and pay warrants of the Treasury shows: Thursday, This Month Fiscal Year.

Receipts: \$1,715,500 \$2,436,300 \$4,251,782 Pay warrants: 2,972,511 3,714,853 2,640,631

GENERAL FUND. Gold coin and bullion: \$4,150,526 Gold certificates: 47,450,526 Silver certificates: 17,430,431

RESERVE FUND. Gold coin and bullion: \$1,465,000,000 To redeem outstanding certificates: \$1,465,727,589

DIVIDEND DECLARATIONS.

Company and Term. Stock. Amt. Payable. Lake, The Woods, com 25 Dec. 1

Alabama Great Southern Railway, com 25 Dec. 23

Great Falls Manufacturing, com 15 Dec. 1

Lawrence Manufacturing, com 15 Dec. 1

Blackstone Valley Gas and Electric, com 15 Dec. 1

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RESERVES RELEASED

TOTAL \$169,416,640

First Bank Statement Under New System Shows Record Surplus.

The first Clearing House bank statement issued under the Federal reserve system yesterday showed a record surplus of \$176,830,510, an increase of \$169,416,640 over the week previous and the largest ever recorded. The increase was chiefly due to course to the reduction in the reserve requirements from 25 to 18 per cent.

The change in the bank statement was the first radical change since the founding of the national bank system in 1863. After the panic of 1907 there were some changes of moderate nature, but nothing so sweeping as yesterday. One change was that the figures for the trust companies were included in the statement. The other was that a statement of the actual condition of the banks on the Friday night preceding the statement, as well as the condition of average condition for the week, was added.

The increase in excess reserve, as previously pointed out by Albert H. Wiggin, chairman of the Federal Reserve Board, does not mean that the amount has become available for loans immediately. The employment of this released reserve in actual business will take place only slowly, as it is not until after January 1, 1915, that the banks are in control of the situation. The new reserve figures provide a sufficiently safe margin for the banks.

The amount of excess reserves over those of last week corresponded with moderate closeness to the estimates of the amount of reserves to be released made by the Clearing House, the Federal Reserve Board and the State Banking Department. The Controller estimated that \$88,000,000 would be released and the State Banking Department estimated that \$100,000,000 would be released.

The largest excess reserve next to that of yesterday came as the aftermath of the panic of February 2, 1904. The surplus reserve had increased to \$111,623,000. On June 27, 1908, following the 1907 panic, the surplus was \$60,000,000. On June 14, 1911, the surplus, including the trust company members of the Clearing House, was \$66,975,500.

For one of the very few times in its history the bank statement yesterday was late. It usually appears at 12 o'clock and when later than this the whole financial community becomes nervous. Yesterday the statement was delayed, but allowance was made for the delay by reason of the revolutionary changes made.

In the present loans of the Clearing House members are shown to have increased \$13,000,000 and circulation decreased \$14,000,000.

An item that attracted a good deal of interest was the fact that the net deposits were \$102,000,000 greater than those of the week previous. One reason advanced to account for this was that the net deposits were \$102,000,000 greater than those of the week previous. One reason advanced to account for this was that the net deposits were \$102,000,000 greater than those of the week previous.

STERLING EXCHANGE FIRMER. Advances on Report of Bond Opening on Exchange.

Sterling exchange advanced from 1 1/2 to 1 3/4 in the pound yesterday and was especially strong for a Saturday. Exchange on Paris was fractionally weaker and marks were unchanged.

Foreign exchange was firmer, a hardening of rates on London was due to the announcement of the Stock Exchange plan for bond trading, which caused a consolidation of the market. The exchange man again emphasized his belief that further removal of the bars against freer trading should be considered in order not to add to the great volume of debt still against us and cause another rise in exchange rates to prohibitive prices.

Domestic demand at 1 1/4 and cables at 4 3/4, an estimate was 4 1/2 for the former and 4 3/4 for the latter on Friday. France was slightly lower at 5 1/2 for checks and 5 1/4 for cables, against 5 1/4 for checks and 5 1/2 for cables. Marks were unchanged at 8 1/4 for checks and 8 1/2 for cables.

BUSINESS TROUBLES. COOPERSMITH & GINDLIN, manufacturers of clothing, have filed a petition in bankruptcy.

A petition in bankruptcy was also filed by Simon Saria, a manufacturer of fur coats, and by E. J. Jaffe, a manufacturer of fur coats.

ETTA KOSEFSKY, dealer in women's apparel at 788 Sixth avenue, has filed a petition in bankruptcy.

SIMON KOSEFSKY, manager at 788 Sixth avenue, has filed a petition in bankruptcy.

UNIVERSAL, 114 West 14th street, has filed a petition in bankruptcy.

M. G. R. JAFFE, manufacturer of fur coats, has filed a petition in bankruptcy.

S. HECKERMAN & SON, a petition in bankruptcy was filed by S. Heckerman & Son, manufacturers of furs at 39 West Twenty-ninth street.

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BUSY WEEK AT RESERVE BANK.

With Big Task of Getting Started, \$3,023,500 is Rediscouted.

The Federal Reserve Bank of New York, in a statement of some of its operations made yesterday, shows that in its first week of existence it has rediscouted \$3,023,500. At the close of business Friday night, when this calculation was made, the bank had on hand \$108,314,874.80 in cash.

The net deposits at the bank were \$107,529,994.35 and its capital \$3,321,950. There were outstanding \$224,875 of Federal reserve notes. These figures were exclusive of the Federal reserve notes and accrued. Practically all the banks have completed their payments of reserves.

NO DEFECT IN RESERVE NOTES. Some Called Back to Complete Souvenir Set.

A report not abroad in Wall Street and extending to the floor of the Federal Reserve Bank yesterday that the Federal Reserve Bank of New York was recalling some of its reserve notes, owing to a defect in the engraving of the number of the notes.

The defect in the engraving of the number of the notes was discovered when it was authoritatively learned that the reserve bank was not recalling a part of its notes, but only a dozen of the 100 notes in the set, the serial numbers, forming a part of a set which was being retained largely for sentimental reasons, had been paid out to the public.

The Federal Reserve Board in encouraging the payment of reserve deposits in actual money instead of in rediscouted paper.

Rates of rediscout established a week ago and fixed with this policy in mind, as outlined in circular No. 10, issued by the board some time ago. Reports from all districts are of the most encouraging nature, and the outlook for business is stated as satisfactory. The establishment of the system has already had an important effect in increasing the lending power of the banks.

The following consolidated statement shows in one total as nearly as available figures will permit the condition of the twelve Federal reserve banks at the close of business on November 20, 1914.

Statement of cash on hand, rediscouted notes, and other assets, and liabilities, at the close of business on November 20, 1914.

Cash on hand—Gold coin and certificates: \$202,411,500 Federal reserve notes: 7,308,000

Rediscouted notes: 5,607,000 All other assets: 95,000

Total: \$215,326,500

Capital paid in: \$11,072,000 Reserve deposits: 227,138,000

Federal reserve notes in circulation: 1,215,000 Total: \$248,423,000

Gold reserve against all liabilities: 89% Cash reserve against all liabilities: 105%

WOMAN SEEKS PUMP RECEIVER. International Company May Join in the Application.

An order was granted yesterday by Vice-Chancellor Griffin sitting in Chambers in New York City, requiring the International Steam Pump Company, a \$2,000,000 corporation of New Jersey, to show cause why a receiver should not be appointed to take charge of its affairs.

The order was granted on the application of Mrs. Ethel Elms of Leathworth, England, through Merritt Lane, her counsel, and in answer to a petition filed by the International Steam Pump Company.

Mrs. Elms is owner of 100 shares of the company, valued at \$100,000. She alleges that the company is insolvent and that the assets are being dissipated.

In a communication to Attorney Lane, through its president, Leon P. Feustman, the company admits Mrs. Elms' charges and intimates it will join in the application.

The International Steam Pump Company controls the Henry R. Worthington Pump Works of Harrison, it is said. A receiver's suit is now pending against the company.

The International Company is involved in bankruptcy proceedings in the United States District Court for the southern New York district.

SPENT \$6,779.22 IN JERSEY. Democrats Report Campaign Contributions of \$7,072.50.

TRENTON, N. J., Nov. 21.—Receipts of \$7,072.50 and expenditures of \$6,779.22 are shown in a statement of campaign contributions filed with the Secretary of State by the Democratic State committee.

The largest single contribution was \$4,750 for canvassing the names of the voters.

SUE BANKER FOR DAMAGES. Man and Wife Want \$1,000.

Emil E. Renner and his wife began a suit in the Supreme Court in Brooklyn yesterday against Edwin S. Piper, president of the Eagle Savings and Loan Company, for \$1,000 damages.

The suit grows out of the successful foreclosure proceedings which the company instituted against the Renners.

The Renners allege that Mr. Piper deceived them by stating that by making payments of \$57 a month for not more than fourteen months they would be able to pay off a mortgage of \$7,600 which the company held.

SHORTER ROUTE TO PITTSBURG. Plans for New Railroad Approved by Pennsylvania Commission.

HARRISBURG, Pa., Nov. 21.—The Public Service Commission has approved the plans and granted a certificate of necessity for a new railroad from Harrisburg to Allentown, tapping the Erie, Lehigh and Susquehanna rivers.

The proposed route, which was chartered five years ago, will run from Harrisburg to Allentown, tapping the Erie, Lehigh and Susquehanna rivers, and will also shorten the distance from Pittsburgh to New York by eighty miles. The line will cross the Susquehanna River at some point between Harrisburg and Sunbury.

RAILROAD EARNINGS. Chicago Great Western: Second week Nov. 1914. Changes.

Grand Trunk System: Second week Nov. 1914. Changes.

Louisville and Nashville: Second week Nov. 1914. Changes.

St. Louis and San Francisco: Second week Nov. 1914. Changes.

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REDISCOUNTS ONLY

\$5,807,000 IN WEEK

Federal Bank Statement Shows \$1,215,000 Reserve Notes Put in Circulation.

WASHINGTON, Nov. 21.—The Federal Reserve Board made public today the first consolidated statement of the reserve system, the data given relating to the condition at the close of business by the twelve banks yesterday.

The statement shows that rediscouting operations for the banks in their first week of business totaled only \$5,807,000 and that the reserve notes put in circulation in this time amount to \$1,215,000. Payments of reserves have reached \$227,138,000.

The rural banks of the Dallas and San Francisco districts, many of which are far removed from their reserve banks, have not completed their payments. Here is the announcement from the board: "Rediscouting privileges have been made available to a considerable extent in New York, Chicago, St. Louis and Kansas City. Elsewhere the showing is much smaller."

Local demand has been issued principally in Chicago, New York and Minneapolis, but every bank has been supplied with an adequate amount of notes to meet its needs. The relatively small amount of rediscouts as compared with the policy of the system is due to the policy of the Federal Reserve Board in encouraging the payment of reserve deposits in actual money instead of in rediscouted paper.

Rates of rediscout established a week ago and fixed with this policy in mind, as outlined in circular No. 10, issued by the board some time ago. Reports from all districts are of the most encouraging nature, and the outlook for business is stated as satisfactory. The establishment of the system has already had an important effect in increasing the lending power of the banks.

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