

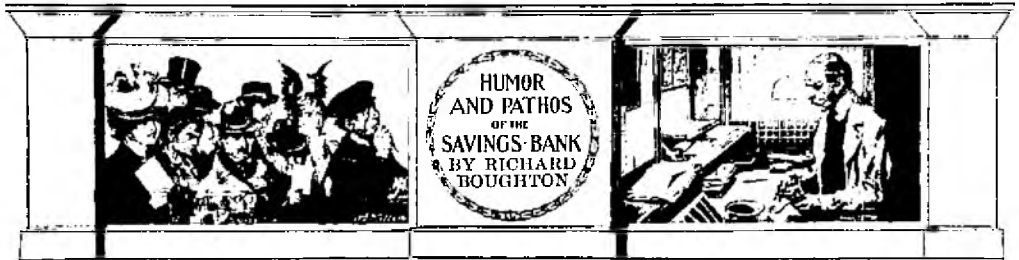
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WITH DRAWINGS BY A. I. KELLER.

MORE humor and pathos, comedy and tragedy, happiness and misery, pass in review before the teller of a savings-bank than is dreamed of by the outer world. It has never been accurately and fully described, for the reason that no outsider knows anything whatever of the facts, and the man on the inside has never written the story.

The public impressions of the savings-banks of New York State are confined to generalities: that they constitute a benevolent institution, have over 2,000,000 depositors, and hold over \$1,000,000,000, popularly supposed to be the savings of the thrifty poor. The inner workings of these great banks, the interesting story of how \$1,000,000,000 in money is handled, the eccentric characters who come and go, and the all but tragic occurrences that now and then rouse the bank from its usual dull routine, are elements of an untold tale.

Who are the savings-bank depositors? All classes—the millionaire and the beggar; the honest toiler and the scheming rogue;

the dweller in Fifth Avenue and the sojourner in the penitentiary; the idler whose face is bronzed by the sun of the Riviera, and the thief whose back still bears the marks of prison discipline. They are all there, touching elbows on the waiting line at the teller's window—"rich man, poor man, beggar man, thief," as the nursery jingle puts it.

Anybody can open an account in a savings-bank, with "no questions asked." In a national or business bank it is altogether different. There no one is allowed to open an account without credentials and a personal presentation to the president or cashier. Nobody but a burglar or a safe-breaker gets into a business bank without a letter of introduction.

The great bulk of depositors, perhaps sixty-five per cent., are of the laboring classes, the weekly-wage earners; then come the middle and well-to-do class, say thirty per cent.; and lastly the very rich man and the criminal in about equal proportions. By criminal I do not mean to confine this class

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"HE WAS ACCUSTOMED TO CALL HER ASIDE POLITELY FROM THE SOMEWHAT ROUGH CROWD IN LINE."

to bank burglars, check-forgers, and bank-note counterfeiters,—you will see all of these if you watch the line long enough,—but I include all those men and women who avoid police notice when they can, and are occasionally "wanted" down in Mulberry street: the rich keeper of the fashionable gambling-house; the woman who is suspected of knowing the whereabouts of a vanished thief or forger; the man who never breaks into a bank himself, but takes a friendly and patronly interest in those who do; and so on up and down the scale of cosmopolitan vice. At one time or other they all have savings-bank accounts. It seems incomprehensible, but people of all these classes are frequent, even permanent, depositors. I do not say this from hearsay, but have seen examples of each of them lodging their money, even in their own names.

What can you do with these people when they come to deposit? It is not criminal to save money, and you cannot arrest them. In some cases their accounts are closed by the bank, and they are told to take themselves off—a hint upon which they promptly and quietly act, possibly from fear of the police, accustomed as they are to obey when told to "move on."

Some of them, however, are not easily gotten rid of. A famous confidence woman had her account in a New York bank, and

her quiet demeanor, amiable smile, innocent, almost girlish timidity, quite won the chief official in charge. He was accustomed to call her aside politely from the somewhat rough crowd in line, give her a chair in the anteroom, and send her pass-book and money by one of the clerks to the receiving teller. Her identity was finally discovered through a police inquiry at the bank, and the next time she called, the old gentleman offered her, not a chair, but her pass-book with her deposits in full. The "poor young thing" swore at him like a trooper. It was quite necessary to call in the moral influence of the porter, displaying his "special deputy" badge, before Miss Innocent made less noise and took herself and her deposits out of the bank, giving the old gentleman a parting shot from the doorway.

By the way, speaking of these criminal classes, and the problem of how to get them out of the bank quietly, I may add that sometimes—in fact, in cases that have come under my own knowledge—it has seemed wisest to take no positive action, lest, if there were open trouble with them, the affair might get into the newspapers in distorted form, a wild rumor be spread abroad that something connected with a burglar or a burglary had happened at the bank, and a "run" be precipitated by a sudden scare among timorous depositors.

The president and managing officials of a leading bank once debated long and seriously whether they should inform the authorities that just after a famous burglary three men and two women had deposited \$3000 each, in new bank-bills that possibly were a portion of those that had recently been stolen in transit between two banks. It was a question whether the suspicion would justify this action, which of course would become public, perhaps get into the newspapers, and some illiterate depositors might hear the story with a new twist given to it—not that burglars had put money into the bank, but had been in and had taken some out. The result would be a run. It was finally decided to do nothing, at least at the time. Soon afterward the thieves—for such they were—relieved the bank's perplexity. Two of the men and the two women came in singly, but in a hurry, drew the full amount that was in their names, and made off. The fifth of the party did not return until years afterward, when a man with cropped hair, an unconscious lock-step halt in his walk, and other evidences of having been temporarily retired from society, called and drew the deposit that had slumbered while he was "doing time up the river."

There is sometimes a bit of sentiment in the worst of these people. I recall an incident in connection with a woman who opened an account. For purposes of identification all sorts of questions are asked and written down in the various ruled columns of the signature-book. A depositor's handwriting may change after a time, and identity is established by the answering of these personal queries. She glibly gave her address, her nationality, and other general particulars, but there was a pause when the home questions followed. Finally, when the queries came, "Where were you born?" "Your father's name?" "Your mother's?" "Her maiden name?" "Are they both living?" the woman said, after a little, "Say,

can't you leave them off the book?" and when told that these family particulars were required, she turned and walked out of the bank.

It is hard to say what nationality makes the most thrifty class of savers, for, after all, the instinct of economy and the habit of gradually saving much from little are per-



"A PARTING SHOT FROM THE DOORWAY."

sonal rather than national traits. The Italians, Hungarians, Poles, and Germans, however, present notable examples.

The president of one of the New York banks tells me that an Italian who kept a very ordinary corner fruit-stand and boot-black's chair, not far from Twenty-third street and Sixth Avenue, came into the bank one day with a dozen or more pass-books tied up in an old handkerchief. Would "the signor who speaks Italian"—the president—"tell him how much the total footed"? That dealer in fruit, that miracle-worker in accumulating dollars from dimes, had twenty thousand dollars in various banks! Not long afterward he and a black cat, his companion, were found dead in the store

cellar where they slept—asphyxiated by the fumes of a charcoal-stove on which he cooked his meals. “By the way,” added the president, “the man on the sidewalk was evidently richer than the man in the store, for among the Italian’s assets was found an acknowledgment of \$500 loaned to the shopkeeper.”

Bananas and shoe-polish are not the only means toward acquiring comparative wealth. For years there were two familiar and distressing figures on the corner of Canal street and Broadway, a man and his wife, joint partners in misery and a rickety table. On this table they kept a small collection of caramels, cubes of fig-paste, and chocolate cream-drops. The man or his wife was there by turns, day in and day out, fanning off the flies in summer and rubbing benumbed fingers in winter. A more hopelessly insolvent firm, seemingly, it would be hard to imagine, and had a receiver been appointed for the assets when the table carried its largest stock, the board could have been swept clear at any time, I should say, for thirty cents. The whole supply, even with rapid sales and frequent replenishment of stock, seemed incapable of keeping body and soul together in one human being, to say nothing of two. It transpired, however, that the man had a pass-book in one of the down-town banks for \$1650, and his wife one for \$830. How did they do it? I do not know, but their little fortune was made from the table that for more than eighteen years was a landmark in Canal street.

A yellow dog must be a mascot, and a screeching parrot’s oaths must be prayers for prosperity in disguise. At least, I judge so from the fortunes that more than one dog- and bird-fancier has put by in the banks. One of these dealers, who kept a modest shop in a side street near Washington Square, told me that every penny he and his wife had made was earned in his shop. “It’s a hard, noisy life,” said he, “and we’ve heard screeching and yelping enough to set us crazy, trying to put by something for a rainy day.” The old man was well fixed for a very deluge. During a financial panic, when there was a run on nearly all of the savings institutions, he turned up at an East-Side bank with books for \$35,000, at a West-Side bank with claims for \$30,000, and at other institutions for smaller sums, aggregating in all \$95,000! I have personally seen and examined his pass-books. The law forbids the acceptance of more than \$3000 from any one depositor, but he had evaded this by

opening a series of books in his own and his wife’s name, and as trustee for Tom, Dick, and Harry—possibly mythical persons, possibly his dogs.

Negroes are numerous though sometimes erratic customers of the banks. They often put by a few dollars this week, but are unable to resist the temptation of drawing it out the next. Some of them keep their names for only a year, and there is a shifting of names after the summer-hotel season is over and the waiters and chambermaids come trooping back to town. Some take a fancy to a person they have seen or waited upon, and the hotel guest’s name will be appropriated and will appear in a new account at the savings-banks, with the word “Colored” written after it in the signature-book. Very many, however, prove good, thrifty depositors.

In broad contrast with the shiftless, aimless man or woman, who is forever starting and stopping on the road toward the goal of competency, is the really thrifty person. I once examined some two or three hundred typical accounts, which showed how dimes become dollars, and dollars accumulate by hundreds. In ninety out of every hundred of these there were no large sums entered, and no evidence of sudden windfalls or of unusual good luck. They were almost invariably regular, steady, weekly entries of small sums, the happy result of a fixed determination to save something, no matter how little, from the weekly wages.

The better education of the masses of to-day, compared with that of a decade or so ago, is clearly and interestingly shown in the constantly lessening proportion of those who make only a cross for their signature. That education abroad is seemingly much more general and better than it was twenty years ago is evidenced in the greater number of immigrants who now sign their names in a round, bold hand.

Another interesting fact is disclosed by these depositors. It has frequently been made a subject of complaint against immigrants of certain nationalities, notably the laborer from Italy, that they have no personal interest in our country, that they come here for a brief sojourn, make what money they can, and return to their native soil. They have been called undesirable immigrants, whose coming crowds the field of labor without permanently adding to responsible citizenship.

This was once true. The Italian worked here during the open season, hoarded his wages, and when the coming of ice and snow

caused the suspension of outdoor labor, called at the bank for his money, took a ten-dollar steamerage passage to Italy, and remained there till spring opened. All that is changed now. Year by year the departing Italians are fewer, though the incomers are more numerous than ever, and even in the depth of winter Giovanni's and Pedro's burly form and swarthy face are now seen in line at the receiving teller's window.

It would hardly be fair to tell anecdotes of the lower classes without including one that touches upon wealth. One of the richest girls in fashionable New York was about to marry the man of her choice, who was not overburdened with this world's goods. They came to the bank together one day, where he proceeded to open an account.

"I am to be married to this lady," he said to one of the clerks, indicating the young woman at his side, "and I wish to deposit \$5000 in my name as trustee for her benefit. I wish to introduce her personally, so that, should anything happen to me, you can identify her and pay the amount to her. I wish to have the bank-book lodged here for safety, to be kept until called for in the event of my death." He led her away to a seat,—not to keep her standing while he was making the deposit, signing the signature-book, and so forth,—and returned to the receiving teller's window, where he remained for some time. At last the business was concluded, and he showed the pass-book to her—showed the cover only, on which was written (I give assumed names), "John Smith, trustee for Fanny Brown." She was a multi-millionairess, and a few thousands more or less meant little to her. But the goodness of the fellow, his giving her even the few thousands he had, pleased her greatly, and she probably determined then and there that she would double his allowance. The book was given into the bank's keeping, unexamined by her, and the two passed out. A week later her marriage at an upper Fifth Avenue church was one of the fashionable affairs of the season, and the happy pair sailed away to Europe, where they have since been, and are now, prominent in an American colony. I do not know whether the dust of the bank is still accumulating on the unopened pages of the pass-book, but if ever anything happens to him, and she applies for the generous wedding-present, she will find in the pass-book a single entry—\$20.

The legislator at Albany periodically calls aloud for the confiscation by the State of the alleged millions of "unclaimed deposits"

in the banks. It is said to be a vast sum that has been lying there for over twenty years, forgotten by the owners or belonging to men and women who died without heirs. The legislator's demand is that, as it is money for which there never will be a claimant, it should revert to the State.

This is a fruitful topic for wild harangues at Albany, and almost annually for nearly fifty years—the first proposed "confiscation" bill that I recall was in the legislature in the early fifties—this assault upon the savings-banks has been renewed. The repeated attempts to steal the savings of long-absent but trusting depositors, the proposal to dishonor the State by breaking into the vaults and taking the money of which the State should be the guardian, not the thief, have been brought up again and again. Nothing but the earnest efforts of the watchful bank superintendent, the combined pleading of the presidents of the threatened institutions, and the power of the press, have defeated the proposition.

The banks insist that no account can be called forgotten because unclaimed, and that even were all these deposits uncalled for, the money should be left with the banks as an additional safety-fund, rather than grabbed by Albany and parceled out among political hacks in appropriations for public works in favored districts.

In the first place, there is a grave misapprehension as to the total amount, which orators have declared amounted to untold millions. A legislative committee, which years ago investigated this matter, was obliged to report that out of \$65,000,000 on deposit in the banks less than \$90,000 was in the "unclaimed" class. As late as 1875 another report by a legislative committee placed the amount at about \$300,000 in aggregate deposits of over \$300,000,000. The present bank superintendent, Mr. Frederick D. Kilburn, who has given the matter careful study, officially reported not long since that all amounts over \$5 that have remained in the banks undisturbed for over twenty years foot up only about \$1,500,000 out of nearly \$1,000,000,000 on deposit.

"Unclaimed" must not be defined as "forgotten" or "abandoned." These "unclaimed deposits" are constantly being called for. Not long ago a depositor called for an account that had been "undisturbed" since 1824. I can recite cases that came under my personal notice. In 1879 an old, weather-beaten sailor came rolling into a bank in New York to establish his identity and claim a de-



HALF-TONE PLATE ENGRAVED BY C. W. CHADWICK.

"A HARD, NOISY LIFE, . . . TRYING TO PUT BY SOMETHING FOR A RAINY DAY."

posit that he had made years and years before. He had suffered shipwreck, had been marooned in the Orient, had made his way to Hongkong, had had as many adventures as ordinarily fall to the lot of none but the hero of the "penny dreadful," and finally had worked his way back to New York. Would we please give him his money? Book he had none; that had gone to Davy Jones's locker with the *Nancy Jane* of Plymouth or somewhere; but he furnished abundant proofs of his identity, and received his money with a "Thank you kindly, sir." Suppose he had been told that the State had stolen his savings, that he was officially presumed to be a dead man, and would he kindly stay dead?

An Italian who went home on a visit, leaving some \$400 here behind him, celebrated his arrival in Palermo too convivially, got into a quarrel with another gentleman of Palermo, clenched an argument with a knife, and served a long term of penal servitude. He eventually returned to New York very much the worse for wear and decidedly in need of his bank-account, which was paid to him, principal and interest. Here was another alleged "dead man" come to life.

Perhaps the best proof of all that can be offered that an "undisturbed" account of twenty years' standing is not a forgotten nor an abandoned one is the fact that, at the very time when the legislators at Albany were attempting the seizure of accounts that had been sleeping for twenty years, the bank superintendent himself had a book in one of the New York banks that antedated the proposed proscribed period! I may add that I have money in a savings-bank that has not been added to or drawn upon for over twenty-one years.

A peculiarly pathetic case in point that came to my notice some years ago was that of a poor old creature who died in a county poorhouse in New Jersey. She was eighty-five years of age, and, so far as known, was absolutely without friends or relatives. When she began to fail seriously she asked leave to sit out in the garden with another octogenarian pauper who was a great crony of hers in the companionship of misery. The old woman finally died, when the other made known a secret confided to her. Her dead companion had had a dread of being buried in the Potter's Field, and had deposited \$39 in a New York savings-bank which she wished used for her burial. She had hoarded this, as the deposit-book showed, in dimes and quarters during a period of fourteen years. What pinching poverty she had suffered was shown

by the long period it had taken her to gather the paltry sum. The last of the \$39 had been secured when she must have been in her sixty-third year. Old age, allied with poverty, had won the fight, and had driven her along the road to the poorhouse; but neither cold, hunger, nor the other distresses of the extremely poor could tempt her to touch one penny of the sum that was to keep her out of the Potter's Field. Suppose the State had confiscated her "unclaimed" dollars!

Comedy treads close upon the heels of tragedy in a savings-bank. Within a day or so after this claim from a New Jersey poorhouse came one of an altogether different character from the "Little Italy" settlement back of the Bowery, New York. In this latter case an old Italian street vender, a consumptive, feeling that his end was drawing near, prepared a scheme for ending his days in comfort. Observe the originality and delicacy of the scheme that he successfully worked on Little Italy. He had only \$75 in the bank, and of this he drew \$70, and redeposited it in a few days. He drew it again, and again redeposited it, continuing the operation at brief intervals until on the credit side of his pass-book he had entries of all these various sums footing up \$800, and on the opposite page drafts to the amount of about \$785—balance \$15. After carefully cutting out the page showing the amounts drawn, and leaving the long line of deposits, he took to his bed and called in his friends. He was dying; they could see that, the old man told them. They were good fellows, and he loved them all, and he wished Pedro the banana-peddler, and good Giovanni the boot-black, and Arturo the wine-seller, to know how affectionately he regarded them. What he had to leave them was not much—would Edgardo, good old Edgardo, kindly find, between the mattress and what used to be the springs, his bank-book? Yes; that was it. Take it to the window and tell him how much was there. Eight hundred? Ah, well, thanks to God that it was so much; but oh that it were more, for such good fellows as they!

Dottore Bartollo had told him that he might live three months, till spring; would his good friends put back his book under the mattress, and when he was gone—no, they must n't cry—would they take it up to the bank, draw the amount, and divide it between them? Meanwhile, as his loving friends of the present, his heirs in the future, would they kindly attend to his little wants?

Would they? Did they? That old fellow



HALF-TONE PLATE ENGRAVED BY F. H. WELLINGTON.

"HE TOOK TO HIS BED AND CALLED IN HIS FRIENDS."

was fed on the fat of the land while he lay there in bed. He drank more Chianti in a week than he had swallowed in five years. It was even hinted by some that Arturo the wine-seller was hastening the end by the vile Chianti that he constantly produced from his stock, while the push-cart man was so generous of unripe bananas for the sick-room that there was a division of opinion in Mulberry street as to whether he was cheering his friend's finale with fruit, or endeavoring to complicate consumption with other ills.

At last he swallowed his last flagon of Chianti, and though Little Italy made a decent pretense of sorrow, it was really en fête—at last the \$800 was to be drawn! I was in the bank when the principals, in their holiday clothes, and with a few chosen friends, arrived. They stated the case, and asked for the amount, from which the push-cart man was to receive some \$40 for fruit, the wine-seller \$100, and the others various sums invested for the invalid and his funeral, leaving some \$350 as the "dividend." I need not describe the small-sized riot that followed when the abstraction of the pages

from one side of the book was explained to the swearing mourners and a tender was made to them of the \$15, all that the deceased had in bank.

I have referred to a danger that constantly menaces even the strongest savings-banks—a sudden run upon them started by the vaguest or most unfounded rumor that they are in trouble. There is no class so timorous as savings-bank depositors, so readily induced to rush in a panic of fear to demand their money. A bank in New York once had to face a run because a young man who happened to stop in at the Garfield National Bank made this remark, with no evil intention, to one of the tellers: "I saw quite a crowd at the — Savings Bank this morning. I wonder what's up." That crowd was composed of contented depositors, but the remark got abroad, and caused enormous withdrawals before the panic was allayed.

Let me explain how a bank stands always ready to meet a run, how, in time of peace, it prepares for war.

To meet sudden and unexpected demands upon banks, a large sum is kept ready for use. The average large bank—say, with total as-

sets of \$20,000,000—is prepared by four lines of defense to resist sudden attack. In the vault or safe about \$500,000 in bank-bills is always on hand; back of that is a cash reserve of perhaps \$1,500,000, deposited in various business banks, subject to instant call; back of that, again, is perhaps \$8,000,000 in United States and other gilt-edged securities immediately marketable; and the fourth and last line of defense, and to be retired upon only in extreme distress, is \$6,000,000 or \$8,000,000 in bonds and

or five hours of the arrival of the first frightened depositor. The clerks and officials are taken completely by surprise. There has been no premonition of the trouble; but they instantly recognize that a run is on.

Not a moment is to be lost. Like fighting a fire, the first moments count. As rapidly as possible the gathering people are paid off. The waiting line must not be allowed to lengthen—must not extend out into the street, to become an alarmist telltale to the passing public. The tellers work rapidly.



"THE SWEARING MOURNERS."

mortgages, on which the mortgagers will be hurriedly called to make a payment on account if the bank is pushed to extremities.

With such resources, disaster would seem impossible, though it has come to the best-fortified institutions.

A run is sometimes absolutely mob-like in its character. The worst of them can be compared only to a half-controlled popular riot or the mad rush in a theater panic. No matter how trifling the initial rumor may be, it is magnified immediately into an impending wreck of the institution. The news that has started, no one knows where, sweeps over the city from end to end. At once the people come rushing in, at first by dozens, presently by hundreds. I have seen the bank and street packed by thousands within four

No talking is done; it is pay, pay, pay as quickly as they can pass out the money.

Depositors are now beginning to come in droves. The teller's cash-drawer needs more money; the ordinary supply at the desk is running low. The big safe-doors are opened, and to calm the crowd the officers ostentatiously bring out large packages of bills—fifty or one hundred thousand dollars—and pile them on the tellers' desks.

The depositors have watched the opening of the safe; probably some of them wonder if it is empty—looted, robbed. The tellers work like beavers, but to every one man that is paid off two or three newcomers are crowding in to demand more.

The bank is now full of people; the porters find it difficult to keep the men and women

in line. The crowd, quiet at first, grows restive. Further alarmed by their own numbers, they are beginning to be a little noisy in talking to one another; the buzz of conversation is becoming not unlike a low, continuous growl, as though an ugly mood were taking possession of the gathering.

They are now too numerous to keep within the bank; they extend out on the sidewalk, and the run is public news. It is only a question how long the attack will last; whether the fort is so well supplied, so well equipped to withstand a siege, that it can hold out to the end, and pay on till reason is restored to the panic-stricken people.

In a few hours the half-million dollars in the bank safe will be exhausted, so messengers are despatched at once to draw a large sum from the "call" deposit in the downtown banks, that the tellers may have ample ammunition in time to fight the oncoming creditors.

The regular hour for closing the bank is approaching; the crowd is getting larger and more restless, if not noisier, as the hands of the clock are nearing the moment when the window will be closed for the day in the face of demands, and, in the opinion of the more excited ones, not to reopen.

Some of the directors have heard of the run, and have dropped in or have been sent for. There is an informal consultation. Three courses of action are open: first, close promptly at the usual hour; second, keep the bank open after hours and pay on, hoping that this evidence of readiness to meet all demands will quiet fears and stop the run (this is almost always done by sound savings-banks, though the experiment is usually fruitless); third, take advantage of a law that was framed with the special object of checking a mad rush and preventing the hurried sacrifice of securities, and which permits savings-banks to demand sixty days' notice from all depositors. Unless a run is serious, the bank does not like to do this, as it is mistakenly accepted by the lower classes as proof that it cannot pay its creditors.

Sometimes one of the directors imagines that a speech may prove effective, and one of the bank officials climbs upon a stool or a desk, and meanders on suavely, smilingly, diplomatically, trying to explain to men who believe the bottom has dropped out of the bank that everything is as snug and comfortable as can be, and would it not be wiser and better for them to go home and leave their money where it is drawing interest?

The crowd listens in dogged silence till some one eloquently gives a short, sharp, hard laugh, or, mob-like, an orator develops on the other side of the railing, who gives an angry retort as voicing the crowd's intention. Then the speech ceases, and the tellers rush on with their work.

At last night comes on, and the bank stops payment for the day, announcing that it will reopen in the morning. But there the crowd remain, pushed out with difficulty into the street, but stubbornly keeping possession of the sidewalk, holding their places near the door, determined to be ready for the morning rush inward when the doors swing open again.

The all-night vigil begins, and a line is roughly formed by the crowd itself, under a sort of mob law that gives a man or a woman a right to the place he or she stands in so long as strength holds out to keep it.

Hucksters' carts, with their oil-lamps, line the gutter to turn a penny by selling fruit or food to the hungry; peddlers come along with rough boxes for sale as seats for the weary; and the financial vulture who scents prey comes to feed upon it. He goes along the line and tells them that the bank is doomed, that they will never get their money, that they are as good as ruined—do they want to sell their accounts? And there you will see these fellows, trading on the misery of the more frightened ones, dealing at enormous discounts in the pass-books of some poor discouraged creatures in the line. At midnight the scene is a pitiable one; in the gray of morning the haggard faces of the waiting crowd, particularly the women, some of them with children asleep huddled close to them, are beyond description.

In mercy the doors are opened long before the hour set, and a mad rush chokes the banking-room, followed by a rough struggle for place before the lines are again formed, and the second day of the run is ushered in.

So the scene goes on till the end is reached. Usually the fierce fever of excitement burns itself out in a few days; the more frightened depositors have been paid off, the fact that the bank's resources have met the demands has allayed excitement, confidence is restored slowly, the crowd lessens, and gradually the run comes to an end.

And with what result? Hundreds of thousands of dollars, millions perhaps, have been paid out, and every depositor who has drawn his money has lost perhaps three or six months' interest that had accumulated

upon the amount. The heavy run has perhaps caused the bank to sacrifice, or at least part with, some valuable securities. But it

on the depositors whose interest has been crossed off the books.

Just here I may answer a question that



HALF-TONE PLATE ENGRAVED BY F. H. WELLINGTON.

"ONE OF THE BANK OFFICIALS CLIMBS UPON A STOOL OR A DESK."

is possible that the total amount paid out was less than its cash reserve in vault and banks. In that case no sacrifices have been necessary, and the run has actually been a profit to the bank, the loss falling

has often been asked: How do the banks manage to make enough out of careful investments in low-interest securities to pay depositors three and a half or four per cent. in these days when a three- or four-per-cent.

"gilt-edged" bond commands a high premium? The answer is a very simple one. Interest is credited only semiannually. The deposit made on January 1 must be left in bank until July 1 to draw interest. The bank makes its profit out of shiftless, unthrifty, frightened, or unfortunate depositors who draw their money out before "interest day," and who receive no dividend, though the bank has employed their money at a profit. Even in June thousands forfeit interest that has accumulated since January.

The magnitude of the business done by a large bank can be estimated by a glance at the comparative size of the chief institutions for savings in this State, and the surplus or reserve fund they have accumulated.

There are 128 banks in all, and the total assets of these on their semiannual report, July 1, 1900, amounted to \$1,037,869,160.34. Greater New York represents most of this vast sum, the 27 banks of New York County and the 16 in Brooklyn holding over \$725,000,000 and having over 1,300,000 depositors.

The largest of these Greater New York banks is the Bowery, with its resources of over \$79,000,000 and over 124,000 depositors. Next comes the Bank for Savings, with assets of over \$70,000,000 and over 138,000 depositors (more numerous than the Bowery's); then the Emigrant Industrial, with more than \$68,000,000, and the Seaman's Bank, over \$56,000,000. There are sixteen banks in Manhattan Borough that hold more than \$10,000,000 each, the assets of these sixteen alone aggregating, in last July's report, over \$500,000,000.

In Brooklyn the largest bank is the Williamsburgh, with close upon \$46,000,000 and over 83,000 depositors. Then come the Brooklyn, close on \$41,000,000; the Dime, over \$27,500,000; and the South Brooklyn, with more than \$18,000,000—these four holding aggregate resources of over \$132,000,000.

In the way of a surplus or reserve fund, the richest of the Greater New York banks is the Bowery, which has as its reserve against a rainy day over \$10,500,000. Then come the Emigrant Industrial, over \$10,000,000; the Seaman's and the Williamsburgh (Brooklyn), over \$8,000,000; the Bank for Savings (Manhattan Borough), over \$7,000,000; and the Brooklyn, nearly \$6,000,000. The German and the Greenwich (both in Manhattan) have over \$4,000,000 surplus each, and there are several that have over \$2,000,000.

Surplus, however, must be considered in connection with its ratio to deposits; and the conservatism of the bank, the standing of its

trustees, its careful conduct, the wisdom of the investments, must also be weighed in determining an institution's soundness. One must take a bank's figures in all their bearings in determining its power to withstand bad times.

It must not be imagined, however, from the big figures marshaled by the New York city banks, that the rest of the State contains insignificant institutions. There are some pretty large banks elsewhere than in New York city. The Erie County of Buffalo is important, with over \$28,000,000 of assets, and the Albany Savings Bank, with a like amount; the Rochester and Monroe, both in Rochester, with, roughly, \$20,000,000 and \$13,500,000 respectively; the Poughkeepsie and Syracuse, with about \$11,000,000 each. Even the little Newburg bank has deposits of over \$8,000,000, and many sturdy little up-country institutions have from \$2,000,000 to \$6,000,000 each.

After tossing millions about in this way, it seems like coming down to a comic aspect of the subject to speak of those banks that bring up the tail-end of the procession.

In the annual report of the bank superintendent, showing the condition of affairs on January 1, 1898, the tail-ender among them all—the smallest bank in the State—was the State Savings Bank of Troy, with its one depositor and "total assets" of \$28.11! The bank was closing, and one obstinate or unlocated depositor was still out, and would not or did not come in. So the bank went through the comic-opera performance of maintaining a full board of thirteen directors and officers, and solemnly making out, swearing to, and forwarding its "annual statement," all on account of its one depositor and his \$28.11. He has since been found, I believe, and there must have been great rejoicing thereupon, for the bank made no return in 1899. The smallest surplus reported in the State last July is that of the recently founded Washington Savings Bank of New York city—\$150.55!

The question may be asked why a bank for which there is not a great demand is ever started. Ostensibly, to encourage the thrifty poor; really, because somebody has the desire to be president, cashier, or even trustee of some sort of bank. He readily talks over some other gentleman similarly moved, and as soon as thirteen are gathered, they start a bank by simply applying for a charter. If the bank superintendent thinks the neighborhood needs a bank, legal permission is granted, and the void is filled.

It is slow work at first, but from such small beginnings great banks have been built up. The Bank for Savings of New York, the first savings-bank started in the State, began business in a cellar in Chambers street. The Bowery, the Emigrant Industrial, and others had as humble a start. The Union Dime, now in its marble building up-town, had, as its first banking quarters, a small room on Canal street, afterward a bird-store. For some time one man, the secretary, did the entire work. Finally, as the minutes recite, he was authorized to get assistance by advertising for "a suitable boy at not over \$3 a week," who, by the way, eventually became one of the officers, and is still with the bank.

The cost of running some of the larger banks may seem excessive to those not thoroughly familiar with the character and amount of work performed. What does it cost to run the big banks? The Bowery, the most expensive, costs about \$110,000 a year; but think of the enormous work of receiving, counting, entering in the pass-books, ledgering, and calculating interest upon 142,859 deposits, and performing like work for 106,417 people who draw money! And in addition to this work consider the manifold operations in which the bank is engaged, all its dealings in loans, bonds, and mortgages, the multitude of affairs that have to be attended to, and that should require, one would think, a greater staff of officials and clerks than are employed, and at larger salaries than are paid.

The president of an important savings-bank receives from \$5000 to \$10,000 a year. There are a few exceptions either way. A secretary (the equivalent of a cashier in a business bank) gets from \$4000 to \$6000; a paying teller about \$3500; a receiving teller about \$3000; and a bookkeeper about \$1800. When you remember that a savings-bank's success largely depends on courtesy, prompt-

ness, honesty, and accuracy in dealing with customers, many of whom are peculiar, erratic, and illiterate, these salaries are not high.

The bookkeeping system in all the banks used to be of a most primitive order, or, per contra, of a uselessly elaborated and involved kind, and so conducted that even some of the best of the banks never knew their exact condition, and in others approximate balances were taken only after great labor at long intervals. The books of one bank were "off" \$10,000 continually for ten years, and no one ever knew it during all that time. It was discovered by chance. Weeks of labor found that and also other errors in amounts due depositors which eventually left the bank \$17,000 richer, instead of, as the first discovery intimated, \$10,000 poorer.

I was courteously permitted, the other day, to examine the system devised and employed by the president of one of the large savings institutions in New York, and saw a marvel of simplicity and accuracy, in broad contrast to the average bookkeeping in vogue in the banks generally ten or fifteen years ago. Almost automatically, as it were, the vast business of this \$20,000,000 bank is kept balanced to a penny nightly, and all the transactions of each initial movement are so promptly tallied that instead of a semiannual and uncertain balance the bank closes each night balanced absolutely even in principal and prospective interest due to depositors.

Throughout the banks of the State a more satisfactory condition than ever before is observable. A better class of men are entering into the direction; scandals that once were common, and at one time threatened the whole system, are now rare, and the growing confidence of the people in these depositories is shown in the vast increase in the sums placed there, which, in the closing year of the century, carried the total deposits in the State up to the long-hoped-for billion-dollar mark.

