usually large, the assembly excited comment in the district, out of which arose a rumour that the crowd at the bank door was made up of depositors who were anxious to *withdraw*, and not, as was the case, to *deposit* money.

There was a "run" thus precipitated which lasted several days as it might well do seeing that on the day it broke out several hours were consumed in the work of paying out $5,000. Many of the poor, misguided depositors remained all night in front of the bank, amongst whom were mothers with infants, aged women, and girls and boys whose riotous conduct had to be checked by police. A dray freighted with bags of gold to value of $100,000 failed to restore confidence. No heed was paid to the assurances of the president or the cashier, that the bank was fully capable of meeting every demand, the people wanted their money and when they got it quite a number desired to replace it, as has been done in other runs. Depositors have been known to ask for their money solely to make sure that it was really intact! The most successful ruse to stop a run was that adopted in "The Old Bank," Rotherham, where the manager heated sovereigns in a copper shovel over the fire in his private room and throwing these out to the excited crowd exclaimed, "Why are you in such a hurry, we are making sovereigns as fast as we can!" Several who had burnt their fingers when picking up these hot coins reported that sovereigns were being made as quickly as possible and on this report the crowd dispersed. A Birmingham Banking Company in 1866, tried to bluff depositors and note holders by piling all the gold it possessed ostentatiously in full view of the public, but this did not work, so the bank closed its doors. In the case of another run on an English bank in 1866, the depositors freely accepted the notes of the same bank in payment of their claims, and the note holders were given gold. The depositors in almost every case took their notes and gold to another bank on the same street the manager of which, by arrangement, returned the notes and gold to the bank being run upon, so, throughout two days there was a stream of notes and gold running out and a stream of equal volume flowing in until the excitement wore itself out. Strange to say the process soon began to be reversed, for most of the depositors withdrew their money from the second bank and re-deposited it in the one from which they had withdrawn during the "run."

The recent run in a New York bank, and the two referred to in England, one in 1825 and the other in 1866, were shared in almost exclusively by the smaller class of depositors. The hard earnings of these people for years, representing continual self-denial and privation, when thought to be in danger naturally caused them great alarm and excitement. Persons of this class, as has been seen in this city, easily become victims of idle, or malicious rumours, their conduct is often highly irrational, for they will deposit their savings in institutions that business men know to be untrustworthy, and, on the most unreasonable grounds, they will withdraw their deposits from other institutions of the highest financial strength. They have not, in fact, sufficient knowledge to enable them to act intelligently in financial matters.

The now general practice of the chartered banks receiving small sums in a Savings Bank Department increases their liability to a run by the smaller depositors.

We cannot, however, agree with the writer who says, "A commercial bank, which becomes possessed of the money deposited with it and in return gives a credit to the depositor, is not fitted to act the part of a savings institution. Its deposits are demand debts, which it is bound to pay promptly, and it uses the funds for its own profit."

Of course, a bank uses deposits for its own profit, for what other purpose should a bank receive, enter, and become liable to repay such money's on demand? Would this writer have banks put each deposit in a separate box like valuables are stored in the miniature safes in a Trust company's vault? This system certainly would render each depositor absolutely secure, but, as his money would earn nothing he would get no interest, but would have to pay a fee for the use of the safe. Such a system is too visionary for serious consideration, it would destroy trade, for the vast bulk of trade is conducted by means of the funds provided by deposits. The Canadian deposits held by the banks that are of savings character amount to 315 millions and the Canadian current loans and discounts of the banks are 416 millions. Were then the doctrine put into practice that a commercial bank which gives a credit to the depositors for "deposits that are demand debts, is not fitted to act the part of a savings institution," the banks would be deprived of over 75 per cent. of the resources by which they are able to maintain the fabric of commerce.

It may, however, be urged, that the deposits referred to, those amounting to 315 millions, are only "payable after notice," and, therefore, do not come under the description of "deposits that are demand debts." This plea is based on the supposition that banks do not and will not pay "on demand" such deposits as are stated in the receipt "payable after notice." Even were this the case it would have no practical bearing on the assertion that commercial banks are not fitted to act the part of a savings institution, for, in case of a panic, were due notices given of the withdrawal of the "payable after notice" deposits, the effect of such notices would be to paralyze the active business of the banks on which the notices were served.

But, in practice, the banks treat all deposits as