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## Deposits of Federal Funds.

THERE has long been recognition of need for a reform in the conditions under which United States Government deposits are made in banks. It is now anticipated that the Treasury Commission recently appointed by Secretary Cortelyou will outline some comprehensive plan to alleviate existing disadvantages. The commission is definitely charged to discuss and report upon the "general subject of deposits of public moneys in national banks, with a view to arriving at some equitable basis upon which such deposits shall be made." Special request is made for a separate report concerning the deposit of customs receipts.

Present methods undoubtedly subject the Treasury Department to undesirable political pressure from banks desiring deposits. The increase in the number of depositaries has been rapid—there being at present over 1,200. Many of these are small banks in which public deposits amount to only \$50,000 each—so many, in fact, that not a few critics aver that almost any bank which exerts itself in the right way can get that amount of Treasury funds. This alleged growth of political pressure from banks is apparently of sufficient moment to engage the attention of thoughtful bankers and publicists all over the country. The findings and recommendations of the commission will therefore be awaited with general interest.

New York affords certain particular problems for consideration by the commission—the most important relating to the Sub-Treasury in that city. At present, according to the New York Journal of Commerce, banks whose clients have customs duties to pay carry large sums of legal tender money to the Sub-Treasury and leave them there. Then the clients, it is further explained, through a special form of check draw on such deposits; and the Treasurer segregates a corresponding amount of the

special deposits for the purpose of meeting the customs receipts which are due from these clients. This is clumsy and inconvenient in practice, and in the opinion of some is by no means so good a system as that employed by some commissioners of internal revenue, who allow payment to be made to them in ordinary bank checks and accumulate them in depository banks like any business firm. This, of course, is at their own risk, but they are said not to have lost any money in the transaction.

Just what modification of present methods will be recommended by the commission is difficult to foretell, but the Washington correspondent of the above mentioned journal ventures the opinion that the following, among other topics, will be dealt with: (1) The best mode of managing the deposits under the present laws; (2) the question of kinds of security to be accepted behind deposits; (3) the extent of the special security to be thus required; (4) the distribution of deposits; (5) the relation of the size of the deposits to the capitalization of the banks in which they are made, and (6) changes in the existing law that would render the deposit system more manageable.



## An Authority on Municipal Undertakings.

EXponents and opponents of municipal trading are alike able to find instances that apparently support their divergent views. Judgment upon the matter either pro or con, is apt to be given too hastily. In refreshing contrast to the glib generalizations from insufficient data made by many speakers and writers, was the address recently given before the Canadian Club of Montreal by Major Leonard Darwin, son of the great Darwin, and himself a scientist and publicist of note in Great Britain. Major Darwin has given years of observation and study to all phases of municipal