

demand at the counter of the First National grew strong, but there was nothing like the semblance of a panic run. From 11 o'clock in the morning until 2 o'clock the afternoon there was a constant and steady demand for currency at this counter, and every check was not promptly by a smiling Cashier, who disbursed greenbacks to the greedy. There was nothing like confusion or excitement about the bank, and the street rumors, as usual, exaggerated the reality. After banking hours, a reporter of THE TRIBUNE conversed with the accomplished and cool-headed cashier, Mr. L. J. Gage, and the substance of the information derived from this gentleman may thus be briefly summarized: The so-called "run" on the bank had not amounted to anything serious, and was not precipitated by resident depositors or country correspondents. Numbers of small checks, that in the usual course of business would have lain in other banks for at least a day, or passed through the Clearing-House, had been presented immediately in consequence of the suspension of other banks, and this had occasioned a temporary small excitement. All of these checks have been promptly paid on presentation, and such payments had to a small extent exceeded the amounts of deposits during the day. The result was that the amount of actual currency on hand had been somewhat reduced since the opening of the bank in the morning, but they had closed business with a large surplus, and were abundantly able to meet all legitimate demands they could foresee. Mr. Gage thought the day (Saturday) was the trying one in the emergency, and that all those who had stood the brunt would issue successfully from the conflict, and have attested their ability to meet all obligations.

THE SECOND NATIONAL
is regarded as hopelessly insolvent, and the predictions by the best posted financiers are that it will not survive. As reported in yesterday's TRIBUNE, the bank is making such adjustments as it can with forbearing creditors, and its officers hope to be permitted to go into quiet and voluntary liquidation. The disaster that has overtaken them is not wholly attributable to the present crisis, but to unfortunate previous disbursements, and the present has crushed the hope of any immediate redemption. The officers maintain that their securities are good, and that every dollar of obligation will be paid if time is granted and no hard measures are adopted to force them into bankruptcy.

THE THIRD NATIONAL
closed its doors in the morning, a notice being pasted on the door setting forth that, owing to the continued financial stringency, the management deemed it proper to suspend business for the present. This was signed by the President and Cashier. The President Mr. J. Irving Pearce, felt confident and serene, and so did all who had accounts with the bank. There was no uneasiness; it was a matter of a few days, and all would be right. The best feeling prevailed, and there was no abatement of the confidence that has always existed in the community toward the institution. A crowd of idlers who had not a cent in the bank, stood round for a while, studying the architecture of the building. They seemed satisfied after a short time that it was a very fine specimen of architecture, and moved off to pursue their studies somewhere else.

THE FOURTH NATIONAL
Everything was very quiet at the Fourth National, and only a moderate business was being done. They were paying all positive demands, but strongly discountenancing large drafts, and were generally successful in satisfying anxious ones of their stability, and preventing unnecessary withdrawals of currency. They said they were not in need of currency, and had not drawn on the East for any, nor checked for their balances since the inception of the financial troubles. Their receipts from the West had been considerable during the day, and they had not been checked against, and the amount of deposits exceeded the sum of outgoing payments, leaving a considerable currency gain in their vaults for the day. Here, as elsewhere, the precautionary measure was adopted of refusing payments to depositors whose debts would mature in a brief time. This was simply tantamount to reserving sums of cash held as security for obligations soon due, and though not strictly legal, nor in times of ordinary business justifiable by the code of trade, was held to be a necessity to conserve the general interests of the public. In this hour of doubt it was deemed a suicidal policy to pay \$1,000 to-day when the bank held \$100,000 for \$2,000 due in three or four days and not secured by cash-commanding collaterals. It was this course, pursued by this, as well as other banks, which had given rise to the unfounded rumor of the suspension of this bank on the previous day.

AT THE FIFTH NATIONAL
everything was quiet during the day, and business was conducted with perfect composure. The urbane Cashier was smiling and cheerful, and readily devoted time and good humor to every business applicant. He said that in the morning, owing to the deeply regretted suspension of the Third National, they had anticipated a general "run" but had been agreeably disappointed. Upon an investigation of the reasons why no "run" had occurred one of the chief developed facts was that the deposits in this bank had been very largely drawn upon before, leaving only a comparatively small balance, which was the money of staunch business men who had no fear of failure. The receipts of money on Friday, he said, had been much less than payments, in consequence of the fact that this bank had been compelled to redeem checks heretofore given on other banks which had suspended. During yesterday the case was exactly reversed, and the amount of deposits exceeded the sum of payments, leaving the bank with an augmented currency balance. Large amounts of currency, he said, had been received from the East Saturday, and he thought THE TRIBUNE estimate in yesterday's issue was very nearly correct of the sum in actual greenbacks that had come to the city during the day. The bank, he had no doubt, would be able to respond to every demand in the legitimate line of trade, but, as a precautionary measure for protection, they were refusing currency on sight drafts.

THE COMMERCIAL NATIONAL
One of the most pleasant and assuring visits made by that ubiquitous individual, THE TRIBUNE reporter, yesterday, was to the Commercial National Bank, where he had the pleasure of a most entertaining and instructive interview with the popular President, Mr. H. F. Eames. Here business had been conducted with remarkable confidence and quiet during the day, and the result was a handsome addition to the cash funds in the bank's vaults. Mr. Eames, after the announcement of the suspension of the Third National, "just over the way," on the corner of Dearborn and Washington streets, had anticipated a "run." But he, like others, had been disappointed, and the result of that failure of promise was only satisfaction. There had not been the slightest indication of alarm here during the day, and everything had been pleasantly conducted with that conservative quiet that marks the solidity of everyday transactions. The deposit receipts during the day had exceeded the currency withdrawals by over \$50,000. This bank had not during the impending crisis experienced any necessity for summoning Eastern aid, and had not called from the East anything more than its usual and customary balances with which it was credited, and which were regularly forwarded. But here fairness does not go to the excess of generosity at the expense of security, and safety is not hazarded for fictitious reputation. Every demand over the counter, even though it be legitimately made, is not honored. Where securities for maturing debts to the bank are in whole or in part held by the bank, they are not relinquished. Hazardous games of chance are not played. If Smith or Jones presents a check for any given sum which he may have on deposit, it is promptly honored if the bank holds none of his obligations near maturity. If his paper is held by the bank, and the day of payment close at hand, the bank's safety from specific loss is secured by the refusal to pay the check. This is only the self-insurance against the possibility of loss. But in cases where deposits are not debtors, the full sum of their currency credits is transferred to them on demand. Mr. Eames has full faith in the speedy and happy solution of pending complications. From country correspondents receipts of cash were acknowledged yesterday, and a footing up of balances due exhibited a creditable reserve in the bank vaults.

THE CORN EXCHANGE NATIONAL
folks were merry and happy. There was no excitement here during the day, and the deposits exceeded currency payments by over \$50,000. Currency receipts by express sent to the bank and to its officers and Directors, all of which is made subject to bank demands, were reported by the President to exceed \$100,000, and when the bank closed its currency in the vault was about \$200,000 more than when the bank closed on Friday evening. The officers expressed their confident anticipation of another receipt of \$125,000 before Monday morning, and had no doubt of their ability to pay all demands, and hold open doors till the ordinary current of trade flowed peacefully and swiftly to Chicago's continued prosperity.

THE CENTRAL NATIONAL
continued conducting its business as though nothing had happened to disturb the serenity of the financial world. The reporter called upon

its President, W. F. Endicott, who at once expressed his willingness to converse upon financial topics immediately concerning and outside of the interests he is controlling. A lively conversation was soon in progress, the salient parts of which are well worthy of publication. Thus it ran:

Reporter—Well, Mr. Endicott, it must be a source of intense satisfaction to you to continue carrying on your business as usual. Do so kind as to tell me where lies the secret of your strength?
Mr. Endicott—With pleasure, sir. Our strength mainly lies in the fact that the business of our bank is purely local, and is thus but little affected by outside trouble. Additional strength has been gained by a restriction of business and general preparation, during the past week or so, for the shock, which I saw was inevitably coming.

Reporter—Am I to understand you to say that it is dangerous for a city bank to transact country business, to become the depository of funds belonging to foreign correspondents?

Mr. Endicott—No, sir; not exactly; that is too sweeping. But I will say this, the taking on deposit on call of large sums of money, and paying therefor from 4 to 6 per cent interest, is essentially unsound banking. Such sums of money are virtually under a bond to be re-loaned by the bank, if possible on call, if not on time. Upon the occurrence of a financial flurry these depositors with one consent apply to withdraw the funds, the banker calls in his loans if possible, and, if not possible, the funds cannot be withdrawn. The evil resulting from this unsound system is felt even more here than in New York, where a banker finds no difficulty in loaning such funds, on call, secured by what is ordinarily, very readily convertible collateral, in the shape of stocks. Here such collateral is not available, and the banker is forced to reloan his interest-bearing country deposits on call, on securities, with perhaps from thirty to sixty days to run. The fix he is in when these big balances are called for is apparent.

Reporter—How do you find customers behaving? Do they appreciate your endeavors to keep going?

Mr. Endicott—They do; and have, almost without exception, the utmost confidence in us. We had more currency in our vaults last night than on Thursday night, a fact which speaks for itself more eloquently than words.

Reporter—Have outside customers approached you with a view to business?

Mr. Endicott—Within the last few days we have had applications to take many new accounts, but when favors were required they have been, of course, refused.

Reporter—What do you think of the present position?

Mr. Endicott—The ultimate result rests with the people of the United States. They have the say whether there will be financial crash or not. They are sitting on the outside like a jury, and the sentence of the Court depends upon their decision.

THE CITY NATIONAL BANK
was going ahead as usual. Mr. Reed, the President, surveyed from his room in the front of the bank the few customers with an air of complacency. He received THE TRIBUNE reporter with a benign urbanity that was charming, and cheerfully remarked that, in his opinion, the worst of the panic, so far as Chicago was concerned, had been seen. The bank he controlled promised to come out better at the close of the business day just progressing than it had done in a week. The cash means of the bank were steadily increasing; the customers were bringing in currency steadily. One man who had a \$9,000 deposit on call brought in while the reporter was in the President's sanctum a gentleman, the lucky proprietor of two pocketfuls of greenbacks, aggregating \$3,000. An animated conversation ensued upon the introduction of the gentleman with the greenbacks.

"What had I better do with my currency?" asked the lucky proprietor of the banker.

"Exercise your own judgment in the matter," rejoined the banker.

After a little consideration of the subject, a movement towards the office was made by the gentleman, and in five minutes the receiving teller had counted that money, and the usual receipt was given in exchange. This is the sort of thing that is wanted to restore affairs to their natural course. With regard to the payment of interest on large call deposits, Mr. Reed expressed himself in unqualified terms: "I consider the system as directly against the principles of sound banking, but it is an unavoidable evil. We do it because New York bankers do it. If we decline to do so, these balances will be sent to New York." As the reporter left the bank, he wondered whether it would be better to let them go to New York rather than take them on conditions which imperil the safety of the bank receiving them.

THE NATIONAL BANK OF ILLINOIS
was wide open and transacted its usual business. A conversation with one of the officers brought forth the assurance that the bank would "weather it," as he said. The panic had not made any difference in their business. Their accounts were all commercial; they kept no grain accounts, nor were they indebted to country banks. The issue of loan certificates would relieve the stringency, and enable the West to move the products of the harvest to the markets. They would get other bank credits from the East, and, in the way, a temporary medium of exchange would be established. He would like to see free banking, provided that, for every dollar of bank currency issued, a greenback would be withdrawn from circulation. That would prevent inflation. Contraction was the only remedy to specie payment. Inflation afforded only temporary relief, like putting cold water in the mouth to allay a tooth-ache, which began to ache worse when the water was ejected.

THE COOK COUNTY NATIONAL
had suspended operations on Friday, but Mr. F. Allen, the President, announced his intention of resuming Monday morning. He thought the universal stringency was a novel experience for financiers. The present Banking law should be altered. Senator Logan, who happened in, remarked that there was no flexibility to it, and it should be changed. Mr. Allen thought the people behaved magnificently, and, having settled down to the conclusion that they could not get currency immediately, were content to wait, and in that they were sensible. Things having reached the bottom, would look upward from this on, and the outlook was not all cheerless or gloomy.

THE MANUFACTURERS' NATIONAL
At the Manufacturers' National Bank a TRIBUNE reporter found an air of abiding quiet prevailing, and the President, Mr. Holmes, placidly seated at his desk awaiting further developments and the arrival of customers. When asked as to what was the latest financial events which had come under his notice, he unhesitatingly answered, "We are going into liquidation. At a meeting of our shareholders, held yesterday, it was resolved that the bank go into liquidation under the terms of Sec. 42, Art. 9."

Reporter—How do you expect the bank to come out?

Mr. Holmes—We shall be able to pay our deposits in full. The shares show that to pay \$300,000 we have \$1,500,000, which must be looked upon as a satisfactory state of affairs.

Reporter—How do your customers look upon the arrangement?

Mr. Holmes—I may say that they are all well pleased with it. I have had nothing but the very kindest feelings from every man who has an account with us.

Reporter—How long will it take to wind up the affairs of your bank, sir?

Mr. Holmes (meditatively)—I think we ought to be able to settle with all depositors satisfactorily within from twenty to sixty days.

Reporter—How soon do you consider a relief from the present state of affairs may be looked for?

Mr. Holmes—It's a long road that knows no turning. At present there are no signs of improvement.

Reporter—Do you think that THE TRIBUNE in its articles upon the panic has fully shown up the cause of the disaster?

Mr. Holmes—I do, but I would add this, that I think that, if the counsels of Mr. Coolbaugh, expressed at the first meeting of the Clearing-House, had been heeded, and the banks had all closed their doors, and taken time to consider the nature of the disaster, the best means to meet it and to alleviate public excitement, no permanent trouble would have occurred. After the general suspension, the banks would have met together and considered matters. Currency payments being suspended, Clearing-House certificates would be issued until the banks understood one another's position. The Chicago banks would have been able to retain enough currency to keep ordinary business going, and to keep the laboring classes supplied with sufficient funds to keep themselves going.

THE UNION NATIONAL
Mr. Coolbaugh, President of the Union National, after banking hours yesterday kindly favored THE TRIBUNE reporter with a lengthy and astute survey of the financial situation. It would be an injustice to his distinguished manner to attempt, when the reporter took up notes of what was in many particulars a private conversation, to report Mr. Coolbaugh's language. His views of the situation were reiterated as expressed to other leading financiers with whom he has been in consultation during the past week, and he declared them to be confirmed by developments in the monetary world since their first advancement.

Without betraying any of the confidence reposed in the writer, or attempting to give Mr.

Coolbaugh's language, a brief summary of his views is thus given.

The President of the Union National is perfectly confident of the wisdom of the course adopted by the Bank; he fully appreciates the harsh criticisms that have been passed upon him since the suspension, and realizes fully that he has sacrificed temporary reputation and supremacy, but hazards his reputation upon the wisdom of the course adopted, and the sequence to result. No one, he says, more regrets the financial necessity that compelled the suspension than himself and the other officers of the bank, but, in their united judgment, it was forced upon them by adverse circumstances beyond their control. It was utterly impossible for the banks of Chicago to hold out with currency payments when every other city in the country had suspended, and currency was held at a premium. Had there been concerted action on the part of local banks, developing some temporary remedy for pending difficulties, though hazardous, the chasm between suspension and full payment might have been bridged over. But when such construction could not be accomplished, preparation for the inevitable behooved every conservative and safe investing investor. It was impracticable for the banks of Chicago to maintain business on a currency basis at premium in this hour of uncertainty and gloom as it would be to attempt special resumption on the part of one city while the balance of the nation was doing business on legalized promises to pay. He had little doubt that the financial problem was as yet in the inauguration of its propounding to the country, and that its solution would require time and governmental interference, the latter to be excused, if not justified, by the past accepted plea of public necessity. The news yesterday morning of the suspension of the Boston banks was received by Mr. Coolbaugh as confirmation of the prophecies he had made, and confirming justification of the course adopted by the Union National. Mr. Coolbaugh hazards no prediction of the outcome of the present situation, but stands ready to coincide with any action of the banks that, in his opinion, will afford any permanent relief.

THE MERCHANTS' NATIONAL AND NORTHWESTERN

The Merchants' National and the Northwestern National were in perfect confidence and security. There was nothing at either indicative of anything but serenity and safety. The same course regarding debtors and creditors, both classes being represented in the same individual, as observed in the Commercial, Fourth, and Fifth, and First National Banks, were here observed, and officers expressed the completest confidence in the future.

THE NATIONAL BANK OF COMMERCE

suspended on Friday, declared its readiness to resume whenever other suspended banks took the initiative, and asserted its perfect solvency. Their suspension had not been forced by the desolation of their vaults, but dictated by the same financial views that had directed the course of the Union National.

THE GERMAN NATIONAL

and its energetic President, Mr. Gronenbaum, were doing business, paying and receiving money as usual, and Mr. Gronenbaum believed the excitement would quickly subside. He intended to keep on with his business as heretofore.

THE NATIONAL BANKS.

THE FIRST NATIONAL.

Immediately after the confirmed report of the suspension of the Third National, which somewhat startled the public, there was a rumor of a heavy intension run on the First National, and some apprehension was realized as to the ability of this bank to stem the tide. True enough, the

continued conducting its business as though nothing had happened to disturb the serenity of the financial world. The reporter called upon