

OPERATIONS OF THE TREASURY

Secy. Cortelyou Details Them in A Report He Submits To Congress

TREATS OF PRESENT PANIC.

How People and Some Banks Hoarded Money—Others Co-operated To Relieve Situation.

Washington, Dec. 5.—The concluding portion of the report of Secy. Cortelyou to Congress, is as follows:—

When the present secretary assumed charge of the treasury department March 5, 1907, there was an available cash balance of \$251,251.15, of which \$149,013,087.81 was deposited in national bank depositories. These deposits included the sum of \$20,000,000, approximately, which had been lodged with the banks in September, 1906, with the understanding that they were to be returned to the treasury during the winter and spring, beginning Feb. 1, 1907. Owing to unfavorable conditions which appeared after these deposits had been made, my predecessor refrained from calling on the banks for their return, and as on March 5 there appeared to be no immediate prospect of the banks returning the money, the treasury was forced to permit the deposits to remain.

LOAN OF 1907.

The 4 per cent funded loan of 1907, in terms, was redeemable at the pleasure of the United States after July 1, 1907. The amount outstanding March 1, 1907, was \$111,626,390, and small amounts of the bonds were being presented from day to day for sale at par, with interest to April 1, 1907. As it was advisable owing to the conditions existing in the country, to increase the disbursements from the treasury, the owners of the 4 per cent bonds were invited by a circular published March 14 to tender their bonds for redemption with interest to July 1, 1907, on an amount not exceeding \$25,000,000. Under this circular there were redeemed, between the date of its issue and June 24, registered and coupon bonds to the amount of \$25,088,750. Meanwhile, the disposal of the remainder of the loan was being considered.

The department had the option of three methods. First, its redemption; second, its continuance at a lower rate of interest; and third, its conversion into 5 per cent bonds. The conversion of the loan would have been a loss which seemed to be inadvisable in view of the uncertainty then existing as to future financial conditions. Its continuance at a lower rate of interest, while possessing some advantages, was, on the whole, uncertain as to its operation and result. So it was decided to refund a part of the loan, leaving outstanding an amount which could easily be redeemed in July without disturbing financial conditions.

Accordingly on April 2, 1907, there was published a circular inviting the tender of \$50,000,000 of the bonds in refunding into 5 per cent consols at \$100. The premium to be charged on the new bonds was fixed at 3 per cent, and the old bonds were to be redeemed upon the terms prescribed by the act of March 14, 1907; namely, a like equivalent to their present worth to yield an annual income of 10 per cent to the investor. The circular telling the surrender of the bonds also included a call for the surrender of the residue which might be outstanding after the refunding was discontinued. Under this circular the department received for refunding between April 2 and May 31, \$24,987,900, and there remained outstanding, subject to redemption under the call above mentioned, bonds to the amount of \$25,012,100, which matured and ceased to bear interest July 2, 1907.

As the time approached for the redemption of the 4 per cent bonds it was decided to withdraw from the banks the deposits lodged with them in September last, in order that the actual cash in the treasury might not be materially reduced by the redemption of the maturing bonds and that the department might be in position later in the year to afford relief to the money market during the crop-moving period.

The call for the return of the deposits was made on the 12th of June, the date of return to be July 19 or earlier, at the convenience of the depository banks. The money was promptly lodged in the treasury on or before the day mentioned and without any disturbance to the monetary situation.

COLLECTORS INSTRUCTED.

In pursuance of the authority contained in the act of Congress approved March 4, 1907, all collectors of customs, except those in sub-treasury cities, have been instructed to deposit their entire collections with a national bank depository if there be one located in the same town. There have also been transferred to banks from time to time of the receipts of customs in sub-treasury cities an aggregate amount of \$22,724,104.20. The total sum transferred to national bank depositories in all cities receiving customs revenues up to Nov. 1 is approximately \$118,515,397.

The advisability of depositing customs receipts in this manner at sub-treasury cities has been under consideration for some time, but no satisfactory conclusion has yet been reached.

During the summer the gradual increasing rate of interest charged for call money, time money, and discounts of commercial bills indicated a progressive diminution in the amount of available cash. Accordingly, it was decided Aug. 23, 1907, to make each week substantial deposits in the different sections of the country, with the particular object of facilitating the fall movement of the crops. In his announcement of this plan the secretary of the treasury said:

"This action is taken to meet the commercial and industrial needs of the country at this season, and is believed to be preferable to waiting until a time of acute stringency, when the only alternative would be a large general deposit. The latter policy the secretary desires to supersede by a policy which shall have as its ultimate object the adjustment of the operations of the treasury department as rapidly as may be practicable under existing law, in such manner as shall preclude their being in any sense a disturbing factor in the business world."

These distributions were continued weekly until the aggregate amount of \$26,000,000 had been so distributed. Notwithstanding this measure, there was a constantly increasing shortage of money in the monetary centers, which culminated in the forced suspensions of several important institutions.

MONETARY STRINGENCY.

Prior to this crisis the shipments of currency to the west by eastern banks for crop-moving purposes had been insignificant. There had been no important shipments of gold abroad, so the monetary stringency seemed to be due in large measure, the strongest measures to give national assistance. Within four days there was transferred from the treasury to the banks the sum of \$35,000,000, the security received therefor being state, municipal and railroad securities as are acceptable under the laws of the state of New York, Massachusetts, Connecticut and New Jersey.

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many of our people have hoarded money. This is undoubtedly true; but so have many of the banks. We hear little, however, of the untold numbers of patriotic citizens who, knowing that the banking situation throughout the country was essentially sound, did not allow themselves to be influenced by the excitement of the moment, but co-operated with national banks, savings banks, trust companies and other institutions to support credit and restore confidence.

The secretary of the treasury is given wide discretion in many matters, wherein he is rarely called upon to exercise it, and little, if any, in others where it is needed daily, particularly as to certain of those having to do with the vitally important subject of our currency. In times of emergency his hands are virtually tied. If in such periods of stress, in any effort to avert calamity and serve the interests of all the people, he is obliged to resort to unusual measures, criticism is unfortunately in many instances directed not to the inadequacy of the system, but to the effort to give relief, and to those who are successful in accomplishing that purpose. It should not be forgotten that he has to deal with the practical rather than the theoretical side of the currency question. The failure of each of the various suggested plans of currency reform to co-operate or to agree upon a practical measure would hardly appear to be a sufficient reason for holding him responsible for their indecision and inaction. The laws under which he administers his office should be made to meet the daily needs of the people, and his duties, sufficiently onerous as they are, should not be made more burdensome by restrictions which leave him with the responsibility, but with no adequate means at his disposal to meet it.

What has happened not only this year, but many times before, should serve as an admonition to enact wise laws for the prevention in the future of disasters due in part to the imperfect organization of our monetary system. Admittedly it has been of great service to our people, but with changing conditions there has become more apparent each year the need for improvement of a substantial and permanent character. If no action is taken, however, at this time fully to meet this need, I deem it important that something be done as specifically as may be consistent with thorough consideration to provide under government guarantee a greater elasticity to the agency in the monetary centers, which automatic in its operation which shall tend to equalize rates of interest not only in different sections of the country, but at different periods of the year. Provision should be made either for such elasticity without the necessity of intervention on the part of the secretary of the treasury or he should be granted the authority to supply it by properly safeguarded measures. I believe that simplicity of plan and promptness of action are what the people need and will demand. What particular form this proposed legislation should take must be left to the action of Congress. I have no pride of opinion as to the method, but I have the deepest concern that the result shall be adequately beneficial.

The only specific recommendation I would make at present is that it be given prompt attention, and that it be not laid aside until some definite means of relief shall have been enacted into law.

Owing to the unusual demands made on the various officials of the department, and particularly on the force of my own immediate office, during the past month, I have been unable to embrace in this report several topics upon which data have been collected and to which I had intended to refer at some length. These matters will be made the subject of later reports for the information of the Congress.

GEORGE F. CORTELYOU,
Secretary of the Treasury.

MAJ. SEWARD DROPS DEAD.

Washington, Dec. 5.—Major W. T. Seward, a doorkeeper of the senate, dropped dead today while entering a revolving door of the Capitol. Maj. Seward was appointed to his position six years ago by the late Senator Hawley of Connecticut. His home being in Guilford, Conn. He had had an eventful career, being twice taken prisoner during the Civil war while attached to the Seventh Connecticut volunteer infantry. He went to the Hawaiian islands and was attached to the staff of Queen Liliuokalani and at one time was under sentence to be shot there.

TEMPLE NOTICES.

The Salt Lake temple will close on Friday, Dec. 20, 1907, and open on Tuesday, Jan. 7, 1908.

JOSEPH F. SMITH.

The Manti Temple will close Friday evening Dec. 20, 1907, and open January 7, 1908.

LEWIS ANDERSON.

The St. George temple will close on Friday, Dec. 20, and reopen on Tuesday, Dec. 31, 1907.

DAVID H. CANNON,
President.



The cut shows the obelisk of black Labrador rock that has been erected recently over the grave of Henrik Ibsen, Norway's greatest modern man of letters. At the base of the monument is a laurel wreath of copper sent to Norway by the Italian Authors' club.

THE OSTRICH FEATHER INDUSTRY.

The wing feathers of the male ostrich are called "whites" and of the female are called "females." The tail feathers of both birds are called "boas," blacks and drabs are the two rows of wing and body feathers of the male and female, respectively. The feathers are cut or plucked once or twice a year, yielding from \$7.50 for low-grade birds to \$130 for good birds per annum, the highest authenticated yield for a bird being \$150. The plumes from the wings and tail of the full-grown male bird are the most valuable. There is a marked difference in the feathers from the several districts of Cape Colony. The Oudshoorn feather is of abnormal length, reaching 29½ inches or more, and lacks the compactness and the richness of the feathers of the Middleburg and Bedford types. The Graaff-Reinet specimen is 23½ inches, while the Middleburg and Bedford feathers measure 22½ inches and 20½ inches, respectively, and are fine types of a good, rich, compact feather, carrying a well-developed strong due of fine quality.

Feathers of the wild bird are oily and greasy, with a long quill. The efforts of South African breeders are directed to a system of selection in breeding, by which the size of the quill is reduced and the richness of the due is increased. The Ostrich Skin Book is of great assistance in producing this result.

Bars are a serious defect in ostrich feathers in which general attention is now being given. They are not found in the feathers of wild birds, and are believed by the government expert here not to be primarily due to the presence of mites or ostrich flies, but to be the result of too much inter-breeding, which produces a low nutritive condition. Good feeding will reduce the defect, but probably not eliminate it. A more liberal interchange of birds is believed to be the remedy, but the whole subject is now under investigation by the Rhodes university college at Grahamstown.

The great boom in ostriches came in 1880, when there was a stampede of people of all sorts to take up a business which appeared to promise a fortune in a few years. The usual price of a pair of birds was \$75, and they sometimes sold for \$4.75. The exports for Cape Colony in 1882 were 253,554 pounds of feathers, valued at \$3,258,397, or an average of \$12.85 per pound. In 1905 exports were 471,927 pounds, valued at \$5,186,988, showing an increase in weight of 27,672 pounds, and a decrease in value of \$183,953, which is accounted for by the large quantity of inferior feathers now produced. Many of these poor feathers are sent to Germany, where they are made up into house feathers for doll's hair, etc. The exports for the year 1906 amounted to 467,697 pounds valued at \$6,842,578. Of the \$6,842,578 worth of feather exports from Port Elizabeth during 1906, \$25,331 worth went to the United States.

made up principally of the highest grades. The shipments to America still further increased in 1907, the amount reaching \$732,760 for the first six months.—Consular Report.

CHURCH NOTICES.

The officers of the Primary association of the Salt Lake stake will hold their officers' meeting Saturday, Dec. 7, 1907, at 3 o'clock p. m., in the Sixteenth ward meetinghouse.

A special meeting of the bishops and counselors, ward clerks and one or more representatives to the presidencies of the high priests, seventies and elders' quorums in the Jordan stake will be held Saturday, Dec. 7, 1907, in the Sandy bishop's storehouse at 12:30 p. m.

The high priests' quorum of the Ensign stake will hold their regular monthly meeting in room 21, Brigham Young Memorial building, at 10 o'clock next Sunday morning, Dec. 8, 1907. A full attendance is desired.

The quarterly conference of the elders of the Salt Lake stake will be held in the Sixteenth ward meetinghouse, at 7:30 p. m., Monday, Dec. 9, 1907.

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