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BANKS AND THEIR DEPOSITORS.

The following news item appeared in a leading New York evening daily on 24th August:

"Sixty policemen were overwhelmed to-day by a mad rush of men and women who were determined to get the first money paid out of the vaults of the ruined Milwaukee Avenue State Bank. The receiver, Fetzer, had made arrangements to pay 20 pc to 5,000 of the 22,000 depositors, and everybody was anxious to be among the 5,000. At day-break the crowds commenced to gather around the bank, and by eight o'clock the bank was surrounded. Sixty policemen had been sent to the bank, but they were unable to handle the crowd, the greater part of which was unable to understand the English language. Forty more officers were finally sent to the bank and order was, even then, restored with difficulty. It seemed impossible to make the depositors comprehend that, although only 5,000 were to be paid to-day, the others would be paid just as much within the next few days. At one time the crowd threatened to fairly storm the bank, as, waving their pass-books in the air, they rushed for the doors, shouting in Bohemian, Polish, Norwegian and Italian. The receiver was all day paying the 5,000, and will pay as many to-morrow."

Commenting on the disinclination of many national and state banks in the United States, to inaugurate savings bank departments in connection with their ordinary business, the "Bankers Magazine," New York, says editorially in the July issue: "One objection to the combining of a savings department with a commercial bank is that a class of depositors will be attached who are liable at any time, by their readiness to credit every rumour, to cause a senseless run which might become serious enough to cause a suspension."

In Canada we have had some examples of senseless runs. One of the most notable was that on a branch of the Bank of Hamilton, in the City of Hamilton, over two years ago. This run had its

origin in some absurd rumour, but the most ridiculous feature of the episode was the action of some of the frightened depositors. Doubtful of the solvency of the branch these good people made haste to withdraw their funds, but, after they had done so, many of them immediately re-deposited the money in the head-office of the same bank in the same city. It is quite probable that some were so ignorant that they hardly knew the name of the bank they were patronising, and that they were accustomed to identify it nearly altogether by its location. In other words though they knew they had their money in a bank situated on the corner of X. and Y. streets, they would not be able to distinguish it by its name from among a list of banking institutions.

It is quite natural that a great many of the national banks should prefer not to have such people among their creditors. If they had them they would never quite know when to expect to be confronted with a crazy mob frantically demanding payment of its deposits. The savings banks that cater to the foreign sections in New York and the other big cities are taught by their experience to be on the look-out for runs, of more or less importance, practically all the time. They must keep their resources in a more liquid shape on this account. It is easy to see how that with no savings department the customers of a national bank would be more apt to consist mainly of merchants, traders and other business men, and of people with intelligence enough to refrain from falling into a panic from notoriously insufficient causes.

But, however, loath the banks in the States may be to establish savings departments, there is no disposition here to go slow in the matter. Our banks do not hesitate to open savings banks wherever there is likely to be money deposited, no matter whether it is a district occupied by ignorant foreigners or not. One of the chief reasons for the marked difference in policy is that the danger