EVENING LEDGER-PHILADELPHIA, FRIDAY, OCTOBER 9, 1914.



FEDERAL RESERVE BANKS AND THEIR PLAN OF OPERATION

What the New Currency Legislation, About to Become Effective, Will Mean to Nation's Finances.

This description of whist the new Federal Resorve Act means and how the banks in resorve cities will be operated, was written by a well-known Philadolphia brokwer and wis pargreet mations banks. The article is timely of the heard withch will direct operation of the Federal Reserve Bank of Philadelfhis, it is housed to make the new current batten ton effective about November 1.

Primarily, this legislation was enacted to make the national currency so flexible that in times of stress, such as we have at present, instead of the financial units of the country trying to cope with the situation independently, the problem is put up to a national body, known as a Federal Reserve Board, with governmental authority and the sinews of war to properly cope with the situation. The Aldrich-Vrooland law, which was

enacted in 1988, after the weakness of the currency system was reflected by the panie of 1997, has could with the situa-tion admirably, and at present emer-gency currency is being issued under that act. But there was a demand for more comprehensive legislation which would only take care of emergency cur-rency, but would also adjust the many other complexities of the financial world. Hence the present not

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POSITION OF THE GOVERNMENT BOND

Up to the time of the Aldrich-Vreeland legislation the only security banks were permitted to proffer for the au

thority to issue bank notes were United States Government bonds. This tended to make our Government securities sell at a figure far above those of any other nation, yet in time of need all of the other vast assets of the banks must needs he idle when they had a market-able value far in excess of any financial necessity. This was the apparent weak-ness, and the legislation referred to took cognignince of it.

commitance of it. The principle of having the banks' notes secured by specific collateral was retained, but the score of the scourity was broadened. State and municipal bonds up to 90 per cent, of their value and commercial paper to the extent of 55 per cent, of its value were permitted to be used as the basis for the isar-ance of emercian processor to the catance of emergency currency to the ex-tent of \$500,000,000. It also provided for the formation of currency associations. The newer plan goes still further, however. It not only provides for emer-gency currency, but also by a system of banking controls the distribution of funds throughout the country.

OBJECT OF NEW SYSTEM. The new system, by reason of its supervision and control by the Federal Reserve Board at Washington, has four great purposes, viz.: Furnishing elastic currency; affording means for the rediscounting of commercial paper; more effective supervision of the banking systerrive supervision of the banking sys-tem, and the issuing of Federal reserve notes up to full value of commercial paper deposited as collateral. All this is to be carried out by the establish-ment of 12 banks throughout the country, known as Federal Bearve Banks.

Inasmuch as this act is an inpovation and makes an abrupt departure from old systems, a comparison would not be sat-isfactory. As the subject covers a wide field it is only possible to give the main points of the legislation The law number of the terms of the sate The law provides for two departments, the Federal Reserve Board, the control, and the Federal Reserve Bank, the opvarious centres makes it possible to have the funds of the country quickly trans-ferred from one point to another, and the privilege of rediscounting its com-mercial paper gives the national bank a ready means of turning its quick assets into each nto cash.

into cash. There are a great number of other pos-sibilities in this legislation. One to which little interest has been given outside of banking circles is the consolidation, per-haps, of the many thousand banks and haps, of the many thousand banks and trust company units into one big system woulded together under one organization for the carrying out of the real bank-ing function in its various phases.

BANKS UNDER CLOSER SUPER VISION. By reason of all the national banks

folning this system, it puts them all under closer control than ever before of the National Government, and makes the banks' needs the Government's concern It is sometimes felt that a period of inflation will follow in its wake, as it

undoubtedly encourages the creation of commercial paper and makes this form of investment a very desirable one for the weathers and an average

However, it places the surplus ronds of the country in such a position that they an be quickly transferred from one point o another. No doubt, in the future we to another, with market parties and busi-ness depressions, but the provision of this bill which makes it possible for a bank to transfer a large part of its nearers occur between manufacturers and cua-commercial paper at face value-inta currency, should prevent the nervo-rack- the necessary steps from the raw mateng experiences so little enjoyed by the | rial to the wearer of the finished product. nas plan in 1907. BROKER.

NOTES OF THE RAIL

President L. W. Hill, of the Great Sorthern Rallway, in the annual report f the company, after reviewing the car's operations, says. The company's added, tracks and equipment have been ly maintained and greatly improved fully maintained and greatly improved The senson's track work was finished by the end of July, a large amount of de-layed bridge work was completed, heavy shop forces, maintained during the last winter, have been materially decreased, so that, for at least the first half of the coming fiscal year, the expenses of maintenance and betterments should be greatly reduced."

The Interstate Commerce Commission will hold a formal hearing in Washing-ton on October 20 in its investigation into the changes of the chasification of express mater, which were optioned by corress commission, in connection with the decision of the express rate case of the decision of the express rate case of history of the fabrication of gloves re-history of the fabrication of gloves re-history of the fabrication of gloves re-1913. Express companies have been re-vising their classifications of express matter for many months.

The Atlantic Coast Line Railroad yea-erday bought the Florida Central Rail-tond in the State of Georgia at Thomas-

ublic hearing will begin on October 18, store Commissioner Clements. Solicitor 'alk, of the commission, will conduct the carings. Information which will be brought out at the hearings has been gathered by examiners of the commis-sion, who have been working on the books was brought to Greece and Rome from ford Railroad are looked for.

FINANCIAL BRIEFS

The Philadelphia Chapter, American In-titute of Banking, will hold its first fall meeting tonight in Grifflih Hall, 1320

hestnut atmet.

GLOVES OF ANCIENT LINEAGE AND VARIED IN SIGNIFICANCE

> Their Manufacture a Complicated Industry, Highest Development of Which Has Been Reached in France.

Like all other modern industries, th naking of gloves is very complicated. says a writer in the Springfield Repubican. The completion of a single glove requires considerable work of which the average individual knows little or nothing. Few people realize that there are 72 separate operations involved in the manfacturing of one glove. If we add to that number of transactions that ordinarily All the separate operations; moreover are equally important and demand the most careful attention. To emphasize that fact, each factory holds its employes reconsible for every pair of gloves handied. In case of injury to the material in any way, the workman or workwoman is

ompelled to make good the loss, Examine a pair of first-class kid gloves Examine a pair of first-class kid gloves. Notice the embroidery, the sewing and the finishing. There is precision all through. If you cast a giance at the in-terior of these gloves you will be sur-prised at the minuteness and regularity of the stitches around the buttonbles, for instance, as well as those on the "filints" or supports of the buttons. Those stitches are taken on the very dermis of the skin. What parlence and what cleverness must the hands possess that o that work! Hundreds of other details speak in a similar way of the wonder complexity of the making of gloves.

yeals the undisputed fact that the French have led the world in this production of high-class gloves. It has not been easy

however, for them to maintain that lead, as circumstances, which they were unable to control, have at times worked against Railruad officials in this city are in-terested in the investigation which the indicatate Commerce Commission will unduct into the Rock Island Railroad. of the road. Fischoaures similar to those of the New York, New Haven and Hart-ford Railroad are looked for. institutes a testimony of exchange or purchase in Israel."

OF ANCIENT LINEAGE.

Man has used the glove, then, in some way or another for at least 2900 years. Chestnut street.
The use was not populat, newers, und the sixth century. At that time all the sixth century, at that time all the sixth century. At that time all the sixth century, at that time all the sixth century. At that time all the sixth century, at that time all the sixth century, at that time all the sixth century and its absidiated. Cooper Mine Contracts have been placed in the face of Gault case of Gault case of Gault case of the sixth century and its absidiated. Cooper Mine Contracts have been placed in the sixth century and the subsidiated cooper the beam of the sixth century and the subsidiated cooper the beam of the sixth century and the subsidiated cooper the beam of the sixth century and the subsidiated cooper the beam of the sixth century and the subsidiated cooper the beam of the sixth century and the subsidiated cooper the beam of the sixth century and the subsidiated cooper the beam of the sixth century and the subsidiated cooper the beam of the sixth century and the subsidiated the sixth century and the subsidiated the sixth century at the subsidiated cooper the beam of the sixth century and the subsidiated the sixth century at the subsidiated the sixth century and the subsidiated cooper the sixth century and the subsidiated the sixth century at the subsidiated the The use was not popular, however, until

Harly 20 per cent, during the same period. Moreover, the glove production in France in 1578 was only \$15,000,000, barely equal to the trade 11 years previously-while the demand for goods the world over had been steadily increasing in the mean-time. holding in the same hand the unused glove of the right. But in spite of the fact that gloves seem to have acquired a bad significance, they soon developed into an object of luxury and remained so for a long period of time. Their use became limited to the rich, and it was not until the eighteenth century that it was considered good taxte to put. time

It was not until the eighteenth century that it was considered good taste to put on gloves for all occasions. Since then the practice has greatly increased, Whether for show, for convenience, or simply to protect one's hands from the cold, gloves are now worn by all classes of sections. of society,

WHAT BOOMED KID GLOVES. Previous to the 15th century glovs were. made, as they are new, from cloth fabrics as well as from skins. About the middle of the same century the silk glove was the standard type. But in 1790 a peculiar

incident happened to which the kid glove owes its origin and present popularity. A celebrated physician made a sensational discovery. He proved, after reasonable experiments, inst allk gloves were inju-

gium, Prussia and Sardinia.

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GLOVES MADE BY MACHINERY.

rious, as they dried up the skin. He pub-lished his opinions in a famous journal and almost immediately the silk glove patronage disappeared. The kid glove as then resorted to and up to the pres-nt has remained the standard type of and dress. So far, however, the glove industry as such did not amount to much. It was not until the year ISD that the fabrication ably never recover.

LEADING GLOVE CENTRES

INDUSTRY REVIVED.

If gloves received rengenable attention rom the public. The exposition held that far in France provided for an exhibition f gloves. That date seems to indicate the beginning of the success of the indus-try. All the glovers then were striving to unrove their product so as to increase Grenoble and Millau, two prosperous cities in southern France, have been the leading glove centres of the world. The former is noted for the kid, while the iprove their product so as to increase wir trade. They began to do a number I things that their forerunners seemed to eglect. They gave more attention to the iamhskin glove is associated with the latter place. Both have interesting glove instories in themselves, and have figured prominently in the general development of the industry. Almost every family at eparation of the skins that they were use. They Iried to improve the cutting ocesses. They concentrated more inof the industry. Almost every family at Grenoble is represented in the glove busi-ness. The mother or some other member of the family goes to the factory and gets a number of gloves that have been cut by machine and are ready to be sewed. She sews them in her home and is paid by the factory a certain amount per dozen tently on results in finishing. They almed at more firmness in their sewing. The natural result of that attempt to make better goods was a hig increase in the better goods was a hig increase in the demand, so that in 1853 nearly \$2,000,000 worth of goods were experted to the United States. England, Germany, Belfactors a certain amount per dozen 18.27-24 The average cost of producing a pair of

first class kid gloves, not counting the buying of the skins, is scarcely more than 35 cents. It might be interesting to It was about this time that a manu facturer from England, Boudart Aine, in look briefly into the cost of manufactur-ing gloves by the different important op-erations. Let us take, for example, one troduced into France for the first time the sewing of gloves by machine. Then almost immediately appeared the inven-tion of Xavier Jouvin, of Grenoble, of the leading firms producing kid gloves in Grenoble. The figures here given, moreover, seem to represent the average France, whose name is perpetuated by the continuation of the well-known Jouvin glove factory in that city. We price paid by the other factories in that

must remember that up to this time, every pair of gloves had to be cut out of the skin by the long and tedious hand For the tanning of the skins, a wage coress. Navier Jouvin invented a maof about 60 cents per dozen pairs is paid; for the slitting of the leather, about 50 glove business was instantaneous and all cents; for the cutting, 60 cents, and for that might be expected. The industry, began to grow by leaps and bounds. Lathe sewing, \$4 for 100 pairs. The workmen receive about 65 cents a dozen for em-broidering on the back of the glove, but the price varies according to the breadth borers enjoyed a wider field and salaries of the embroidery.

In Grenoble there are at least 15 large In Grenoble there are at least to large kid glove factories. They average about 50 dozen pairs of gloves each a week. Some of the firms, however, have pro-duced as many as 1000 dozen pairs during that time. It is said that about 25,000 people in Grenoble and vicinity work for the various factories. In addition to the factories, moreover, a large number of private individuals make gloves. The maprivate individuals make gloves. The ma-terial used by them, however, is not the best, as they cannot afford to pay the prices paid by the big firms. Some of the firms located in Grenoble are well known in the United States, such as Jouvin, Per-rin, Esprit, Buscarlet and Centemeri. Practically all the factories were com-ulad to show down as soon as the prespelled to shut down as soon as the pres-ent war broke out. The Centemeri Comwas obliged to vacate its property and the factory building was immediate-ly converted into a hospital for the French army.

were confronted with the serious problem of meeting competition. They real

English love remembers." His poem, English love remembers. His poem, with its immortal lines: "The bravest are the tenderest, The loving are the daring," presents the picture of grim fighters softened by music, until "Something on the soldier's check washed off the stains TROOPS ON MARCH STEP TO MEASURES the soldier's cheek washed out the stains of powder." But there is something even sadder in the thought of laughing. Jubilant hove going to their death against ma-chine guns and bayonets with the lift of a rollicking song of peace. He "It's a Long, Long Way to Tipperary," on their ling. Time **INDUSTRY REVIVED.** Inst how to win back their lost prestige slove manufacturers. The secret of the providence of the toreign firms then sceneric to be in the fact that the work was all done within the area of their factories the french realized this and made an eff fort to centralize, but only to the estend of the work men and work work and sewing in building in which they also installed the heady mathematic and work work and sewing of the work men and work work and sewing in France today. It was not now long be fore the French glove industry was the industry was hot now long be the work need and complete to conditions in france today. It was not now long be fore the French glove industry was the industry was hot now long be the work the same work \$8,000,000. One int of the work was not now long be fore the French glove industry was the stated to a little over \$8,000,000. One int of the same work \$8,000,000. One int of the work in state the production was to fall amount represent for the provident of the same to be worth of sloves annually. Emgland the france the best contomic, will demoralize the and the head of the same work was producing more than \$3,000,000. One word is sloves an number than \$3,000,000. One int of the work was will demoralize the state of the to the present for the same was the france to day. It was not now long be the state work to be sloves an number that \$3,000,000. One is the work to form which they will prove the state single and the state word the same will demoralize the the state work to be sloves in France to be contrained to the same was the a heroids to march and the the the the the state would a football same, want is a they would a football same, want is a they would a football same, want is a heroids to march and the the they left home, at the inspections and the they left home at the inspections and the **OF POPULAR SONGS** their line Yield in Camp and Field CANNONADING ON CONTINENT DRIVES BIRDS TO BRITAIN Many Strange Varieties Migrate

LONDON, Oct. 9 .- Many strange birds, hitherto unknown in those localities, are new making their appearance on the Hampshire and other county coasts in the south of England. The supposition is that they have been driven across the Channel by the cease-less cannonading on the Continent.

DIVIDENDS DECLARED they left home, at the inspections and reviews, and there would be more of it

Philadelphia Warebouse and Cold Storago Comunas, a dividend of \$2 a share, payable November 2, in mork of record, October 17, German-American Title and Trust Com-pant, regular semi-annual 2% per cent, pay-able Outder 17, to stork of record, October 8, Germanown Trust Company, regular semi-sannual 5 per cent, payable November 2, to stork of record, October 26, One hundred thewand dollars was added to surplus, making that fund \$900,000. when they returned. In the meantime nothing served to keep spirits up more than the swinging, popular melody of "A Hot Time.

Not Time." It is not surprising, therefore, to find, "Rule Britannia" and "God Save the King" left behind with the dress uniforms and other formalities by the English sol-diers that locked with the Germans in the desperate battles of the Marne and Alane. The terrible slaughter of these struggles could not stop the flow of the Britan's song, but the song was not him national anthem. The chorus that ros from the marching and lighting men-from the trenches and along the reads and from the groups of wounded return ing on transports to England, was the music hall favorite, "It's a Long, Long Way to Tipperary." So contagious has been the tune that it is said the German prisoners in England are singing it as

est they can. One has only to look at the pictures of Englishmen on the way to the front to understand why this south from a music hall, rather than the sonerous anthems that are designed to inspire men, has become their battle song. With men, has become their battle sons. With young, handsome faces, apparently indif-lerent as to what was before them, if not actually eager to get into the fray, they do not look like the fellows to take their music formally. An American, Bayard Taylor, in his "Incident of the Crimean War." has given perhaps the most attrring picture of a song in camp that literature holds. It was "Annie Laurie," so Taylor had it that taught the Crimean values."

t, that taught the Crimean valleys "how



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city, · WAGES AND WORK.

went up in proportion to the increase in ip to this point it is interesting to nothe that French gloves enjoyed an undia-puted superiority over those of foreign In 1551 the exportation rance amounted to more than \$5,000.000, 1987, moreover, the production was one than twice that amount, the annual aroduction being 2,000,000 dozen gloves, which furnished employment to 70,000 workmen. In fact, the glove industry outside of France now was practically nothing, and the French glover did not know what competition meant. But the war of 1870 changed all this. It will be recalled that in 1872 there was a ralysis of all the French industries, and over came in for their share of suffer-But to make matters worse for the ch, there appeared upon the national let from foreign sources gloves of a

specially attractive sort, which seduced the French trade at that critical period. For the first time, then, the French

DEBT DODGING RUMANIANS BLOCKED BY GOVERNMENT

painter is

28 South 16th St. Both Phones



Across Channel.

erator The Federal Reserve Board consists of even members, including the Secretary of the Treasury, Comptroller of the Cur-rency and five members appointed by the Decadders the President.

This board is vested with full author-ity to examine the Federal reserve banks and member banks; in permit one Fed-eral Reserve Bank to rediscount the com-mencial user of the rediscount the commercial paper of another; to suppend for a period of 30 days the reserve require-ments; to supervise the issue and control of Federal reserve notes.

NAMING THE RESERVE DISTRICTS.

The first step taken was to divide the country lite 12 districts. In each of which the following named cities will be the centre and in which reserve banks are to be established: Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta Chicago, St. Louis, Minneapolis, Kansas City, Mo., Dallas and San Francisco. Federal reserve banks, whose capital will have been subscribed by the national banks in the area represented, managed by six directors elected by the national banks contributing the capital and three appointed by the Federal Hoard at Wash-

ington, are now being organized at these noints. The Federal Econy Bank is to be the banker for national banks in its dis-trict. A bank in Perinaylvania which formeriz kept large reserve balances in New York city, will now keep such funds New York city, will now keep such fund-in the Philadelphia Reserve Bark. The object is not to have money go, as at present, in stringent periods, to points where highest raises are paid, but to the locality where it is most meded. The Federal Reserve Roard in Washington has the power, by the provision permit-ting one Federal Reserve district to re-ceive deposits from another, by transfer funds to any point where the stringency is feit more keenly than in another.

BANKS MAY REDISCOUNT PAPER. Each Federal reserve bank is permit. ted to rediscount the commercial paper for the banks in its district which makes security of this class worth, not 15 per cent. of Ha value in times of crists, but full value, and this paper may is turn be used as collatoral for an equal amount of Federal reserve treasury notes, which nre to be an obligation of the United States. Thus it is claimed that an advantage

of 25 per cent, in value of the vast hold-ings of the banks in commercial paper is gained. The location of banks in the



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