

COMMERCE AND FINANCE

MARKET IS DULL; FEW SHARES SOLD. Eventful Week in Wall Street Comes to a Quiet Close.

RATE INCREASE HELPS. Increased Interest in Railroad Issues Confidently Expected Soon—New Haven Gains a Point.

New York, Dec. 18.—Wall Street had an eventful week. The preliminary try-out of trading a week ago today stimulated outside interest, and on Monday the demand for stocks grew so insistent that the committee that oversees the exchange transferred all the stocks on the floor of the exchange on Tuesday.

Optimism got the better of judgment, and prices shot up four to six points, bringing many of our international stocks close to the maximum prices established in London. Selling for foreign account, supplemented by bearish operations of professionalists, checked the advance and threw the market back into dullness.

Friday's market turned decidedly weaker for the forenoon, and the turn carried the list down to the minimum figures. Many stocks. This tendency was checked, however, by the handing down of the decision by the Interstate Commerce Commission, granting an increase in freight rates. Prices steadied, although, from a Street point of view, there was disappointment outside buying of stocks did not immediately follow.

Dull and Narrow. Commission houses express confidence and look for an increased interest in railroad issues when the public realizes the importance of the railroads of the country. The position of this road has been improved substantially by the rate increases. Southern Pacific gained 1-2 a point and Baltimore and Ohio sold up to 70 1/8. Missouri Pacific was firmer on reports of favorable earnings.

Alaska Gold sold up to 2 1/2. It is understood this company shortly will issue \$1,500,000 convertible 6 per cent bonds to be offered to stockholders at 110. American Beet Sugar rose to 21 1/8, a new high for this move.

Rock Island assure were quiet. The

WASHINGTON PRODUCE.

Quotations given below are for large lots of good marketable goods only. Jobbers' prices are higher. Lower grades may be sold for less. Fancy goods command higher prices. Market is quiet.

APPLES—Best grade, per bushel, 1.00 to 1.25; medium, 75c to 1.00; small, 50c to 75c. PEACHES—Best grade, per bushel, 1.00 to 1.25; medium, 75c to 1.00; small, 50c to 75c.

ORANGES—Best grade, per bushel, 1.00 to 1.25; medium, 75c to 1.00; small, 50c to 75c. LIME—Best grade, per bushel, 1.00 to 1.25; medium, 75c to 1.00; small, 50c to 75c.

WATERMELONS—Best grade, per bushel, 1.00 to 1.25; medium, 75c to 1.00; small, 50c to 75c. CUCUMBERS—Best grade, per bushel, 1.00 to 1.25; medium, 75c to 1.00; small, 50c to 75c.

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NEW YORK STOCK MARKET.

Table with columns: Name, High, Low, Close. Includes entries like Alaska Gold, American Telephone, etc.

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Chicago Grain Market. Chicago, Dec. 18.—A feature as well as a factor in the wheat market at Chicago today was the report in London...

Chicago Cattle Market. Chicago, Dec. 18.—The market for live cattle was quiet today. The demand was not strong...

Chicago Hogs Market. Chicago, Dec. 18.—The market for live hogs was quiet today. The demand was not strong...

Chicago Sheep Market. Chicago, Dec. 18.—The market for live sheep was quiet today. The demand was not strong...

Chicago Poultry Market. Chicago, Dec. 18.—The market for live poultry was quiet today. The demand was not strong...

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MISCELLANEOUS BONDS.

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WASHINGTON STOCK EXCHANGE GOVERNMENT BONDS.

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Federal Reserve Bank Act a Success

Prominent Bankers of Washington Expect Big Things of the New System



CHAS. C. GLOVER.

The Federal Reserve Banking System created under the provisions of the act of December 22, 1913, opened for business today. It will probably be the last of January before everything is running smoothly, but already the pessimistic views held by many bankers and business men regarding the prospects under the law have given place to optimism, and many who were opponents of the measure at one time are willing to admit that it is at least a good one. We hear of all sorts of statements that if the administration of the act can be kept in strong hands and free from partisan politics it will be a great success.

greater in crop moving periods than at other seasons, whereas, it is of course possible quickly to increase or diminish the amount of currency based on United States bonds purchased by the banks and deposited with the Treasurer of the United States. To remedy this the new law provides that this old bond-secured currency shall be gradually retired (in twenty years) and that its place shall be taken by a currency which shall be responsive to public demands, by being readily increased or diminished according to business requirements.

between January and May in normal years the amount of Federal reserve currency outstanding will be comparatively small; that from May onward it will gradually increase and reach a maximum volume in October, the height of the crop-moving season, and from this peak it will gradually diminish again until January 1. In other words, the circulation of the new banks, say, 50 per cent of the money of the depositors in the banks, will represent the fund which is constantly loanable for ordinary purposes, whereas when the demands of business increase and these demands are beyond the requirements of normal business, the balance can be supplied by the application of the restricting privilege of the member banks through the district reserve banks and the issuance of Federal reserve currency. In other words, this reserve currency affords the necessary shock absorber. The idea, while new, is not entirely new. It is based upon the experience of European countries and has been developed largely in emergencies here as the only safeguard which has been found effective in recent history. We refer, of course, to the issuance of clearing-house certificates between banks based on a rediscount by clearing houses of commercial paper of constituent banks.

The Federal reserve act is the result of nearly twenty years' agitation and discussion of banking and currency reform problems. It has long been recognized that the old national banking system, admirable as it was in many respects, was deficient in some of the most important and vital essentials of a safe currency, but not one capable of responding to either expanding or contracting business demands. This grew out of the fact that the national bank notes were tied to the government bonds by which they were secured; and this sort of currency provided a safe currency, but not one capable of responding to either expanding or contracting business demands. This grew out of the fact that the national bank notes were tied to the government bonds by which they were secured; and this sort of currency provided a safe currency, but not one capable of responding to either expanding or contracting business demands.

First—In the grouping of National banks of the country around twelve central or district banks, which give to 500 to 1,000 banks in each district the machinery for effective co-operation. Second—There is a very important release of reserve requirements, and yet the entire system is made safe because, by following the banking experience of European nations as well as our own, we have brought currency together in twelve centers in such a way as to provide an effective shock absorber which will take care of sudden demands, such as come in times of panic. Third—Another very important feature in the new banking system is the clearing relations which are created by it. Under the system which has heretofore been in effect, some sixty cities had clearing banks with complex clearing checks through these clearing banks which left many country bank items to be handled separately, with the result that the clearing banks had to pay for collection of out-of-town items sought to recoup themselves by charging dearly for the payment of checks in their own cities. Under the new act, any member bank within a district may clear at par through the central bank of that district. The clearing of checks becomes a very simple operation, while factoring in the clearing of checks between any one district and another, while involving a somewhat more difficult question, is simplified itself. It is a simple matter to clear there where there are only twelve districts, each of which keeps an account with every other, whereas, under the old system, there were sixty clearing houses, and a great many country banks not connected with any clearing house.

and well-known banking firm of Riggs & Co. Mr. Glover's familiarity with the details and practice of banking, and his intimate knowledge of the legislation of the past generation affecting banking and currency problems in the United States peculiarly fit him to speak with authority upon the probable workings of the new banking system. As a public-spirited citizen he has taken deep interest in banking legislation and was a leading advocate of the passage of the Aldrich-Vreeland act of May 30, 1908, under the terms of which several hundred millions of national bank circulation was issued to pass the crisis of the past summer and autumn. He has been a most earnest and influential advocate of all the legislation looking to the betterment of our financial system. The Riggs National Bank is one of the oldest and best known banks in the United States. Its history dates back to 1836, when it was founded under the name of Commercial & Riggs. This name was afterward changed to Riggs & Co., which name was retained when the bank was nationalized in 1866 under the title, the Riggs National Bank of Washington, D. C. Its management is also noted for its conservatism, and its name is a synonym of soundness and stability. In its early history the bank took an important part in the financing of the Mexican war, and in its later history it has been helpful and influential in all public undertakings. The bank has a capital of \$1,000,000, and an extensive foreign exchange business, having direct relations with all the principal capitals of the world, and is as well known abroad as it is at home.

Through the Riggs Bank also \$20,000,000 was paid for the Philippines, and the \$7,500,000 paid Russia for Alaska passed through the Riggs Bank.

Commercial National Bank "Panics a Thing of the Past" Enjoys Envious Record. The Commercial National Bank, in all important essentials of its business, holds proud position among the banking institutions of the Capital, while in the institutional point of service rendered to patrons it yields precedence to none. A bank's usefulness to its clientele is evidenced by the manner in which it is used, and by its growth in deposits and importance in the financial business of its community. Year after year, during the ten years of its existence the Commercial National Bank has increased its facilities for the accommodation of its customers, year after year the customers have increased their deposits until the same has been reached and the six million dollar mark has been passed. This mark of confidence, gratifying to the officers of the Commercial National and to the directors, is its greatest asset, a "good will" beyond value, without which its capital would be powerless to produce returns and which promises a continued growth and further prosperity for the institution. With resources of over \$3,000,000, with an aggressive personnel managing the bank, there is no predicting the service which this bank may some day render to the business interests of Washington. Entirely in accord with the Treasury Department's acceptance of the guidance of the Federal Reserve Board; contributing to the various public benefit movements; the "gold pool" for the control of the foreign exchange movement, the "cotton pool" for the aid of Southern banks, giving a step further and establishing branch banks on the Panama Canal zone, at Balboa and Cristobal, for the furtherance of business in that section, the Commercial National Bank may well lay claim to be up to date and enterprising. Its board of directors comprises a full score of Washington business men, assuring a control familiar with every feature of business life in the Capital. Its active management is in the charge of its president, Ashton G. Clapham; its vice president, James A. Cahill, and its officers, all men of business, and in this respect they are followed by every member of the large clerical force of the institution. With a capital surplus and undivided profits of over \$3,000,000, with deposits of over \$2,000,000, with a full and complete staff of capable officials, and an executive staff that makes for success, the Commercial National Bank stands today a safe, sound, progressive, full of confidence in the future of the United States in the City of Washington and (and) a well known and respected institution. On this slogan it has won high recognition for better business in 1914.