

Forgotten Dollars

by **HELENA HUNTINGTON SMITH**

A SAVINGS BANK in Montclair, New Jersey, would like to know the whereabouts of Daniel and Mary O'Donoghue. They have \$459 in the bank but they don't seem to care. They made their last deposit in 1926 and then vanished. The bank's communications are returned from their last known address.

What has become of Daniel and Mary? How is it that this thrifty Irish couple, who started so bravely to save for a rainy day, have lost interest in \$459? And what ever happened to Pat Connelly, who walked out on \$8,000 in the same Montclair bank, the very year that the O'Donoghues disappeared? And what about Luke Peko of Chicken Creek, Alaska, who has \$42.17 waiting for him in a bank in San Francisco, and Emil Hansen, who has \$3,200 in another San Francisco bank but hasn't been heard from since 1912, and Mrs. Annie E. Murth of Jersey City, who for fourteen years has evinced no interest in \$12,000 belonging to her?

Nobody knows.

These individuals are part of the great army of missing depositors whose unclaimed funds are a nuisance to the banks — and a source of interest to other people, including you and me, since there is the possibility that some of the money may be yours or mine. Hundreds of thousands of missing depositors clutter up the records of financial institutions, and the money that is carried on the books in their names is nobody's money. It doesn't belong to the banks. And, unless and until the owner or his heir turns up, it doesn't belong to anybody else either — an absurd situation of which only about one half the States have thus far taken cognizance in their laws.

If you put money in a savings bank or a commercial bank and if you subsequently die or go abroad or change your name or (what is most likely) forget all about your thrifty impulse in the pressure of other business, your

deposit will in course of time go to swell the total of nobody's money. It will become a dormant account in 10, 15, or 20 years, according to local laws and regulations.

There is no way of knowing the total number of dormant accounts (called Rip Van Winkle accounts or sleepers), but last summer, when a big drive to locate missing depositors in New York State was launched under the impetus of a new State law, 56,000 names were advertised in New York City alone. Lost depositors turned up in Norway and Africa, in Canada and South America and all points between, representing an accumulation of unclaimed deposits going back 100 years.

HOW THEY GET LOST

THE TOTAL of unclaimed funds in American banks is more than \$250,000,000. Most of it is in small, unspectacular sums ranging all the way down to a dollar, but part of it is in lumps of considerable size. If you can prove that you are legally entitled to some of it, you will be doing a favor not only to yourself but to the bank as well.

Perhaps Uncle Ezra, who died many years ago, had a nest egg of which the family never knew. This has happened any number of times. Money is a prolific breeder of family squabbles: many an old person has kept a secret hoard in the bank, fearing that if relatives knew of its existence they would refuse any further support. When the owner dies without a will, this type of account becomes dormant.

Or perhaps some relative opened a trust account in your name, in the mood of enthusiasm which greeted your birth, then died or forgot it. One savings bank recently found a girl who had \$1,000 coming to her. Her father and grandfather had each opened an account for her when she was born. But long before she was of age they were both dead, and she never knew of the money until the bank succeeded in tracing her.

FORGOTTEN DOLLARS

A great many missing depositors are merely absent-minded. Most of us say, "Oh, I'd never forget money." But the truth is that you probably could and would and possibly have.

Last summer when column after column of depositors' names appeared in New York papers, one lady looked at the list to see if her sister, who had long since married and gone to live abroad, was among those sought. "Sister was always so rattle-headed," she observed, "it would be just like her to forget a bank account."

It turned out that the sister hadn't forgotten, but the lady who did the looking found her own name on the list!

Dozens of other causes can operate to drop a bank account into limbo.

A savings bank will start a drive for new depositors, and it will send a salesman around. Perhaps you yield to him, thinking it would be a good idea to have another account. You hand over \$10 but you neglect to use the account and soon forget it entirely.

Old people will put aside money for their burial and die without telling anybody about it.

When a bank fails, great numbers of people take it for granted that all their money is lost and never even bother to make inquiries, when the fact is that there is usually so much on the dollar coming to each depositor and sometimes, if there has been a reorganization, he may get all or nearly all his money back.

Because of this unfortunate, even tragic, ignorance, the total unclaimed funds in several States leaped up by the millions after the series of bank crashes which shook the country in the early 1930's. A million and a quarter dollars were still unclaimed in 4 Ohio banks more than a year after the failures, while in Detroit at about the same time more than \$3,000,000 remained in 2 closed banks alone. The receivers of the Detroit banks issued a statement pointing out that 50,000 small depositors had failed to realize that they were entitled to 100-per-cent payment, while many large depositors who had 68 per cent coming to them were equally ignorant of the fact.

The Society for This, That, or the Other gets a little money in the treasury and then blows up, leaving \$13.66 in dues banked to the credit of an organization which no longer exists.

Banks in big financial centers often have

smaller banks among their clients, and sometimes these smaller banks actually turn up missing!

One trust company advertised, among depositors who had not been heard from for upward of fifteen years, an Atlantic Bank of unknown address and a First National Bank of Greenville — State unknown. These banks and some thirteen others on the same list failed years ago. The probability is that the not too bright local boys who got appointed receivers, perhaps for political reasons, overlooked some of the assets.

Even cities can be absent-minded. The same trust company just mentioned found itself with dormant accounts in the names of Syracuse, New York; Columbus, Ohio; and Toledo, Ohio. The explanation of this is that municipal governments are sometimes inefficient in the conduct of their affairs.

HOW THEY ARE FOUND

SOME SAVINGS BANKS spend considerable money and go far beyond what the law requires in their diligent search for the owners of forgotten money. Unclaimed accounts are an expense and a bother, requiring just that much more bookkeeping. Successful efforts to find the owners of the money earn the bank a very solid fund of good will. Besides, savings-bank officers often have a genuinely conscientious attitude toward the funds entrusted to them.

One successful search recently led to an old lady in Newark, New Jersey, who received \$700 that was much needed.

The money had belonged to her brother, an Italian music teacher, dead almost 25 years. Unknown to any of his family, he left over \$300 in a savings bank. It went on drawing interest for 20 years; after that, under the bank's regulations, the interest accumulation stopped. By that time the original deposit had grown to \$735.

Then the bank began an intensive search for the owners of dormant accounts. It set an employee on the trail of the music teacher. He called at the old brownstone house where the teacher had last had a room. No one remembered him any more. But wait — someone recalled vaguely that he had traded with a certain corner grocer. Luckily the grocer was still doing business, remembered that the music teacher had spoken of having a sister in

Newark. A city directory did the rest. The old lady was found, and the money put to work on medical treatment for her ailing heart.

Strenuous efforts and wide publicity, however, result in the finding of only about twenty per cent of the missing capitalists — even in States which require that the depositor's name (and sometimes the amount credited to him as well) be published in a newspaper or a State banking report or both. And mystery, tragedy, pathos and even a grim humor stand half revealed in these sparse records.

Among the lost depositors there is a certain Catherine Ryan with \$53.50 to her account; last entry 1905; last known address the poor-house.

In the Province of Quebec, where the government lately took legal action to get possession of between \$5,000,000 and \$6,000,000 in unclaimed funds, one bank still credits \$550 to the account of Harry P. Stone, deceased. He was shot in 1925 while holding up a bank.

Soldiers and sailors are another regular and rather touching source of forgotten money. In every town that was near an army camp in the World War the banks are still carrying little items of \$11.46 and \$18.29 for Private This and Corporal That. Their last address being a disbanded service unit, there is little hope of finding them even if they are alive, and there is still less hope of finding 30 assorted veterans of the Civil and Spanish-American wars whose names are still on one bank's books. Banks in New York and San Francisco, where men left for overseas, tell the most vivid stories of this sort. Mournful echoes sound in such ancient entries as that of Charles Eichenberg, of the U. S. Marine Corps, Marine Barracks, Baracoa, Cuba, and Charles Edwards, of Company C, Fifteenth Infantry, Tientsin, China. But the little sums that they and 100,000 others have left behind foot up to something colossal.

WHERE THE MONEY GOES

IN 1934, THE LAST year in which the annual report of the United States Comptroller of the Currency referred to the item, there were \$132,018,000 in unclaimed deposits *in the national banks alone*. The total of all deposits in the national banks amounts to just about half of all the bank deposits in the country.

New York has more than \$5,000,000 in unclaimed deposits in its State banks alone.

California reports \$500,000. Wisconsin reported \$700,000 a couple of years ago. Minnesota last year reported \$2,000,000. One county in the State of Washington reported \$200,000. Massachusetts reports \$500,000. Oklahoma was recently concerned with the disposition of \$250,000 left in insolvent State banks.

One thing apparent from all this statistical chaos is that good business and good government require more attention to the problem of maverick money. It would seem obvious that the thing to do is to find the owners when possible and, where this can't be done, to dispose of the money for the greatest common good.

Vermont and North Carolina have constructive ideas along this line. In the latter, unclaimed money goes to the University of North Carolina after five years, though the owner can still claim it for another ten years after that. In Vermont, it goes into the general school fund.

Sixteen states have laws providing that, after money has remained unclaimed for a given period — ranging from 5 to 30 years — it shall be taken over for some kind of State use or, in legal language, shall escheat to the State. Most of these laws look after the interests of the missing owner by providing that dormant accounts must be advertised in local newspapers before the State takes them over. Even after that, the owner can still get back his property, in most States.

It is incredible that more than half the States maintain a graveyard silence on the subject of unclaimed deposits. No attempt is made to find the missing owners; nobody even knows where such funds are or what they amount to.

In recent years there has been some agitation in Congress for a federal escheat law which would appropriate to the national treasury the unclaimed deposits in national banks. One source of opposition to such legislation has been the feeling among some bankers that the money should revert to the banks.

However, only one State, Indiana, has incorporated this form of banker sentiment into a law which is better for the bank than it is for the depositor. Under this statute, after one year of inactivity, an account is declared dormant and is thereafter subject to service charges, which eat it away until the bank has got it all.

If a Comet Hits Us—

by JOHN J. O'NEILL

TOWARD THE END of 1937 a cosmic visitor appeared out of the dismal depths of dark celestial space. It was traveling fast when discovered, so fast that it was evidently very close to the earth and coming nearer at a rapid rate. It was a stranger, not traveling on the orbit of any known body. No one knew how big it was. It was discovered by accident, as a line on a photographic plate, while a picture was being made of another heavenly body.

No sooner had astronomers discovered the strange object than they lost it again. They were in the position of a man who saw a rock coming directly at his head and then suddenly went blind.

Here was a highly dramatic situation. An object of unknown nature, of unknown size, was hurtling through space toward the earth either at an unparalleled speed or in unparalleled proximity to our globe. And this knowledge was in the possession of just one man in the whole world — an astronomer in a German observatory.

Did this man flash a world-wide warning that the earth was in danger of collision with a mysterious visitor from space? Did he arouse the radio stations of the world so that they might interrupt their broadcasts to inject an announcement of impending catastrophe? The situation conceivably could have justified such a course.

But the German astronomer did none of these. He sent out a routine notice — at deferred cable rates — to the usual astronomical observatories, announcing that an object had been observed at a given right ascension and declination.

Days passed. Astronomers searched, without success, in all parts of the heavens where they thought the object might be found. What had become of it? Would a crash of terrestrial dimensions, announcing that the object had reached its destination somewhere on the

bosom of Mother Earth, answer the question?

If the German astronomer was in a state of suspense, he was justifiably so. The truth of the matter is that the object came closer to the earth than any other similar object since the dawn of history, our moon excepted. This was discovered, however, after the moment of closest approach had passed.

It was later proven that the object came as close as 400,000 miles. This is less than twice the distance of the moon (240,000 miles). It came nearest at noon on October 30, at which time it was lost in the dazzle of the daylight skies, so that it could not have been seen even if it had been as bright as the brilliant Dog Star, Sirius. Thus the 2,000,000,000 inhabitants of the earth were quite ignorant of the presence of the strange visitor.

In order to get a clear picture of how close this object came to us, we should reduce astronomical dimensions to a smaller scale. Let us imagine the sun as a luminous globe a foot in diameter on top of the 1,200-foot tower of the Empire State Building and the earth and the moon each represented by a marble carried by two passengers riding at either end of the rear seat of a limousine moving down Fifth Avenue. The position of the sky wanderer would be represented by a bullet passing through the two front windows of the car.

When all the necessary information was finally assembled, the astronomers established the fact that the body was an asteroid roaming more than 100,000,000 miles from the normal zone of the asteroids. But, on the night that the object was discovered, the chances were about equal that it was a long-period comet not heretofore observed making one of its periodic visits to the sun; that it was an asteroid (minor planet), of which there are more than 1,000 in the solar system; or that it was a giant meteor from outer space that was falling into the sun and moving on a course so near to