

## The Papers of Charles Hamlin (mss24661)

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Hamlin, Charles S., Scrap Book – Volume 207, FRBoard Members

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Scrap Book - Volume 207  
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BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date August 1, 1941

To The Files

Subject: \_\_\_\_\_

From Mr. Coe

*mpc.*

After correspondence with Mrs. Hamlin (see letters of May 25 and June 4, 1941) the items attached hereto and listed below, because of their possible confidential character, were taken from Volume 207 of Mr. Hamlin's scrap book and placed in the Board's files:

VOLUME 207

Page 32

Statement by Open Market Policy Conference.

Page 37

Report of Progress to the Governors' Conference From the Federal Reserve System's Committee on Bank Reserves.

Page 39

Report of Progress by the Committees on Branch, Group and Chain Banking to the Governors' Conference on September 24, 1930.

Page 54

Excerpt from minutes of Governors' Conference.

Page 71

Memo to Mr. Hamlin from Mr. McClelland re provisions of S-4723.

Page 94

Earnings & Expenses of F.R. Banks, September 1930.

Page 103

Memo to Mr. Hamlin from Mr. Smead re Comparison of F.R.Bk. of Boston with Atlanta and San Francisco.

Page 150

Foreign Accounts of F.R. Banks. (Marked Confidential)

Page 151

Memo to Mr. Goldenweiser from Mr. Hamlin re increase of discount rates.

Page 152

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Page 153

Memo to Mr. Hamlin from Mr. Goldenweiser re effect of increase of discount rates.

Page 154

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Page 155

Memo to Board from Mr. Smead re loans and investments of Member Banks on September 24, 1930.



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The Open Market Policy Conference has considered the preliminary memorandum submitted to it by the Chairman and has reviewed at length general business and credit conditions.

In view of the continued severe depression in business activity, trade and commodity prices in this country, as well as the rest of the world, it is the sense of the Conference that it would be inadvisable for the Federal Reserve System to permit any further easing or any firming of present money rates because of seasonal requirements, gold exports, or other causes; and that it should be the policy of the System, so far as possible, to maintain the present easy money rate position in the principal money centers, and that the Executive Committee should be authorized, if necessary, to supplement bill purchases by the purchase of Government securities, in the event that the seasonal demand for Federal Reserve credit, gold exports, or other factors should tend unnecessarily to tighten present money rates.

In the event that any conditions should develop which would require sales of securities to execute this policy, the Executive Committee should, of course, have authority to make sales of securities. It is understood, however, that if the Committee should have to buy or sell more than \$100,000,000 of Government securities to maintain the status quo, new authority must be procured in accordance with the prescribed procedure.

It is recommended that there should be another meeting of the Open Market Policy Conference early in January, unless a change in conditions suggests to the Board or the members of the Conference the advisability of an earlier meeting.

332



see 2h  
September 24, 1930

REPORT OF PROGRESS TO THE GOVERNORS' CONFERENCE  
FROM THE FEDERAL RESERVE SYSTEM'S COMMITTEE ON BANK RESERVES

The Committee on Bank Reserves, consisting of Mr. I. B. Clerk of the Federal Reserve Bank of San Francisco, Mr. M. J. Fleming of the Federal Reserve Bank of Cleveland, Mr. L. R. Rounds of the Federal Reserve Bank of New York, and Messrs. E. A. Goldenweiser and E. L. Smead of the Federal Reserve Board, was appointed by Governor Calkins, Chairman of the Governors' Conference, in accordance with the following resolution adopted by the Conference at its meeting at Washington, December 11 and 12, 1929:

"That it is the sense of the conference that the subject of bank reserves is one of the utmost importance, requiring the most careful scientific study by experts devoting their entire time to the matter with a view of drafting a report to the Federal Reserve Board, proposing such amendments to the law or regulations as in their judgment may be necessary to remove any present inequalities or defects and to establish bank reserves throughout the country on a more logical or effective basis than now appears to be possible under present laws State and Federal."

The first meeting of the Committee with all members present was held in Washington, from February 26 to March 4, 1930. Mr. Smead was elected Chairman; Mr. Rounds, Mr. Goldenweiser, and Mr. Smead were designated to act as an Executive Committee in the absence of the full committee, and Mr. W. W. Riefler of the Federal Reserve Board was appointed Executive Secretary.

After a thorough discussion of the problem as set forth in the resolution adopted by the Governors' Conference, the Committee decided to follow five general lines of inquiry, as follows:

- (1) An examination of the logic underlying the imposition of reserve requirements.
- (2) A complete summary of all existing memoranda and reports on reserve requirements including reports of previous system committees.
- (3) A survey of the present distribution of reserves in this country between different classes of member banks as well as between member and nonmember banks, and a study of the growth of deposits under present reserve requirements, both at member and nonmember banks.
- (4) A study of the trend of deposit growth for the purpose of estimating the future volume of different classes of deposits to which reserve requirements recommended by the Committee may be expected to apply.
- (5) A survey of the world gold situation present and future in order to assure so far as possible that the recommendations of the Committee will not interfere with the orderly functioning of the gold standard.

At the present time, the summary of existing memoranda and committee reports on reserves is completed and the compilation of the statistical material for the use of the Committee is well under way. The following



summary takes up the various phases of the research program as outlined at the meeting of the Committee last March, and indicates the stage at which the work under each topic now stands.

1. Gold study--The Committee has secured an advance copy of the League of Nations study on gold, and is also carrying forward an independent survey of its own.

2. Study of fluctuations in deposits 1922-1930--Statistical data covering fluctuations in deposits from 1922 to 1930 have been compiled and are now ready for analysis. This study will analyze changes in demand deposits and bankers' balances by classes of banks and by Federal reserve districts, to ascertain to what extent bankers' balances have fluctuated over a wider range than demand deposits.

3. Study of vault cash--All available figures on vault cash of member and nonmember banks by call reports have been compiled for the period 1921-1930, and a similar compilation of figures on vault cash for June dates back to 1890 is under way. In the process of compiling these figures, it became apparent that the volume of vault cash held by banks varied widely on different days of the week. In order to compare back figures, a special call was sent to all member banks, asking them to report their vault cash holdings on each day of June 1930. These reports have greatly clarified our knowledge of daily fluctuations in the public demand for currency and the volume of vault cash held by member banks. In addition, these figures, in conjunction with figures showing daily average net demand and time deposits held by member banks during June, will make it possible for the first time to state definitely the proportion of deposits which are held in the form of vault cash by member banks in different localities.

4. Study of domestic credit trends--Total deposits and also individual deposits of all banks in the United States by classes of banks have been compiled for the period 1892 to 1929. At the present time similar figures of demand deposits and time deposits by classes of banks are being compiled with estimates for those years in which figures giving an exact distribution are lacking.

5. Member bank reserve requirement statistics, spring call 1917-1930--The Committee is making a complete summary of member bank statistics relating to reserves from 1917 to 1929. These figures are designed to facilitate a comparison of the effect on different classes of member banks of different formulas for computing reserve requirements.

6. Study on deposit turnover--A study on deposit turnover is nearly completed. For this study, 31 leading cities were selected on which figures could be compiled going back to 1892. Total bank clearings and total deposits of banks in these cities have now been compiled; also total debits since 1919. Some progress has also been made on an estimate of total debits to individual account for the entire country, and on a comparison of the growth of debits with the growth of bank credit.

7. Reserve requirements of nonmember banks--The Counsel's office published in the September Federal Reserve Bulletin a compilation showing present legal reserve requirements of nonmember banks in the 48 states.



From this and previous compilations of the Counsel's office, the Committee is preparing a tabular statement of reserve requirements in each State in 1914 and in 1930, together with changes which have taken place during the interim. It is also planned to compile for each State separately, figures showing the growth of deposits at national, State member, and State nonmember banks. It is felt that this compilation showing changes in State banking laws and in the relative growth of different types of banking institutions in each State will be of great value in comparing the position of banks operating under Federal laws and State laws in different sections of the country.

Respectfully submitted,

W. W. Riefler  
Executive Secretary

Q37



See B11

Washington, D. C.,  
September 24, 1930

REPORT OF PROGRESS BY THE COMMITTEE ON BRANCH,  
GROUP AND CHAIN BANKING TO THE GOVERNORS' CONFERENCE  
SEPTEMBER 24, 1930

In accordance with the recommendations of the Federal Advisory Council and the Fall Conferences of Governors and Federal Reserve Agents in 1929, the Federal Reserve Board at its meeting on February 26, 1930, appointed Messrs. Goldenweiser and Smead, of the Board's staff, and Messrs. Rounds, Fleming and Clerk representing the Federal reserve banks "as a committee to assemble and digest information on branch banking as practised in the United States, group and chain banking systems as developed in the United States and elsewhere, the unit banking system of the country, and the effect of ownership of bank stocks by investment trusts and holding companies." At a later date the committee was made a System rather than a Board committee.

This committee held its first meeting in Washington, D. C., on March 4-6 with Dr. Goldenweiser as chairman, for the purpose of discussing the functions of the Committee, the scope of its work and the method of procedure. It was the view of the members that the purpose of the Committee was primarily fact finding, and that its objective should be to assemble such information as would make possible a comparison and evaluation of the different types of banking from the point of view of the public interest. It was agreed that the program should include a thorough study of the development and present status of branch, chain and group banking as well as the unit system; the relative merits of the various systems including the element of safety, availability of credit and value of general services performed; the causes or motivating forces back of the general tendency in the field of banking towards concentration of ownership and control and the diversification of functions; and an estimate of what is likely to be the normal development in the future and how far this tendency or development might be advantageously directed. A review of the history and present status of branch banking in certain foreign countries, especially Canada, was also suggested as a supplement to the study of conditions in this country.

The Committee was aware that this was a major undertaking which involved much time, labor and expense and to be successful would need the whole-hearted cooperation of all the Federal reserve banks as well as the state and national supervisory authorities, but in view of the economic importance of the changes which are going on in our entire banking structure including the distress caused by the extraordinary number of failures during the past ten years, the Committee felt that its investigation should be comprehensive and thorough.

B39



Messrs. Goldenweiser, Smead and Rounds were constituted an Executive Committee with authority to act for the Committee as a whole in the absence of the other members, and Mr. J. H. Riddle was appointed Secretary of the Committee.

The Executive Committee met in Washington on May 23, 1930, in order to determine more definitely the various lines of investigation and the scope of each. The investigation as outlined includes various statistical studies, case studies on special topics, and in some instances special field investigations. The statistical studies include:

- Suspensions
- Earnings
- Branch banking
- Chain and group banking
- Mergers and consolidations
- Branch banking in some of the principal foreign countries

The case studies include:

- Branch banking
- Group banking
- Branch and chain systems which have failed

After the various data in the statistical and case studies are assembled and analyzed it may be necessary for the Committee to supplement this material by sending a representative, or representatives, into particular districts or communities to make direct surveys of the conditions which prevail. These surveys should cover especially the branch banking systems in California and the Canadian banking system.

The Committee is making use of the vast fund of statistical and other material which has already been collected by the Board and other agencies. It has proved necessary, however, to supplement the available material by collecting additional data and the Committee has prepared various schedules for this purpose. Schedules have been forwarded to the Federal reserve banks for collecting material on the following subjects:

- Branch and chain systems which have failed
- Branch banks in operation for specific years prior to 1920
- Effect on banking accounts of changes in industrial organization
- Branch banking systems in operation
- Group banking systems in operation
- Suspensions since January 1, 1921
- Earnings.

This information is now being compiled by the Reserve banks and state Commissioners and parts of it have already been received by the Committee. The



B39

Federal reserve banks themselves are preparing the material on earnings and on branch and chain systems which have failed. The schedules on suspensions were sent to the various state banking departments and to the office of the Comptroller of the Currency, while the questionnaires on branch and group banking were sent to the institutions from whom the data are desired.

The Committee is much gratified with the cooperation and assistance which it has received and continues to receive from the various Federal reserve banks, the state banking departments, the Comptroller of the Currency and from the various institutions from whom information has been requested.

J. H. Riddle,  
Secretary.



see 1211

General Conference

Sept 26, 1930

It was voted to be the sense of the Conference that the Chairman should appoint a committee of five Governors to study and report in the light of the experience of the past two or three years whether and in what way, if at all, it would be possible or practicable through any change in Federal reserve practices or procedure to promote a more effective control over undue or harmful fluctuations in the country's credit structure.

Committee, Governor Harrison, Chairman,  
Norris,  
Young,  
McDougal,  
Calkins.

CSH



## Office Correspondence

FEDERAL RESERVE  
BOARDDate September 30, 1930. *See 24*To Mr. Hamlin

Subject: \_\_\_\_\_

From Mr. McClelland

... 2-8405

In accordance with the instructions of the Board at the meetint today, there is called to your attention herewith, the action of the Federal Reserve Agents' Conference on a memorandum from the Board's Assistant Counsel, dated June 23, 1930, containing a summary of the provisions of S-4723, a bill introduced by Senator Glass to smend in a number of respects, the provisions of the National Bank Act and the Federal Reserve Act:

"The memorandum dated June 23, 1930, X-6649a, of the Federal Reserve Board's Assistant Counsel, Mr. Wingfield, summarizing the most important changes which the bill would make, was read and considered paragraph by paragraph. The conference voted as favoring the provisions of paragraphs numbered (7) and (9), and as disapproving the provisions of paragraphs (2), (3), (5), (6), (8), (10), (11) and (12). It withheld expression on paragraph (4), pending report of the System's committee on branch, chain and group banking."

A copy of the memorandum referred to is also attached for your information.



FEDERAL RESERVE  
BOARD

OFFICE CORRESPONDENCE

Date June 23, 1930

To Federal Reserve Board  
From Mr. Wingfield-Assistant Counsel.

Subject: Summary of Provisions  
of the Bill S-4723, introduced  
by Senator Glass.

On June 17, 1930, Senator Carter Glass introduced a bill, S.4723, to amend the provisions of the National Bank Act and the Federal Reserve Act in a number of respects. When he introduced this bill Senator Glass stated on the floor of the Senate that it is merely a tentative measure to which he hopes to direct the inquiry into the banking system authorized by the Senate. For the information of the Board, however, I will briefly summarize below the most important changes which Senator Glass' bill would make in the present law.

(1) The first paragraph of the bill, S. 4723, states that the title of the bill is the "Banking Act of 1930."

(2) Section 2 of the bill, S. 4723, would amend the 7th paragraph of Section 5136 of the Revised Statutes which has to do with the powers which a national bank may exercise. In addition to the specific powers of national banks now contained in the law, this bill provides that national banks may generally engage in all forms of business that commercial banks of the State in which the national bank is situated are permitted to transact by the laws of the State, except in so far as national banks are expressly forbidden to undertake such business by the National Bank Act, the Federal Reserve Act, or other laws of the United States.

Under the present provisions of Section 5136 of the Revised Statutes, national banks are authorized to buy and sell investment securities. Section 2 of the bill, S. 4723, would also amend Section 5136 so as to limit this power of national banks to only the buying and selling of investment securities solely upon order and for account of customers, and in no case for its own account, except as specified in Section 24 of the Federal Reserve Act.

(3) Section 5144 of the Revised Statutes now provides that each shareholder of a national bank shall be entitled to one vote on each share of stock held by him. Section 3 of the bill S. 4723 would amend Section 5144 so as to restrict the right of a shareholder to vote only shares of stock actually owned by him as a result of bona fide purchase, gift or inheritance, and the shareholder who becomes such through nominal transfer, or ownership on behalf of another, may not vote stock so acquired. This section of the bill would further amend Section 5144 so as to provide that no corporation, association or partnership and no officer, employee or director of any corporation, association or partnership which is the owner of stock in any national bank shall vote either the stock owned by him individually or the stock owned by the corporation. The present provision of Section 5144 authorizing shareholders to vote by proxy is retained in the bill S. 4723.



(4) Section 4 of the bill S. 4723, would amend paragraph (c) of Section 5155 of the Revised Statutes so as to authorize a national bank, after the date of the approval of this bill, to establish and operate new branches within the limits of the State in which the national bank is situated rather than merely in the city, town or village in which such national bank is located. The proposed amendment retains the present provision of the law that new branches may only be established and operated if such establishment and operation are permitted to State banks by the law of the State in which the national bank is located.

(5) Under the provisions of Section 5197 as it now reads, a national bank is authorized to charge interest at the rate allowed by the laws of the State, territory or district where the bank is located and when no rate is so fixed by State law a national bank may charge a rate not exceeding 7 per centum. Section 5 of the bill S. 4723 would amend these provisions so as to authorize a national bank to charge the rate allowed by State law or a rate one per centum in excess of the discount rate of the Federal reserve bank in the Federal reserve district where the national bank is located, whichever may be greater, and where no rate is fixed by State law a national bank would be authorized to charge a rate not exceeding 7 per centum or one per centum in excess of the discount rate of the Federal reserve bank in the Federal reserve district where the national bank is located, whichever may be greater.

(6) Section 5200 of the Revised Statutes limits loans by a national bank to any one person to 10 per cent of the capital and surplus of the national bank. This section, however, contains a number of exceptions to the 10 per cent limitation. Section 6 of the bill S. 4723 would amend Section 5200 by adding a provision that no obligation of a broker or of any finance company, securities company, investment trust or other similar institution, or of any affiliate, shall be entitled to the benefits of any of the exceptions contained in Section 5200, but all such obligations shall be subject to the 10 per cent limitation. This section would further amend Section 5200 so as to provide that the total obligations of an affiliate shall not exceed the 10 per cent limitation or the amount of the capital stock of the affiliate actually paid in and unimpaired, whichever may be the smaller. It is further provided that an affiliate shall include a finance company, securities company, investment trust, or any other corporation the control of which is held directly or indirectly through stock ownership, or in any other manner by a national bank or by the shareholders thereof who own or control a majority of the stock of the national bank.

(7) Section 7 of the bill S. 4723 would amend Section 5211 of the Revised Statutes by adding a new paragraph which would require each affiliate of a national bank to furnish to the Comptroller of the Currency not less than three reports each year, setting out in detail the condition of the affiliate. The president of the national bank is required to satisfy himself as to the correctness of each such report transmitted to the Comptroller. This amendment contains detailed requirements with reference to the filing of such reports and the form of such reports and authorizes the Comptroller of the Currency to call for special reports whenever in his judgment it is necessary. An affiliate which fails to furnish the



reports required of it shall be subject to a penalty of \$100 for each day during which such failure continues.

(8) Section 8 of the bill S. 4723 would amend the first paragraph of Section 7 of the Federal Reserve Act so as to provide that after the payment of a 6 per cent dividend to member banks, one-fourth of the remainder of the net earnings of a Federal reserve bank shall be paid to the United States as a franchise tax, one-fourth to the surplus fund of the Federal reserve bank (but after the surplus equals 100 per cent of the subscribed capital the remainder goes to the United States as a franchise tax) and the remaining 50 per cent of the net earnings of a Federal reserve bank shall be paid to the member bank stockholders.

(9) Section 9 of the bill S. 4723 would amend Section 9 of the Federal Reserve Act by adding a new paragraph which would require each affiliate of a member State bank to furnish to the Federal Reserve Board not less than three reports each year, containing detailed information with reference to the condition of the affiliate. This amendment contains detailed requirements with reference to the filing of such reports and the form thereof and requires the president of the member bank to satisfy himself as to the correctness of each such report transmitted to the Federal Reserve Board. Any affiliate which fails to make any report required shall be subject to a penalty of \$100 for each day during which such failure continues. This section of the bill contains substantially the same definition of an affiliate as was contained in Section 6 of the bill as above noted.

(10) Section 10(a) of the bill S. 4723 would amend the first paragraph of Section 10 of the Federal Reserve Act so as to eliminate the Secretary of the Treasury from membership on the Federal Reserve Board and to provide for a membership of only seven members including six members appointed by the President of the United States and the Comptroller of the Currency as an ex officio member. Section 10(b) of this bill would amend the second paragraph of Section 10 of the Federal Reserve Act so as to eliminate the Secretary of the Treasury from the provision which now renders the Secretary or Comptroller of the Currency ineligible during the time he is in office and for two years thereafter to hold any office, position or employment in any member bank. Section 10(c) would amend the fourth paragraph of Section 10 of the Federal Reserve Act to eliminate the Secretary of the Treasury as an ex officio chairman of the Federal Reserve Board and to provide that the oaths of office of members of the Federal Reserve Board shall be filed with the Secretary of the Federal Reserve Board rather than be certified to the Secretary of the Treasury as is now required.

(11) Section 11 of the bill S. 4723 would amend the seventh paragraph of Section 13 of the Federal Reserve Act so as to provide that during the life or continuance of advances to a member bank on the 15-day promissory collateral notes of the member bank such member bank shall not increase or enlarge the total loans already made by it either upon collateral security to any borrower or to the members of any organized stock exchange, investment



house, or dealer in securities, upon any obligation, note, or bill secured or unsecured, except for the purpose of purchasing and carrying obligations of the United States.

(12) Section 12, which is the last section of the bill S. 4723, would amend Section 24 of the Federal Reserve Act so as to require a national bank to invest its time and savings deposits in the amount of real estate loans authorized under the provisions of Section 24 of the Federal Reserve Act or in property and securities of the kinds and amounts required by law of savings banks in the State where the national bank is situated. In case no such State savings bank law exists the savings and time deposits of a national bank shall be invested in property and securities specified by the Comptroller of the Currency. The reserve of 3% of time deposits required by the Federal Reserve Act shall count as a corresponding part of such investments. This section of the bill further provides that in case a national bank becomes insolvent, all the property acquired under this section shall be applied by the receiver thereof in the first place ratably and proportionately to the payment in full of the time and savings deposits of the national bank.

A copy of the bill S. 4723 is attached hereto for the Board's information.

Respectfully,

(S) B. M. Wingfield  
Assistant Counsel.

Copy of bill attached.

BMW-sad

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See 14

EARNINGS AND EXPENSE OF FEDERAL RESERVE BANKS, SEPTEMBER 1930.

Federal Reserve Bank	Month of					September		1930		January - September 1930		
	Earnings from					Current expenses		Current net earnings		Current net earnings	Dividends accrued	Available for reserves, surplus and franchise tax*
	Dis-counted bills	Pur-chased bills	U. S. secu-rities	Other sources	Total	Exclusive of cost of F.R. Currency	Total	Amount	Ratio to paid-in capital			
									Per cent			
Boston	\$30,186	\$34,620	\$101,178	\$7,301	\$173,285	\$156,283	\$166,092	\$7,193	.7	\$273,763	\$527,788	(a)\$253,454
New York	61,225	84,612	372,042	23,462	541,341	540,486	584,678	(a)43,337	-	3,168,642	3,020,209	1,066,073
Philadelphia	48,132	173	119,769	3,499	171,573	153,374	165,829	5,744	.4	864,681	750,826	117,867
Cleveland	42,634	32,502	133,296	13,401	221,833	206,560	217,562	4,271	.3	772,855	714,549	325
Richmond	59,791	16,364	36,529	3,878	116,562	115,389	123,010	(a) 6,448	-	86,301	266,616	(a) 209,050
Atlanta	85,618	19,358	29,639	23,435	158,050	101,451	107,161	50,889	11.6	535,481	243,031	287,166
Chicago	41,905	29,949	200,581	30,807	303,242	272,409	270,252	32,990	2.0	808,374	909,083	(a) 134,974
St. Louis	50,888	15,598	63,878	1,643	132,007	104,516	108,086	23,921	5.5	350,488	237,875	105,230
Minneapolis	13,797	12,714	64,869	894	92,274	78,853	81,926	10,348	4.1	189,794	138,540	55,360
Kansas City	28,253	18,677	62,786	23,766	133,482	143,777	146,569	(a)13,087	-	(a)99,714	194,633	(a) 298,095
Las	44,126	13,611	71,687	2,008	131,432	102,733	106,054	25,378	7.1	239,951	197,183	22,456
San Francisco	23,638	32,778	92,340	4,008	152,764	186,118	195,855	(a)43,091	-	(a)58,551	511,857	(a) 712,568
TOTAL												
September 1930	530,193	310,956	1,348,594	138,102	2,327,845	2,161,949	2,273,074	54,771	.4			
August 1930	529,548	251,142	1,464,187	128,452	2,473,329	2,128,181	2,341,614	131,715	.9			
September 1929	4,200,206	963,969	553,715	186,719	5,904,609	2,188,350	2,345,136	3,559,473	26.0			
Jan.-Sept. 1930	3,589,439	5,078,352	13,197,887	1,665,232	28,530,910	19,690,280	21,398,845	7,132,065	5.6	7,132,065	7,712,190	46,336
1929	36,629	6,288	8,049	395	5,222,208	1,842,407	51,743,638	19,916,631	22,470,063	29,273,575	7,063,087	21,453,649

FEDERAL RESERVE BOARD  
DIVISION OF BANK OPERATIONS  
OCTOBER 9, 1930.

(a) Deficit.

\*After adjustment for current profit and loss entries, purchases of furniture and equipment, etc.

394



## Office Correspondence

FEDERAL RESERVE  
BOARDDate September 3, 1930To Mr. HamlinSubject: Comparison of Federal ReserveFrom Mr. SmeadBank of Boston with Atlanta and San  
Francisco

I have a memorandum from Mrs. Nagle, requesting that you be furnished with data comparing the office of Chairman and Federal reserve agent at Boston with similar offices at Atlanta and San Francisco.

(a) Relative importance of work.

With regard to the relative importance of work, there is given below a statement showing the volume of work handled during 1929 by the three banks in their principal operating departments. The figures for Atlanta and San Francisco include the work handled at the branches as well as at the head offices.

	Boston	Atlanta	San Francisco
	(Number of pieces handled)		
Bills discounted:			
Applications	10,665	12,255	7,535
Notes discounted	72,614	74,791	21,141
Bills purchased in open market for own account	27,402	6,931	18,675
Currency received and counted	254,503,000	133,935,000	125,681,000
Coin received and counted	323,286,000	62,927,000	124,060,000
Checks handled	93,123,000	32,305,000	76,800,000
Collection items handled:			
U. S. Government coupons paid	1,473,000	452,000	1,251,000
All other	409,000	164,000	321,000
U. S. Securities issues, redemptions and exchanges	101,000	53,000	94,000
Transfer of funds	63,000	98,000	158,000

This statement, you will note, shows on the whole that Boston handles a considerably larger volume of work in its principal departments than is handled at either Atlanta or San Francisco. While these figures show the general size of the banks in question they pertain principally to the operating departments of the bank. With regard to the operations under the direct supervision of the agents it may be pointed out that both Boston and San Francisco maintain quite large statistical departments while at Atlanta there is only a small statistical unit. In the Atlanta district, however, the large number of bank failures and the general credit situation presumably requires considerable attention on the part of the agent.

The following figures show the area and population of each of the three districts, paid-in capital of the Federal reserve banks, member bank reserve balances, and the number and deposits of member and nonmember banks.



Federal Reserve Bank	Members' reserve with Federal reserve banks	Paid-in capital of Federal Reserve banks	Area of Federal Reserve district (Square miles)	Population, June 30, 1928
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(Daily average figures for 1929)

Boston	\$147,217,000	\$10,569,000	61,345	7,888,000
Atlanta	63,836,000	5,361,000	248,226	11,158,000
San Francisco	174,242,000	11,168,000	683,852	8,504,000

Federal Reserve Bank	Number of reporting banks December 31, 1929			Deposits (except inter-bank) December 31, 1929		
	Total	Member	Nonmember	Total	Member	Nonmember

(In thousands of dollars)

Boston	1,032	404	628	6,298,100	2,391,216	3,906,884
Atlanta	1,598	428	1,170	1,547,574	1,020,420	527,154
San Francisco	1,317	607	710	4,529,229	3,246,895	1,282,334

(b) Cost of living in the community.

It is difficult to get a definite line on the relative cost of living in different cities, though several attempts to do so have been made by statistical organizations. While the cost of the principal articles of food, etc., are available, the fact that certain items entering into the cost of living are more important in some communities than in others and consequently have different weights in the family budget, makes it practically impossible to get comparable figures between cities.

(c) Level of general salaries paid in the Federal reserve bank.

In 1929 when the salary classification plans were submitted to the Board by the Federal reserve banks, the Boston bank was paying employees an average salary of \$1,449, Atlanta \$1,510 and San Francisco \$1,803.

The Federal Reserve Bank of Boston has fewer officers than any other Federal reserve bank, although it ranks third in number of employees at head offices.



The salaries paid each officer at Boston, Atlanta and San Francisco are as follows:

	<u>Boston</u>	<u>Atlanta</u>	<u>San Francisco</u>
Governor	*\$30,000	\$25,000	\$30,000
Deputy Governor	20,000	15,000	18,000
Cashier	14,000	12,500	16,000
Secretary	9,000	9,000	11,000
Assistant Cashier	7,500	7,500	7,200
	7,250	5,000	6,300
	7,000	4,500	6,300
		4,500	5,200
		4,500	5,000
		4,500	5,000
		4,000	
Chairman and F. R. Agent	20,000	20,000	24,000
Asst. F. R. Agent	7,500		#5,000
Asst. F. R. Agent and secy.		9,000	
Asst. F. R. Agent and chief examiner			14,000
General Auditor		9,000	7,200
Auditor	6,500		5,000
Asst. Auditor		4,500	
<hr/>			
Total officers (exclusive of Counsel)	(9) 128,750	(15) 138,500	(15) 165,200

\*Salary paid to Governor Harding.

#Acting.

As you know all Federal reserve agents except those at New York, Chicago and San Francisco receive \$20,000 per year.

(d) Relative salaries paid officers of competing member banks.

Below are shown the salaries per annum paid to the principal officers of the largest National banks in Boston, Atlanta and San Francisco. These figures are taken from the latest examination reports covering these banks on file in the Comptroller's office and are confidential.

<u>First National Bank, Boston, Mass.</u>		<u>Atlantic National Bank, Boston, Mass.</u>	
Chairman	\$50,000	Chairman	\$35,000
Vice-chairman	100,000	Vice-chairman	30,000
President	100,000	President	35,000
Vice-president	40,000	Vice-president	30,000
3 vice-presidents	30,000 each	" "	21,000
2 vice-presidents	25,000 each	" "	20,000
		" "	18,000
		" "	15,000
<hr/>			
<u>National Shawmut Bank, Boston, Mass.</u>			
President		\$70,000	
Vice-president		40,000	
3 vice-presidents		30,000 each	
Vice-president		25,000	
" "		20,000	
3 vice-presidents		18,000 each	



First National Bank, Atlanta, Georgia.

Chairman (inactive)	\$10,000
President	40,000
Vice-president	20,000
" "	18,000
" "	16,000
" "	15,000
" "	13,000
" "	10,000

Anglo and London Paris National Bank,  
San Francisco, California

President	\$50,000
Vice-president	18,000
" "	21,000
" "	15,000
2 vice-presidents	14,400 each
2 " "	12,000 each

Crocker First National Bank,  
San Francisco, California

President	\$4,000
Vice-president	22,000
" "	20,000
" "	13,000
4 vice-presidents	12,000 each

Bank of Italy National Trust and Savings Association

Chairman	\$15,000
Vice-chairman	20,000
" "	18,000
" "	15,000
President	40,000

3103



C O N F I D E N T I A LSt. 5561a  
(Rev. Feb. 1929)FOREIGN ACCOUNTS OF FEDERAL RESERVE BANKS  
(In thousands of dollars)

Month and date	GOLD AND INVESTMENTS HELD FOR FOREIGN CORRESPONDENTS					Bills bought through foreign banks	DEPOSIT ACCOUNTS	
	Total	Ear- marked gold	Investments				Due to foreign banks	Due from foreign banks
			Total	Bills	U.S. se- curities			
<u>DAILY AVERAGE HOLDINGS</u>								
<u>1929</u>								
January	616,145	135,316	480,829	331,229	149,600	1,018	6,426	730
February	602,784	144,898	457,886	311,958	145,928	1,021	5,897	730
March	573,425	143,319	430,106	323,934	106,172	1,033	9,137	723
April	550,971	106,829	444,142	351,179	92,963	1,036	11,913	723
May	531,685	73,816	457,869	370,456	87,413	1,039	7,891	725
June	562,535	73,729	488,806	413,656	75,150	1,041	6,598	729
July	615,208	92,908	522,300	446,450	75,850	1,584	7,125	728
August	631,370	103,017	528,353	453,022	75,331	4,613	5,484	723
September	634,734	104,855	529,879	455,756	74,123	16,609	6,542	741
October	664,828	113,893	550,935	475,253	75,682	17,012	6,240	764
November	684,155	117,894	566,261	510,352	55,909	12,245	5,562	740
December	697,635	125,326	572,309	530,266	42,043	1,029	5,676	722
<u>1930</u>								
January	703,318	133,537	569,781	534,190	35,591	1,032	6,014	723
February	690,492	132,901	557,591	522,000	35,591	1,037	6,165	721
March	663,347	122,504	540,843	504,700	36,143	1,039	6,661	722
April	630,566	119,945	510,621	468,965	41,656	1,052	5,883	712
May	630,778	118,295	512,483	467,017	45,466	1,055	5,504	711
June	633,345	116,062	517,283	466,384	50,899	1,059	6,047	709
July	656,170	117,618	538,552	481,457	57,095	1,065	6,097	705
August	652,389	118,618	533,771	480,476	53,295	1,069	6,017	703
Holdings on								
Sept. 3	627,887	118,295	509,592	461,213	48,379	1,071	6,498	704
10	626,823	118,295	508,528	459,925	48,603	1,072	6,528	704
17	621,353	118,295	503,058	435,504	67,554	1,074	5,774	701
24	620,561	118,295	502,266	434,641	67,625	1,075	5,263	701
Oct. 1	622,411	114,303	508,108	435,399	72,709	1,075	6,251	701
8	626,377	114,303	512,074	439,335	72,739	1,075	6,696	702
15	631,833	118,410	513,423	440,647	72,776	3,028	4,970	2,160
22	630,048	118,410	511,638	438,870	72,768	10,353	5,321	2,159



## Office Correspondence

FEDERAL RESERVE  
BOARDDate Oct. 21, 1930. PKTo Dr. Goldenweiser

Subject: \_\_\_\_\_

From Mr. Hamlin

\*\*\* 2-8406

Dear Dr. Goldenweiser:

I hear it often said that the easy money policy of 1927 was all right, but that the banks did not reverse soon enough. You will remember that the  $3\frac{1}{2}\%$  rate at New York was in effect from August 5, 1927 to February 3, 1928, when it was increased to 4%, on May 18 to  $4\frac{1}{2}\%$ , and on July 13 to 5%. Will you be good enough to look over the figures as to the Governments, acceptances, discounts, etc., and let me know whether, in your opinion, we should have begun to increase earlier than we did.

You may remember that Professor Sprague on March 7, 1928, testified before the Senate Banking and Currency Committee. He stated that the Federal reserve banks could contract brokers loans by selling Government securities and putting up discount rates, but that it would have a reaction to a greater or less extent on all other kinds of loans, and that if persisted in, the reaction would be more severe on legitimate business than on brokers loans; that brokers loans are a minor evil, and their expansion a matter of secondary importance; that it is not too high a price to pay for the strengthening of the gold standard on the other side and for stimulation of the export trade.

On the other hand, on April 20, 1928, he wrote that the Board was responsible for the increase in brokers loans; that we should have sold 200 millions of Government securities, and increased discount rates to 6% in March, 1928. He further said that successive further advances in discount rates would ultimately enforce contraction, but at the expense of burdening

151



industry throughout the country; that it is too high a price to pay,  
and it would be far better to let the market run its course.

Of these contradictory opinions, which, in your opinion, is  
correct?

Sincerely yours,

2151



## Office Correspondence

FEDERAL RESERVE  
BOARDDate October 23, 1930To Mr. Hamlin

Subject: \_\_\_\_\_

From Mr. Goldenweiser

... 2-5495

Referring to your memorandum of October 21, I have had Miss Hanford of this division, who would presumably have no bias in the matter, look over the two statements of Professor Sprague which you quote with a view to having her reaction as to the degree of inconsistency between them. Miss Hanford reaches the conclusion in the attached memorandum that when the two statements are taken in their setting they are not as inconsistent as may appear at first glance. Perhaps the principal reason for this view is one which she does not emphasize, namely, that brokers loans, which in the beginning of March had shown no recent growth, after that had begun to rise more rapidly than at any previous time, and by April 18 were about \$430,000,000 higher than on March 7.

In reply to your question about my opinion in the matter, I do not think that the Federal reserve system made any serious mistake in the early part of 1928. I do think, however, that the absence of the usual seasonal decline in acceptances during the first four months of that year had the effect of enabling member banks to operate and expand their loans with a smaller increase in discounts than would otherwise have been necessary. A rapid growth in discounts did not begin until April and it became even more pronounced in May. It is also true that after the unusual sales of securities early in January the system did not make any material reductions in its security holdings until April, which also somewhat delayed the desired tightening of credit conditions. As things looked at that time, however, it was not clear in the early months of the year whether the growth of speculation had come to a definite halt or not, and I think that the system's somewhat hesitant open-market policy during that period



Mr. Hamlin, - #2

October 23, 1930

is explainable by the absence of clear indications in the trend at the time.

I attach a chart comparing the New York discount rate with the buying rate on short maturities of bankers acceptances. I think that a comparison of these two rates is interesting. When the discount rate was raised to 4 per cent on February 3, 1928 the bill rate remained at  $3 \frac{1}{4}$  per cent, so that there was a spread of three-fourths of one per cent between the two rates, a larger spread than usual. This large spread undoubtedly was a factor in the maintenance of the level of acceptance holdings contrary to the seasonal trend. You will note that an even larger spread between the two rates occurred in the autumn of 1929, but at that time it was a conscious intention of the system to ease the situation, as you well know. A spread that is nearly as large prevails at the present time, and is also a part of easy money policy. A better adjustment between the two rates early in 1928 would probably have been desirable, but I should hesitate to consider its absence a serious mistake.

One other point that this chart brings out that has no immediate bearing on your inquiry, but may interest you, is that during the period between March and August 1929 the bill rate was considerably above the ~~acceptance~~ *discount* rate and this reversal of the usual position of the rates was unquestionably a factor working against the system's attempts to reduce member bank indebtedness, ~~at that time.~~



## Office Correspondence

FEDERAL RESERVE  
BOARDDate October 23, 1930To Mr. GoldenweiserSubject: Mr. Hamlin's memorandum of  
October 21, referring to Professor  
Sprague's comments on brokers loansFrom Miss Hanford

... 2-8405

The two opinions of Professor Sprague on brokers loans quoted by Mr. Hamlin are not as inconsistent as the latter believes.

When Professor Sprague presented his evidence before the Senate Committee, they were considering prohibiting banks from investing funds in brokers loans. For this reason, the main part of his speech is concerned with emphasizing the legitimacy of such loans, their safety and liquidity as a secondary reserve, and the impossibility of forcing a bank to use all its funds in its own locality. The statement about the possibility of the Federal reserve's forcing a contraction of brokers loans and the effect such a move would have on business is only a minor part of the speech. The article in the Annalist, on the contrary, deals entirely with this aspect of brokers loans. The different circumstances and actual lengths of the two statements make comparison unfair.

In his article in the Annalist of April 20, 1928 Professor Sprague refers to previous articles he has written on this subject, and especially to his testimony before the Senate Banking and Currency Committee. At that time he was considering only a mild degree of increased activity in the security markets, one brought about chiefly by an abundance of savings. Even then he emphasized the danger of speculative enthusiasm's carrying the market beyond the limits of safety, and the desirability of testing the market from time to time by advancing rates and contracting credit.

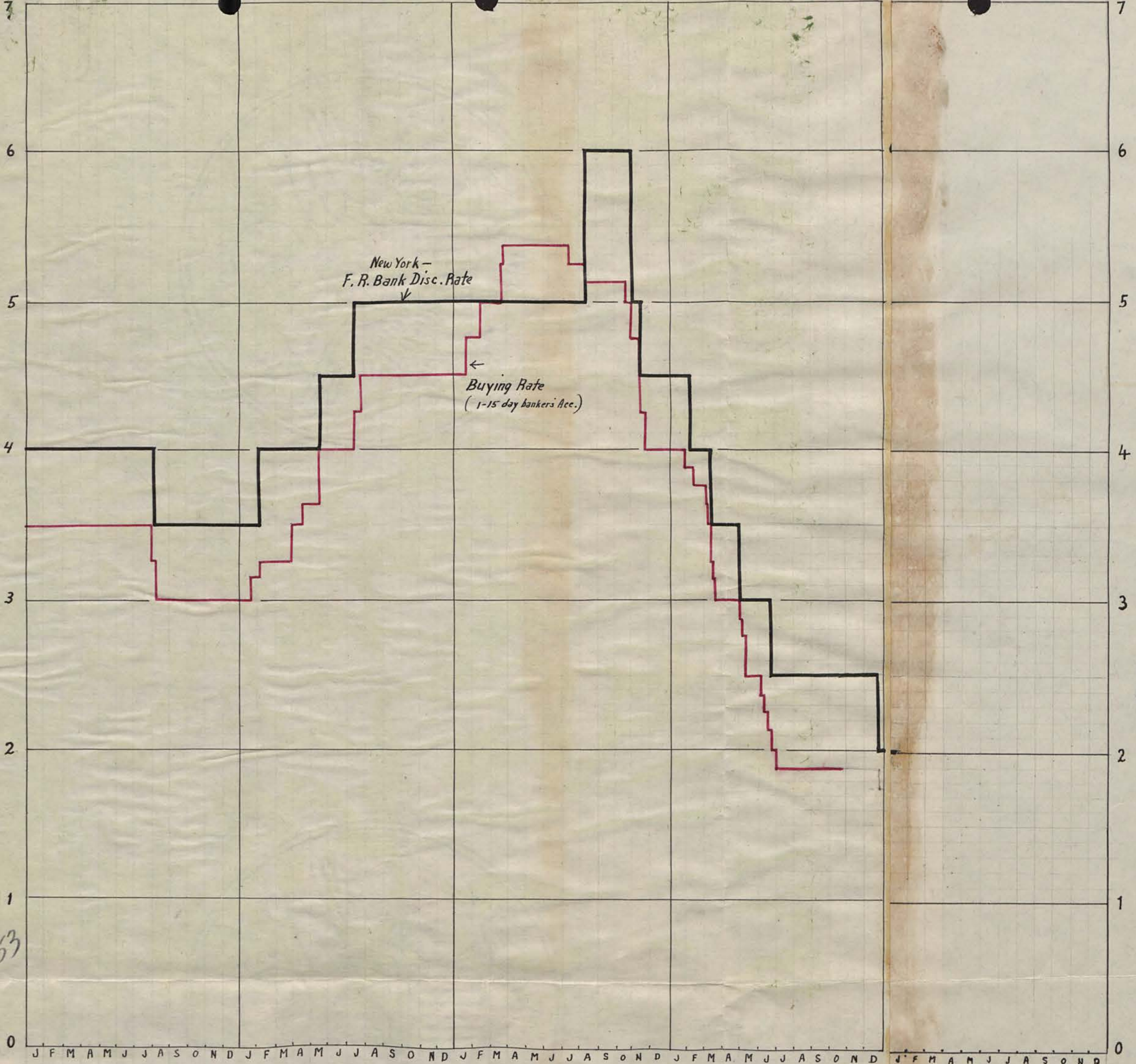
In both statements, Professor Sprague holds that the financing of security markets is as legitimate a field for banks' funds as are commerce and industry. Inflated conditions in the security markets are less likely to produce unfavorable effects on the whole community than similar conditions in commodity markets or industry. Mild fluctuations in activity and prices in the Stock Exchange need not be considered with alarm. Attempts to check moderate inflation of security prices are apt to have a burdensome effect on industry as a whole.

On March 7th, he considered that only a small amount of inflation had occurred, one that in view of the financial conditions of other countries need not be checked. By April 20th, he had decided that the degree of inflation was no longer moderate, that high call rates were drawing funds from the legitimate needs of industry, and that the Federal reserve should contract credit. He admits frankly that this move should have been made earlier, probably as one of the "tests" of the market which he had advocated in his former speech. His change of opinion is one of degree rather than of fundamental position.



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See

October 23, 1930

TO: Federal Reserve Board

SUBJECT: Loans and Investments of

FROM: Mr. Smead

Member Banks on Sept. 24, 1930

CONFIDENTIAL

In connection with the September 24 call for condition reports of member banks, the Federal reserve agents were requested to furnish the Board with a preliminary classification of loans and investments, in advance of the completion of the Board's consolidated Call Report. Statements giving these preliminary figures for September 24 in comparison with previous call dates are attached hereto. The principal changes in the loan and investment account during the past quarter and year are as follows:

Total loans and investments of all member banks of the Federal Reserve System on September 24 amounted to \$35,451,000,000, representing a decrease of approximately \$200,000,000 since June 30 of the present year and a decrease of \$460,000,000 since October 4 of last year.

Loans to customers declined further during the third quarter of the present year by approximately \$640,000,000, this reduction being partly offset by an increase of \$440,000,000 in open market loans and investments. During the period of about a year between October 4, 1929 and September 24, 1930, loans made to customers by member banks declined nearly \$2,500,000,000. Open market loans during the same period increased approximately \$1,000,000,000 and investments in securities increased another \$1,000,000,000.

Of the total reduction of \$640,000,000 in customers' loans reported for the third quarter, \$360,000,000 was in "All other" loans (largely so-called commercial and industrial loans), and the balance principally in security loans. The total increase of \$440,000,000 in open market loans and investments during the quarter includes an increase of approximately \$300,000,000 in bonds and other securities and of \$100,000,000 in security loans made to New York brokers.

The total reduction of approximately \$2,500,000,000 in customers' loans reported for the year is made up of a decline of \$2,000,000,000 in "All other" customers' loans, a reduction of \$250,000,000 in customers' security loans, principally to brokers outside New York, and \$180,000,000 in loans to banks. The increase of nearly \$2,000,000,000 in open market loans and investments during the year includes increased holdings of bonds and other securities of about \$1,000,000,000, an increase in security loans to New York brokers of approximately \$600,000,000, and an increase of \$400,000,000 in holdings of acceptances and commercial paper.

Member banks in New York city increased their open market loans and investments \$1,100,000,000 during the year, while their loans to customers declined \$700,000,000. Member banks in Chicago and other reserve cities also increased their open market loans and investments approximately \$1,100,000,000, offsetting a substantially equivalent reduction in customers' loans. At country banks, on the other hand, there was a reduction during the year of about \$600,000,000 in customers' loans and of \$230,000,000 in open market loans and investments.

Q 155



Confidential

LOANS AND INVESTMENTS OF MEMBER BANKS ON SEPT. 24 AND JUNE 30, 1930, AND OCT. 4, 1929

st. 6760-b

(September 24, 1930 figures are preliminary. Amounts in millions of dollars)

	All member banks			New York City*			Chicago*			Reserve city banks			Country banks		
	Sept. 24 1930	June 30 1930	Oct. 4 1929	Sept. 24 1930	June 30 1930	Oct. 4 1929	Sept. 24 1930	June 30 1930	Oct. 4 1929	Sept. 24 1930	June 30 1930	Oct. 4 1929	Sept. 24 1930	June 30 1930	Oct. 4 1929
<b>LOANS AND INVESTMENTS - total</b>	35,451	35,656	35,914	8,555	8,798	8,150	1,930	1,849	1,823	12,033	11,852	12,161	12,934	13,157	13,780
<b>Loans to customers - total</b>	21,456	22,100	23,889	4,443	4,504	5,148	1,227	1,307	1,442	7,723	7,997	8,626	8,060	8,292	8,672
To banks:															
On securities	174	230	) 640	53	78	) 302	35	43	) 68	76	99	) 225	10	11	) 45
All other	290	305		116	118		6	7		117	128		50	52	
On securities (except to banks):															
To brokers outside New York	775	819	939	86	68	46	239	229	257	360	431	510	90	90	125
To other customers	7,084	7,242	7,170	1,943	1,954	1,898	448	487	504	2,584	2,663	2,598	2,109	2,137	2,170
On real estate:															
Farm land	387	386	392	-	-	1	1	2	2	111	110	110	274	274	279
Other real estate	2,761	2,769	2,760	157	157	175	16	18	19	1,394	1,394	1,360	1,193	1,201	1,206
Other loans to customers	9,985	10,349	11,988	2,088	2,129	2,726	482	521	592	3,081	3,172	3,823	4,334	4,527	4,847
<b>Open-market loans and investments -</b>															
<b>Total</b>	13,995	13,555	12,025	4,110	4,294	3,003	702	542	380	4,310	3,853	3,533	4,872	4,866	5,107
<b>Open-market loans - total</b>	3,258	3,113	2,276	1,912	2,091	1,196	295	176	68	767	534	458	283	312	553
Acceptances payable in U. S.	205	170	93	148	144	59	7	2	1	47	17	6	3	8	27
Acceptances payable abroad	60	#71	70	28	29	33	13	19	4	17	#19	27	3	4	6
Commercial paper purchased	521	#507	228	22	35	8	42	56	4	294	#245	71	162	171	144
Security loans to New York brokers	2,472	2,365	1,885	1,714	1,883	1,096	233	99	59	409	253	354	115	129	376
<b>Investments - total</b>	10,737	10,442	9,749	2,198	2,203	1,807	407	366	312	3,543	3,319	3,075	4,589	4,554	4,554
U. S. Government securities	4,092	4,061	4,022	1,091	1,147	989	157	160	153	1,628	1,525	1,519	1,216	1,229	1,361
Other securities	6,645	6,380	5,727	1,107	1,056	817	250	205	160	1,915	1,794	1,557	3,373	3,326	3,193

\*Central reserve city banks only

#Revised.

FEDERAL RESERVE BOARD  
DIVISION OF BANK OPERATIONS  
October 22, 1930



CONFIDENTIAL

ALL MEMBER BANKS -- PRELIMINARY CLASSIFICATION OF LOANS AND INVESTMENTS ON SEPTEMBER 24, 1930, COMPARED WITH PRECEDING CALL DATES  
(Amounts in millions of dollars)

St. 6760

Date	Total loans and investments	L o a n s										Investments					
		Total	Accep- tances payable in U. S.	Bills, ac- ceptances, etc., pay- able in for- eign coun- tries	Commercial paper bought in open market	Loans to banks		Loans on securities, exclusive of loans to banks			Real estate loans		All other loans	Total	U. S. Govern- ment secur- ities	Other secur- ities	
						On secur- ities	All other	Total	To brokers and dealers		To others	On farm land					On other real estate
									In New York	Outside New York							
<b>TOTAL - ALL MEMBER BANKS</b>																	
1928, Oct. 3	34,929	24,325	80	101	457	548	8,545	1,899	850	5,796	421	2,668	11,507	10,604	4,386	6,218	
Dec. 31	35,684	25,155	109	103	390	538	9,903	2,556	975	6,373	412	2,711	10,991	10,529	4,312	6,217	
1929, Mar. 27	35,393	24,945	146	93	376	548	9,419	1,879	1,014	6,526	403	2,720	11,240	10,448	4,454	5,994	
June 29	35,711	25,658	108	90	249	670	9,759	2,025	921	6,813	414	2,750	11,618	10,052	4,155	5,898	
Oct. 4	35,914	26,165	93	70	228	640	9,994	1,885	939	7,170	392	2,760	11,988	9,749	4,022	5,727	
Dec. 31	35,934	26,150	212	80	291	714	10,148	1,660	803	7,685	388	2,803	11,515	9,784	3,853	5,921	
1930, Mar. 27	35,056	25,119	175	79	499	260	267	10,074	2,344	706	7,024	394	2,776	10,595	9,937	4,085	5,852
June 30	35,656	25,214	170	#71	#507	230	305	10,425	2,365	819	7,242	386	2,769	10,349	10,442	4,061	6,380
Sept. 24	35,451	24,714	205	60	521	174	290	10,331	2,472	775	7,084	387	2,761	9,985	10,737	4,092	6,645
<b>NEW YORK CITY*</b>																	
1928, Oct. 3	7,197	5,254	50	55	63	287	2,416	880	45	1,491	-	130	2,253	1,942	1,130	813	
Dec. 31	7,951	6,018	61	61	29	288	3,347	1,639	50	1,658	-	132	2,100	1,933	1,094	839	
1929, Mar. 27	7,726	5,754	59	52	37	251	2,846	1,102	52	1,692	-	148	2,361	1,972	1,135	838	
June 29	8,160	6,341	58	58	21	314	3,236	1,359	63	1,814	2	173	2,480	1,819	1,006	813	
Oct. 4	8,150	6,344	59	33	8	302	3,040	1,096	46	1,898	1	175	2,726	1,807	989	817	
Dec. 31	8,774	6,683	128	46	21	322	3,401	1,202	55	2,145	-	169	2,595	2,091	1,112	979	
1930, Mar. 27	8,238	6,192	89	40	49	92	107	3,412	1,477	60	1,876	-	150	2,252	2,046	1,150	897
June 30	8,798	6,596	144	29	35	78	118	3,906	1,883	68	1,954	-	157	2,129	2,203	1,147	1,056
Sept. 24	8,555	6,356	148	28	22	53	116	3,744	1,714	86	1,943	-	157	2,088	2,198	1,091	1,107
<b>CHICAGO*</b>																	
1928, Oct. 3	1,910	1,505	1	3	21	35	914	119	252	543	3	41	487	405	191	214	
Dec. 31	1,910	1,519	1	1	14	40	982	75	309	598	3	39	440	391	174	217	
1929, Mar. 27	1,793	1,456	8	5	10	62	806	18	311	477	2	19	544	337	164	172	
June 29	1,767	1,433	1	3	6	67	774	48	242	484	2	22	559	334	159	176	
Oct. 4	1,823	1,510	1	4	4	68	820	59	257	504	2	19	592	312	153	160	
Dec. 31	1,757	1,448	9	5	5	88	784	11	240	533	2	19	535	309	116	193	
1930, Mar. 27	1,717	1,406	3	11	33	50	8	808	140	194	474	2	18	472	310	146	164
June 30	1,849	1,483	2	19	56	43	7	816	99	229	487	2	18	521	366	160	205
Sept. 24	1,930	1,524	7	13	42	35	6	920	233	239	448	1	16	482	407	157	250

\*Central reserve city banks only. #Revised.



CONFIDENTIAL

ALL MEMBER BANKS -- PRELIMINARY CLASSIFICATION OF LOANS AND INVESTMENTS ON SEPTEMBER 24, 1930, COMPARED WITH PRECEDING CALL DATES  
 (Amounts in millions of dollars) St. 6760a

Date	Total loans and investments	L o a n s										Investments					
		Total	Accep- tances payable in U. S.	Bills, ac- ceptances, etc., pay- able in for- eign coun- tries	Commercial paper bought in open market	Loans to banks		Loans on securities, exclusive of loans to banks			Real estate loans		All other loans	Total	U. S. Govern- ment secur- ities	Other secur- ities	
						On secur- ities	All other	Total	To brokers and dealers		To others	On farm land					On other real estate
									In New York	Outside New York							
<u>RESERVE CITY BANKS</u>																	
1928, Oct. 3	12,211	8,631	5	27	178	179	3,109	522	435	2,152	124	1,368	3,691	3,530	1,703	1,827	
Dec. 31	12,156	8,702	16	33	136	173	3,293	465	509	2,318	118	1,387	3,546	3,454	1,662	1,791	
1929, Mar. 27	12,132	8,733	35	27	136	196	3,358	405	538	2,415	112	1,376	3,492	3,400	1,732	1,668	
June 29	12,065	8,789	16	22	83	241	3,294	302	511	2,480	119	1,360	3,654	3,276	1,607	1,670	
Oct. 4	12,161	9,085	6	27	71	225	3,462	354	510	2,598	110	1,360	3,823	3,075	1,519	1,557	
Dec. 31	12,029	9,084	43	24	102	258	3,440	239	425	2,775	110	1,428	3,679	2,944	1,368	1,576	
1930, Mar. 27	11,858	8,752	55	24	209	104	101	3,405	469	360	2,576	113	1,411	3,330	3,105	1,516	1,590
June 30	11,852	8,533	17	#19	#245	99	128	3,348	253	431	2,663	110	1,394	3,172	3,319	1,525	1,794
Sept. 24	12,033	8,490	47	17	294	76	117	3,353	409	360	2,584	111	1,394	3,081	3,543	1,628	1,915
<u>COUNTRY BANKS</u>																	
1928, Oct. 3	13,612	8,885	24	17	195	46	2,106	378	117	1,610	294	1,129	5,075	4,727	1,362	3,365	
Dec. 31	13,667	8,915	30	8	211	37	2,281	376	107	1,799	290	1,154	4,904	4,751	1,382	3,370	
1929, Mar. 27	13,741	9,001	44	8	192	39	2,409	354	114	1,942	289	1,176	4,843	4,740	1,424	3,316	
June 29	13,719	9,096	33	7	140	49	2,455	316	105	2,034	291	1,195	4,926	4,623	1,384	3,240	
Oct. 4	13,780	9,226	27	6	144	45	2,671	376	125	2,170	279	1,206	4,847	4,554	1,361	3,193	
Dec. 31	13,375	8,936	33	5	163	45	2,522	208	83	2,231	276	1,186	4,705	4,439	1,267	3,172	
1930, Mar. 27	13,243	8,768	27	4	207	14	51	2,449	258	93	2,097	279	1,196	4,541	4,475	1,273	3,202
June 30	13,157	8,602	8	4	171	11	52	2,356	129	90	2,137	274	1,201	4,527	4,554	1,229	3,326
Sept. 24	12,934	8,344	3	3	162	10	50	2,314	115	90	2,109	274	1,193	4,334	4,589	1,216	3,373

DIVISION OF BANK OPERATIONS  
 FEDERAL RESERVE BOARD  
 OCTOBER 22, 1930.

#Revised.

P-155