

# Branch, Chain, and Group Banking

## HEARINGS

BEFORE THE

COMMITTEE ON BANKING AND CURRENCY

HOUSE OF REPRESENTATIVES

SEVENTY-FIRST CONGRESS

SECOND SESSION

INDEX

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AUTHORIZING THE BANKING AND CURRENCY COMMITTEE  
TO STUDY AND INVESTIGATE GROUP, CHAIN  
AND BRANCH BANKING

MARCH 18, 19, AND 21 1930

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## BRANCH, CHAIN, AND GROUP BANKING

TUESDAY, MARCH 18, 1930

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON BANKING AND CURRENCY,  
*Washington, D C*

The committee met in the committee room, Capitol, at 10.30 o'clock a. m., Hon. Louis T. McFadden (chairman) presiding.

The CHAIRMAN. Now, Mr. Busby, if you will take the witness

### STATEMENT OF HON. JOHN W. POLE—Resumed

Mr. BUSBY. Mr. Pole, I want to ask you a few questions which may be general in their nature, before we get down to the discussion of banking and finance.

Now, speaking of the national banks, the State banks, the holding companies, and of branch, chain, and group banking, and other similar entities which have considerable proportions in the banking world, I take it that we are all agreed that no major part of this system could be ignored or left out of consideration when it comes to the operations in the field of finance. Is that your view?

Mr. POLE. My view is that every major point which might affect chain, group, or branch banking should be given consideration

Mr. BUSBY. Suppose that any one part of this group—and this is a hypothetical question—or any one part of a financial organization should be discriminated against or should fail in whole or in part, would not that in a sense affect all the other parts?

Mr. POLE. It might do so

Mr. BUSBY. Is there not a sympathetic response in the financial world to any sort of a failure of a financial unit or an institution which is as far reaching as any of these I have mentioned?

Mr. POLE. Undoubtedly its effect might be felt.

Mr. BUSBY. Is it not true in the commercial and investment world?

Mr. POLE. I think that might be said to be true.

Mr. BUSBY. Now, coming particularly to the subject of bank failures, you have stated that by far the greatest number of bank failures were among small banks.

Mr. POLE. Yes.

Mr. BUSBY. Do you not also think that the greatest number of bank failures have been confined to certain territories in the United States, where a period of undue inflation has been experienced?

Mr. POLE. Failures of banks have been scattered all over the United States. The record shows that in the agricultural districts it has been most prevalent.

Mr. BUSBY. Is not the bank in the agricultural district of necessity required to make loans on collateral that is more hazardous than the collateral furnished on loans in the metropolitan centers?

Mr. POLE. Loans in the agricultural sections are not quite so well fortified as they might be in the industrial sections.

Mr. BUSBY. Is not the stability of the collateral often dependent on weather conditions, crop conditions, and future developments?

Mr. POLE. Those are all factors.

Mr. BUSBY. Where a crop is mortgaged that has not been planted, that is a very important factor, isn't it?

Mr. POLE. Quite.

Mr. BUSBY. Frequently the banks in the agricultural sections take as security mortgages on crops that have not been planted—is not that true?

Mr. POLE. I think that is the custom in some parts of the country.

Mr. BUSBY. What is your view with regard to that custom, as to whether that type of security ought to be accepted by banks?

Mr. POLE. I would not say that that type of security is generally taken, but I think usually the loans are made on crops which have been planted, but the proceeds of those loans in such cases are used gradually as the time goes on and the crop approaches maturity.

Mr. BUSBY. Is it not a fact that there is one system of banking which applies to the metropolitan centers, and another system of banking and security which has to be used in the country districts and small towns?

Mr. POLE. Yes.

Mr. BUSBY. The two systems are not altogether alike, especially from the standpoint of the type of security that may be offered by the borrower, are they?

Mr. POLE. That is generally correct.

Mr. BUSBY. Now, with further regard to bank failures, referring to the hearings on page 4, I find that four States along the Atlantic coast—North Carolina, South Carolina, Georgia, and Florida—with a population, based on the 1920 census, of 7% per cent of the population of the country, have had 729 bank failures, or 15½ per cent of the bank failures of the country.

I also call your attention to another rather well-defined section of our country, Minnesota, Iowa, Missouri, Oklahoma, North Dakota, South Dakota, Nebraska, Kansas, and Montana, nine additional States in the central Northwest, a purely agricultural section, which nine States had a total of 2,768 bank failures in the period from 1920 to 1929. That territory represents 14¼ per cent of the population and represents 56½ per cent of the bank failures during the period of time I have mentioned.

Taking the two areas together, I find that the 13 States mentioned with 22 per cent of the population of the country, have had 71.6 per cent of the bank failures of the country, while the other 35 States, with 78 per cent of the population of the country, have had only 24.4 per cent of the bank failures from 1920 to 1929.

If you have given any thought to the situation in these two particular areas, do you not see in these bank failures something besides the fact that they were individual banks and not in a chain or branch system?

Mr. POLE. Yes, I see quite a difference.

Mr. BUSBY. Is it not a matter of common knowledge that the territory about Florida and north of Florida, in the States I have men-

tioned on the Atlantic coast, has experienced a considerable period of inflation in land values during the last nine years?

Mr. POLE. Yes.

Mr. BUSBY. Much of the security offered and taken by the banks in that territory was based on lands in that section, was it not?

Mr. POLE. Quite largely so.

Mr. BUSBY. And do you not think that it was the inflation of value of lands and real property, and then a collapse of those values, that primarily caused the failures of the banks in the section we are now discussing?

Mr. POLE. That had a lot to do with it.

Mr. BUSBY. Now, going to the other territory in the central Northwest, the nine States mentioned a moment ago, is it not a fact that during the postwar period, land values in that section grew to a proportion far beyond that which had existed at any time prior to that period?

Mr. POLE. I think so.

Mr. BUSBY. That is an agricultural section, is it not?

Mr. POLE. Yes.

Mr. BUSBY. The basis for the business and commerce of that section is very largely agricultural, is it not?

Mr. POLE. Quite largely so.

Mr. BUSBY. Stock raising enters into consideration to a considerable extent in that territory, does it not?

Mr. POLE. It does.

Mr. BUSBY. Considering the fact that the nine States mentioned in the central Northwest section of the United States, with a population of 14½ per cent, had 56½ per cent of the bank failures during the nine years mentioned, do you not see that the inflation of values in that section, and then the inflation coming to an end, was the direct cause of the failures there?

Mr. POLE. Certainly it was a very important factor. However, we must bear in mind that all banks were not affected. There were a large number of banks in those sections which you referred to which have gone through this period of deflation and are still operating and operating successfully, and the large banks have been practically free from failures, and they were faced with the same economic condition.

Mr. BUSBY. Can you tell the committee why they were able to go through this situation and why the great number of the banks which did fail went under; in a general way?

Mr. POLE. In a general way, the large banks were operated more scientifically; the loans were more carefully made, their judgment was better, they saw further ahead and, with regard to the smaller banks, the same reasons might apply, which might be summed up very largely in the question of management. A small bank might be termed more or less of a fair-weather bank, because if it is faced with successive crop failures the support in the way of capital structure and savings is not sufficient to enable it to take care of its losses, whereas the larger banks, of course, are much more able to do so.

Mr. BUSBY. The people in that section of the country, being largely engaged in agriculture and stock raising, will of necessity have that kind of property, including their lands, to offer as security for credits, will they not?

Mr. POLE. Yes.

Mr. BUSBY. If they can not get credit on their lands, their agricultural products, and stock-raising activities, what collateral would you suggest that they could offer to the large banking systems in order to secure needed credit?

Mr. POLE. The larger banking systems, under my suggestion, would cover a wider, and do cover a wider, diversification of interests. As I say, they make loans more carefully and more scientifically.

Mr. BUSBY. Do you mean by "more carefully" that they do not make the loan unless they can see absolute certainty in its return?

Mr. POLE. I would not go so far as to say with absolute certainty, but I would say that they do not make them so freely, and it is no benefit to a borrower to borrow more money than he can pay back. Banks that are scientifically managed generally realize that if loans are made too freely, it hurts both the lender and the borrower.

Mr. BRAND. Is it not true that these large banks, especially in the cities, do not lend their money on lands or on crops?

Mr. POLE. In the cities, they generally would not be offered that character of security to the same extent.

Mr. BRAND. A farmer who has nothing to offer except his land or his crop can not go to any big bank and borrow a dollar in my country. I would like to find some big bank which will lend some money to farmers on the crop markets; I would like to know where it is located.

Mr. BUSBY. I want to continue with my examination, Judge.

Then, Mr. Pole, as a natural result of the system of what you term "careful lending," and what you term a "far insight" into the banking situation, the larger banking institutions, or the chain or branch banking institutions, would take into consideration the possibility of crop failures and take into consideration the possibility of the security being deflated and becoming at the time of payment not what it was when the loan was made—they would take into consideration all of those things which would tend to reduce the amount to be loaned on the collateral or security offered by the borrower, would they not?

Mr. POLE. In making loans every factor is taken into consideration, Mr. Busby.

Mr. BUSBY. Those would be the factors that the banks would have to take into consideration in the territory I have mentioned, would they not?

Mr. POLE. Those would be factors, unquestionably.

Mr. BUSBY. Now, you know the system of banking in Canada, do you not?

Mr. POLE. Yes.

Mr. BUSBY. You know that the Canadian banking system is not conducted on the basis that the American banking system is conducted, do you not?

Mr. POLE. Yes.

Mr. BUSBY. Instead of taking deeds of trust and mortgages, they take straight bills of sale for loans made by the banks and the branches of banks in Canada, do they not?

Mr. POLE. I think that may sometimes be done; I am not sufficiently familiar with those details.

Mr. BUSBY. Do you not know that the banks of Canada deprecate loans around \$500, \$600, and \$700, and refuse to make loans below that amount to farmers or to people who need credit in small amounts?



Mr. POLE. No; I do not know that.

Mr. BUSBY. If that is true, that is news to you, is it?

Mr. POLE. I doubt the accuracy of that statement.

Mr. BUSBY. Do you know the minimum of deposits that they will accept in the Canadian banks?

Mr. POLE. I think that varies in different parts of Canada.

Mr. BUSBY. Do you not know that the Canadian banking system does not deal with the small men at all?

Mr. POLE. No.

Mr. BUSBY. Do you not know that the Canadian system has no desire, through the numerous branches maintained by the five large systems, to deal with the small borrower or the small depositor?

Mr. POLE. I do not think that is a fact.

Mr. BUSBY. You do not think that is a fact?

Mr. POLE. No.

Mr. BUSBY. Now coming back to the question we started on, I want to ask you two or three academic questions.

What is the necessity for a banking system in any country?

Mr. POLE. Obviously there is great necessity for a banking system in order that people may deposit money and make loans and transact such other business as is ordinarily transacted through banks.

Mr. BUSBY. The fact is that 90 per cent of the business of the country is done on what is called checking or clearance accounts, is it not, and about 10 per cent is done on credit?

Mr. POLE. In a general way, it might be called credit.

Mr. BUSBY. What is your idea about the expression that "currency is the life blood of the commerce of the Nation?"

Mr. POLE. I do not know who coined that phrase. I think possibly it was intended to cover credit, also.

Mr. BUSBY. Do you think credit can be dissociated in any sense from banking?

Mr. POLE. No.

Mr. BUSBY. Is it your idea that banking is an objective or means to an end, the end being commerce and exchange of commodities and products and values among the people of the Nation?

Mr. POLE. I think it is a necessary complement to the business of this or any other country.

Mr. BUSBY. To be a little more specific, do you think that that is the primary objective to be sought, that is, to create a system of banking or money dealing by a portion of the people, or should it be the servant of commerce, and the handmaid of commerce and trade?

Mr. POLE. I think it should be the handmaid of commerce and trade, but I think it should also be regarded as a definite business enterprise in which people may invest money and hope to make a reasonable return on it, the same as in industry.

Mr. BUSBY. You have stated in the hearings that you were decidedly of the view that the best system of banking in this country would be the branch banking system, have you not?

Mr. POLE. Not precisely that statement.

Mr. BUSBY. What is your attitude with regard to that?

Mr. POLE. I said that if it were possible that a unit banking system could be made profitable and effective, that I should prefer such a system, but inasmuch as the system appears to have broken down, particularly in the agricultural communities, the best substitute that

occurs to me is a branch banking system rather than a group or a chain banking system.

Mr. BUSBY. You used one expression, that the unit banking system had broken down in the agricultural communities. Have the banks in either of these communities mentioned by me, the Atlantic States group and the North Middle West group—or in any other agricultural community, ever failed until the community failed from under the bank?

Mr. POLE. Of course, if the community fails, the unit bank must fail, and frequently if a bank fails it is difficult for the community to get along.

Mr. BUSBY. If the branch banking system had operated in those communities and had extended the help and the credit to the people in those communities that was needed, similar to that extended by the unit banks, would it not have also failed or at least been materially crippled when the period of deflation came along?

Mr. POLE. The facts are that in some sections of the country there are no banks left. They have all failed.

Mr. BUSBY. And the facts are that the branch banking system would not extend the assistance or help to that community that the individual bank would—is not that true?

Mr. POLE. I would differ with you on that. The experience with branch banks is frequently that they put into a community a tremendous lot of money where the deposits may be at a very low ebb; in other words, they put far more funds into the community than the community provides in the way of deposits.

Mr. BUSBY. I tried to get away from that subject, but that brings me to this thought, that if they put that greater amount of money into a community than the deposits secured from that community, and they will not take the security that the community has, on what basis do they make the loans or place the money among the people?

Mr. POLE. Of course, they do take the security that the community has.

Mr. BUSBY. What kind of security in the agricultural northwest would they—the chain banking system—take in order to put more money into that community than they would take out?

Mr. POLE. The same class of security that you mentioned.

Mr. BUSBY. They whittle it down until it does not amount to so much, do they not?

Mr. POLE. It amounts to more in a great many instances than the community is able to supply from its own resources.

Mr. BUSBY. Do not deposits run largely in proportion to the amount of credit extended by the banks in the community in which the bank operates?

Mr. POLE. Speaking generally, it might be said that they do, but on these special occasions when a community is hard hit by crop failures, and when it is necessary for a bank to put money into the community, that is very frequently done by branch banking systems. That is one of the theories on which the system works, that money may be transferred from one place where there is a plethora of funds to a place where there is a dearth of them.

Mr. BUSBY. There is considerable controversy in the banking world as to whether or not that statement is a fact.

Mr. POLE. I think there is considerable controversy on every banking point.

Mr. BUSBY. I mean, on that one point.

Mr. POLE. I should say on that point among others.

Mr. BUSBY. You have described your position with regard to branch banks.

Mr. POLE. Yes.

Mr. BUSBY. You stated, on March 6, in your examination, these words:

I would be glad to see some legislation which would prohibit the operation of chain banking.

That is your position on the question of chain banking, is it not?

Mr. POLE. Right.

Mr. BUSBY. Now, we have some very extensive branch banking operations in this country in a few States, do we not?

Mr. POLE. There are extensive branch bank systems in operation.

Mr. BUSBY. I have asked you some questions heretofore about the Bank of Italy, rather for the purpose of using it as an example of the development of branch banking. I hand you a chart which shows the locations of the branch banks of the Bank of Italy in the State of California. There is hardly a community in that State that is not covered by a branch bank of the Bank of Italy, is there?

Mr. POLE. I would not go so far as to say that. There are very many communities not covered by branches of the Bank of Italy.

Mr. BUSBY. I mean banking communities, or communities of credit.

Mr. POLE. I understand what you mean.

Mr. BUSBY. Of course, that would not be the same as a school district, or anything like that.

Mr. POLE. There are a large number of branches. If you exclude those branches which might be termed city branches, I should estimate roughly that you would have 200 points covered by branches of the Bank of Italy in California.

Mr. BUSBY. How is the business at a branch of the parent bank conducted with reference to extending credit to applicants for loans?

Mr. POLE. The branch manager, in conjunction with the advisory committee, is given a certain loaning limit. In the case of very large loans which have not been passed on, they are taken up with the head office.

Mr. BUSBY. I am informed by people who do business with the branches of the Bank of Italy, members of the House from California, that no loan is made by the cashier of one of the branches on an application for a loan; that he takes your application, with your financial statement, and tells you that it will be presented to the loan committee of the central institution the next morning at the meeting of this committee. Then your application, together with your financial statement, is presented to the committee on loans by the cashier or representative of the branch bank the next day, and that is passed on entirely in the absence of the applicant for the loan.

Do you know whether or not that is true?

Mr. POLE. I do not think it is true if it comes within the limit.

Mr. BUSBY. Do you have any idea what the limit is?

Mr. POLE. It varies in different places. As a matter of fact, you perhaps are speaking of new loans. Now the business of a bank might be said to be 90 per cent with regular customers, whose lines

of credit have been established perhaps for years in that community, and they are given a regular line of credit. Those loans are usually reviewed by the executive committee or by the loaning committee and are fixed quite in advance of the time when the customer may come to take up his loan, and with respect to the new loans, if they are of any size they, of course, should be given very careful consideration and, if necessary, referred to the head office.

Mr. BUSBY. I know that is the system usually used by the independent individual banks.

Mr. POLE. That is the system employed by the Bank of Italy, I think.

Mr. BUSBY. But the branch-banking system entirely leaves out of the loan the question of personal responsibility or the fact that the individual, because of his course of business activity and conduct, is entitled to credit, and makes the loan solely on the collateral that the borrower has to offer, nothing else being considered by a body of men who do not take the man into consideration at all, or very little. Is that not the case with branch banking?

Mr. POLE. On the contrary, I think that the character element is perhaps the most important, and it is given consideration.

Mr. BUSBY. How do you reconcile that statement with the fact that more careful loans, for instance in the central Northwest territory that we were talking about, would be made by the branch banking system, leaving out of consideration the personal character of the applicant for the loan?

Mr. POLE. I have never made the statement that the personal character feature is ever left out of consideration on loans. I think that is the most important, but there is also connected with that the borrower's ability to pay which is frequently lost sight of by small banks.

Mr. BUSBY. I will have to hurry on.

Now the Bank of Italy until recently had 299 branches scattered over California. Some time ago we went through a period of depression that reflected itself on the stock of the Bank of Italy, when on the 11th of June, 1928, it opened in the morning at 286 and ran to a low of 125 on the same date, closing at a somewhat higher figure. At that time it had the 299 branches. I might say it is my information that other banking interests in the same field sought to bring about the depression in the Bank of Italy stock. Now, even though you have a system with many branches, it is not entirely secured against the competitive banking activities of other institutions in the same field, is it?

Mr. POLE. By no means.

Mr. BUSBY. Even though it does not break in the sense that we speak of the individual country bank, the financial effect of such an experience in the affairs of a bank is of such broad extent in deflating the stock that it is similar to a bank failure in that territory, is it not?

Mr. POLE. Not at all.

Mr. BUSBY. Does that not affect the investors in the stocks of that bank just as effectively as if they had been interested in a bank that failed and got only a portion of their invested money back?

Mr. POLE. I see no direct connection there. The stocks of banks are always going to fluctuate. They have in the past and will in the future. But the condition of that bank is not affected by the fluctua-

tion of the stock, and in the case you mentioned there was a large speculative element in that trading.

Mr. BUSBY. Two or three other banks making a desperate effort to drive down the Bank of Italy stock while Mr. A. P. Giannini was in Italy?

Mr. POLE. I do not know as to that. I have never heard that the banks made any concerted drive against the Bank of Italy. You have referred several times to the breaking of the Bank of Italy and bankruptcy in connection with the Bank of Italy. I think the record ought to be cleared on that point; and, even at the expense of reiteration, I should say that the Bank of Italy has steadily grown from a very small institution to a bank of, according to the last statement, more than a billion dollars of resources, so that the bank per se has not been greatly affected by the fluctuations in the stock.

Mr. BUSBY. Has it not been difficult to trace the activities of the Bank of Italy, to tell whether it has grown or absorbed and combined with other institutions so as to make the showing you speak of in the last report?

Mr. POLE. I should say not.

Mr. BUSBY. All right. Now, immediately after the period that I referred to as the break of the Bank of Italy stock, which you explained and on which you place another light, the Transamerica Corporation, a New Jersey corporation, a holding company, was organized for the purpose of taking over all or as much of the stock as it could get of the Bank of Italy, its subsidiaries and affiliates, was it not?

Mr. POLE. I think it is a well-known fact that the Transamerica Corporation was formed to take over its various activities.

Mr. BUSBY. It was formed October 11, 1928, after the period I mentioned as June 11, 1928?

Mr. POLE. Yes.

Mr. BUSBY. Now, listed among the corporations a majority whose stock is owned wholly or largely by the Transamerica Corporation, are 11 banking, investment, insurance, trust, and other similar types of financial institution covering every business activity in our country, and two additional institutions in which the Transamerica Corporation holds about 50 per cent of the stock. Now, the holding company, having this stock in hand, controls the policies of all of these banks and other institutions, and directs their course in whatever business activity they are operating, does it not?

Mr. POLE. Theoretically.

Mr. BUSBY. Does not the holding company direct the directors that do direct the policies of these institutions?

Mr. POLE. Elects them.

Mr. BUSBY. Elects them?

Mr. POLE. Yes.

Mr. BUSBY. What do you mean by that term?

Mr. POLE. I mean to say that the directors would undoubtedly be elected by the shares which were preponderantly held by the Transamerica Corporation.

Mr. BUSBY. Well, the Transamerica Corporation is operated by about 25 men composing the directors of that institution, is it not?

Mr. POLE. I really do not know how many men direct the affairs of the Transamerica Corporation.

Mr. BUSBY. I think you can get that from Poor's Banking Directory.

Mr. POLE. I think so, too.

Mr. BUSBY. So that takes entirely away the human element of management, so far as the stockholders and the investors in the stocks are concerned, the management of these institutions which embrace some 525 independent units that are managed by the Transamerica Corporation?

Mr. POLE. Theoretically, if you wish to assume that the directors and the executive officers of the Bank of Italy are dummies.

Mr. BUSBY. They do not know anything about the several communities in which the 525 units operate, do they?

Mr. POLE. What do you mean by "they"?

Mr. BUSBY. That is, the men that control and direct the policies, through the Transamerica Corporation, of all of these 525 institutions that are under it?

Mr. POLE. I am not informed as to what is the extent of the power of those 25 men who are connected with the Transamerica Corporation.

Mr. BUSBY. The Transamerica Corporation controls national banks, does it not?

Mr. POLE. I think so.

Mr. BUSBY. It owns all of the stock in some national banks, does it not?

Mr. POLE. Yes; practically all.

Mr. BUSBY. It owns all of the stock or practically all of it, in some State banks?

Mr. POLE. That is my information.

Mr. BUSBY. Some of the national banks that are owned and controlled by the Transamerica Corporation also have branches in other territory under the McFadden Act, have they not?

Mr. POLE. Yes.

Mr. BUSBY. And some of the State banks that are owned and controlled by the Transamerica Corporation also have branches in the States where branch banking is permitted, do they not?

Mr. POLE. I do not know what the State banks have.

Mr. BUSBY. The fact is that there is such a confusion of interests in a financial institution as gigantic and extensive as the business the Transamerica Corporation controls that it is very difficult for one without a special accountant to go through the situation to understand what the financial relations of the several elements are—is not that a fact?

Mr. POLE. Of the Transamerica Corporation?

Mr. BUSBY. Yes.

Mr. POLE. Yes; I think that is right.

Mr. BUSBY. Now, the Transamerica Corporation and the Bank of Italy also own and are interested in a bank in Rome, Italy, are they not, or do you know about that?

Mr. POLE. I have heard so. Of course, I do not know very much about the Transamerica Corporation's investments.

Mr. BUSBY. You have never examined Poor's Directory on Banks and Trust Companies, 1929, with reference to the Banca D'America e D'Italin, in which James A. Bacigalupi and A. P. Giannini, the man who established the Bank of Italy in the United States, are directors? You know nothing about that?

Mr. POLE. I have never examined Poor's report.

Mr. BUSBY. I want to call your attention to another illustration. Mr. Chairman, I will quit any time.

The CHAIRMAN. We were planning to finish with Mr. Pole at 11 30, to hear Governor Young.

Mr. BUSBY. All right. I find, in regard to the National City Bank of New York, in Poor's Bank Directory, that on December 31, 1928, the bank contained, in addition to a main office in Wall Street, New York, 30 city branches and, in addition, direct and subsidiary foreign branches numbering 89 in 23 countries, and plans were being perfected to enter two additional countries during 1929, and I also find that the National City Bank at that time had resources of \$1,847,000,000—and that has been considerably increased since then—with a capital stock of \$110,000,000.

I call attention to that for the purpose of leading up to the other thought, that this country is becoming a country of big banking institutions, which leaves out of consideration any place for the country bank or for any bank that is not a part of a chain, group, or branch system.

Also, in connection with that, I want to call attention to the statement of Mr. Thomas W. Lamont with regard to the Bank for International Settlements, where the big banking interests of all the countries could come together and settle the financial policy of the world.

You know about the situation I refer to, do you not?

Mr. POLE. I have heard of the Bank for International Settlements.

Mr. BUSBY. Is it not your opinion that the group, chain, and branch banking systems are playing directly into the hands of that kind of a policy of internationalizing the money system of the world?

Mr. POLE. Through the Bank of International Settlements?

Mr. BUSBY. Yes.

Mr. POLE. I am not sufficiently familiar with that, Mr. Busby, to give you an intelligent reply.

Mr. BUSBY. Well, the Federal reserve system, of which we may talk more some other day, would be considerably disparaged if the holding companies took over the management of banks and placed them under State charters, and left out of consideration the national system, would it not?

Mr. POLE. If all the large banks left the Federal reserve system, it would unquestionably be affected.

Mr. BUSBY. There is no way to place a holding company in the national banking system, is there?

Mr. POLE. No.

Mr. BUSBY. If the holding companies become the managers of the banking interests of the country, they will be outside the management of the Comptroller and the Federal Reserve Board, will they not?

Mr. POLE. Not necessarily. Banks, regardless of where their stock is held, may be, and must be in the case of national banks, members of the Federal Reserve System.

Mr. BUSBY. I will suspend here, Mr. Chairman.

Mr. GOLDSBOROUGH. May I ask Mr. Pole one question? It is not controversial, and he can answer it.

Mr. Pole, there is about to be effected a merger between the Chase National Bank and the Equitable Trust Co. and another bank whose name has slipped my memory.

Mr. POLE. Interstate.

Mr. GOLDSBOROUGH. Yes. Was it necessary to get the consent of the Comptroller of the Currency to effect that merger?

Mr. POLE. Yes, sir.

Mr. GOLDSBOROUGH. And that consent was granted?

Mr. POLE. That consent will be granted.

The CHAIRMAN. Gov. Roy A. Young, of the Federal Reserve Board, is present, and I am going to suggest that when Governor Young begins his statement, he be not interrupted until he may so indicate.

Before hearing him, I would like to suggest that when we have completed with Governor Young, perhaps the next persons that should be heard before the committee are the members of these chains and groups. It seems to me that, as has been disclosed before the committee, the witnesses who can give us the most valuable detailed information in line with the scope of our hearings are the officers of the Transamerica group. From my knowledge of the management of that organization, it would seem to me that the two men we should have are Mr. A. P. Giannini, who was the originator of the plan and its president, and Mr. James A. Bacigalupi who, I believe, is director of the Bank of Italy. It may later develop that there are other men connected with that group whom it might be desirable for the committee to hear, and I would suggest that representatives of the St. Paul and Minneapolis group would probably be the next ones that the committee might profitably hear.

My purpose in bringing that up this morning is to ask the committee to authorize me to extend invitations to Mr. Giannini and Mr. Bacigalupi.

Mr. BEEDY. Mr. Chairman, before we proceed to that, these hearings have been very interesting indeed up to the present point, but the time is passing so rapidly and we do not seem yet to have made more than a start. The Senate is presently to finish with the tariff and to start its hearings, and we are losing, it seems to me, our position of vantage that we had.

This thought occurs to me that if we should start in with a man like Mr. Giannini, he will be here for three or four weeks and we will have completed an investigation of that particular subject and then it will be about time to wind up these hearings.

The CHAIRMAN. I do not think that is a correct statement.

Mr. BEEDY. It is an exaggerated statement; I concede that. I think if we could get some witnesses before the committee who could give us the basic facts with reference to group, chain and unit banking, it would not take us into such elaborate detail as Mr. Giannini's examination would be obliged to. We would then have the broad foundation laid for the examination of such a witness, whose testimony in the light of the facts then covered might be much curtailed.

The CHAIRMAN. I am interested in this group because there is included in their organization every form of banking that we are proposing to study, and inasmuch as that was the big movement in this country, practically the original movement of this new expanded idea, it seems to me that there is embodied in a study of that organization the elements that we should have before us.

Mr. BEEDY. Well, perhaps that may be so. I am simply interested in some method of procedure here that will enable us to get on with these hearings. I personally have not taken more than perhaps



three minutes in examining, and the motion I am about to make is not a reflection on anybody; it is just an observation and perhaps a necessity, and I would like to have the viewpoint of the committee on it.

For that purpose I want to move that hereafter each member of the committee be limited to 15 minutes in his examination of any witness. There are 21 members, and that will take up five hours and a quarter in the cross-examination of each witness. Of course, a good many of us will not want to use the 15 minutes and we can yield to others; that will be permissible.

Mr. GOLDSBOROUGH. This is probably by far the most economic question that the country is now interested in. Usually it is very difficult to get the public to take hold of a matter of this kind at all, because they do not understand it. As Mr. Beedy said, it seems to me that up to this time these hearings have been interesting, and very informative. Personally it does not make any difference to me if it takes six months or a year for the country to get a thorough understanding of just what this is all about and just what its future implications are. I do not see any reason why it should be hurried, as long as we do not waste any time. As far as I can see, up to this time there has been no time wasted, and I see no reason why a member of the committee who has an intelligent question to ask should be limited to any particular time. If in the future we should feel that we have to make some different arrangements, it seems to me that it will then be time enough to do it, but certainly as long as the inquiry is being confined to the subject matter and as long as there is no rancor and no partisanship of any kind injected into the hearings, as long as they are purely for the purpose of getting information, it seems to me it would be a great mistake to limit it in any way.

Mr. BEEDY. I want the committee to understand that I did not make that motion with the thought of hurrying these hearings at the expense of denying ourselves any of the facts that would be helpful. I thought there would be more of an inclination perhaps on the part of members to carefully prepare their questions and to avoid repetition, and the question is vast in scope unless we adopt some limitations.

The CHAIRMAN. The chairman had it in mind to consider the matter which Mr. Beedy has proposed and in which there is much merit. There is no desire on my part, however, to curtail any member of the committee who has questions pertinent to this inquiry that will bring forth necessary information; but I had in mind that when we had finished with Governor Young—considering Governor Young as one of the officials here in Washington whom the members of the committee would want to ask many questions to elicit information along the lines furnished by Mr. Pole, which I think has been very instructive and has involved no waste of time up to this point—a different situation will exist when we begin to hear these outside men, for the information secured from these men will be not only valuable to Mr. Pole but valuable to Governor Young, to the members of the Federal Reserve Board, to the Treasury, and to all the members of this committee.

I had hoped that when we had finished with Governor Young, the committee might have an executive session to discuss our further procedure, and I believe all the members of the committee will agree to that. If we could have an agenda of witnesses representing these various groups so that specific information could be secured from them, whether the questions are asked by the chairman or a member of the committee, I think that would be very helpful.

I am not in disagreement with what Mr. Beedy is proposing, but I think if this matter were not raised until after we had finished with Governor Young, it would be helpful to us in connection with the further procedure.

Mrs. PRATT. Is it not possible for the members of the committee to have the minutes of the hearings between the times we are actually engaged in the hearings? Is not one of the things that delays us quite a long time the repetition that we have?

The CHAIRMAN. Yes.

Mrs. PRATT. And I think if we could see those minutes in between times, it would be very helpful. I know that as far as I am concerned, many questions that I had were covered by others, and yet I could not remember how they were covered and I may have spent a great deal of time.

The CHAIRMAN. We are endeavoring as far as possible to print the minutes of each week's hearings immediately after they are closed.

While I am on the subject, I would like to suggest to the members of the committee that this printing is being greatly delayed because of the fact that the members of the committee desire to correct their questions in the stenographic transcript before it can be sent to the printer. The clerk of the committee is delayed in getting these minutes to the printer because every member wants to read these hearings for purposes of correction. So there has been some delay. Parts 1 and 2, however, are printed and, as soon as corrected, this last week's hearings will go to the printer this week.

I think it is very essential for the members of the committee to note carefully the testimony up to this time, in order to enable us properly to question the other witnesses who are coming before the committee. So I would like to stress that the members of the committee correct each week, as quickly as possible, the stenographic notes.

(Discussion off the record.)

Mr. BEEDY. Mr. Chairman, in order that we may clear the situation and get on with the hearing, there is a motion before the Chair, which I will now withdraw. I think it is wise to take up the matter in executive session, and I think it is well to have the members get the record and look it over, and then we can adopt some intelligent procedure.

Mr. LUCE. Mr. Chairman, I move that the members of the committee have three legislative days after the day of the hearing in which to correct their remarks.

Mr. GOLDSBOROUGH. Of course, Mr. Chairman, we have to have access to the record in order to do that.

The CHAIRMAN. The record will be available here in the committee room. The witness has one copy and there is only one other copy available, so that it will be available for the members of this committee in this room. This room is very convenient to the House, and the members will be expected to come here to make their corrections.

Mr. GOLDSBOROUGH. I second that motion.

(The motion was agreed to.)

The CHAIRMAN. I believe, Mr. Pole, you have some additional data you want to submit for the record in regard to holding companies.

Mr. POLE. I think everything is in the record, Mr. Chairman.

Mr. BEEDY. I was going to ask Mr. Pole if he has any record of bank failures in groups by congressional districts that he could put into the record.

Mr. POLE. Covering the United States?

Mr. BEEDY. Yes.

Mr. POLE. That could be prepared, Mr. Beedy, and I shall be glad to supply the record with that.

Mr. BEEDY. Then, I would ask the comptroller to make such a tabulation of bank failures and put it into the record.

Mr. POLE. State and national banks covering congressional districts of the United States?

Mr. BEEDY. Yes.

Mr. POLE. That will be done.

Mr. FORT. Will you make that in 4-year or 10-year periods?

Mr. POLE. Whatever the comparable periods are.

Mr. LUCE. I think that will be very difficult to carry out literally in some of the larger centers embracing several congressional districts. For instance, in Boston—

Mr. POLE. I think, Mr. Luce, the number of failures in Boston is so small that it will not make any real difference.

Mr. LUCE. Yes, but if there were a failure there, you might have difficulty in discovering whether it was embraced within the ninth or the tenth congressional district.

The CHAIRMAN. Was there printed in the record a list of chain and group systems?

Mr. POLE. Yes, sir, that has been furnished.

Mr. BEEDY. I should like to change my request so as to make that tabulation on the basis of metropolitan centers and congressional districts outside of the metropolitan centers. The reason for the change is that some cities embrace parts of four or five congressional districts. It will be almost impossible for you to draw the lines of the districts there.

The CHAIRMAN. That will be inserted in the record at this point.

(The information requested of Mr. Pole is here printed in full, as follows:)

*Number of bank suspensions, by States, congressional districts, and years, 1921-1929*

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Alabama</b> .....	<b>32</b>	<b>1</b>		<b>2</b>	<b>10</b>	<b>5</b>	<b>2</b>	<b>1</b>		<b>11</b>
District No. 1—Mobile.....	1							1		
District No. 2.....	3	1			1	1				
Flomaton.....	1				1					
Glenwood.....	1					1				
Montgomery.....	1	1								
District No. 3.....	9			1	3	1				4
Abbeville.....	2				1					1
Ariton.....	1					1				
Eufaula.....	1									1
Newton.....	1				1					
Ozark.....	1				1					
Samson.....	1									1
Scale.....	1			1						
Slocomb.....	1									1
District No. 4.....	2						2			
Lincoln.....	1						1			
Orrville.....	1						1			
District No. 5.....	2				2					
Fivepoints.....	1				1					
Marbury.....	1				1					
District No. 7.....	3				2					1
Fort Payne.....	1				1					
Odenville.....	1				1					
Valley Head.....	1									1
District No. 8.....	3			1			1			1
Athens.....	1						1			
Florence.....	1									1
Madison.....	1			1						
District No. 9.....	5									5
Birmingham.....	4									4
Leeds.....	1									1
District No. 10.....	4				2	1	1			
Carrollton.....	1				1					
Haleyville.....	2					1	1			
Hodges.....	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Arizona: District No. 1</b>	<b>27</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>		
Bisbee.....	1			1						
Clifton.....	1			1						
Duncan.....	1						1			
Florence.....	1			1						
Jadsden.....	1							1		
Jerome.....	1					1				
Mayer.....	1				1					
Metcalf.....	1		1							
Parker.....	1		1							
Patagonia.....	1			1						
Peoria.....	2	1	1							
Phoenix.....	2	1	1							
Prescott.....	2					2				
Ray.....	1				1					
Safford.....	1			1						
Saint Johns.....	1			1						
Snowflake.....	2	1		1						
Somerton.....	1	1								
Tempe.....	1			1						
Tombstone.....	1	1								
Tucson.....	1			1						
Wickenburg.....	1	1								
Winslow.....	1				1					
<b>Arkansas</b>	<b>95</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>11</b>	<b>8</b>	<b>19</b>	<b>18</b>	<b>14</b>	<b>11</b>
District No. 1	32		1	2	6	1	8	8	4	2
Black Oak.....	1						1			
Blytheville.....	1							1		
Brookland.....	1									1
Cotton Plant.....	2		1					1		
Earl.....	1				1					
Greenway.....	1						1			
Harrisburg.....	2							1	1	
Haynes.....	1				1					
Helena.....	1								1	
Joiner.....	1			1						
Jonesboro.....	1						1			
Lake City.....	1									1
Lepanto.....	1							1		
Marianna.....	1						1			
Marion.....	2			1			1			
Marked Tree.....	2				1		1			
Marmaduke.....	2						1	1		
Moro.....	1								1	
Nimmons.....	1							1		
Osceola.....	1								1	
Paragould.....	1						1			
Parkin.....	2				1	1				
Peach Orchard.....	1							1		
Success.....	1							1		
Vandale.....	1				1					
Walcott.....	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Arkansas—Contd.</b>										
District No. 2.....	8	1			1	1	2	2	1	
Batesville.....	1							1		
Biscoe.....	1								1	
Black Rock.....	1	1								
Bradford.....	1					1				
Hazen.....	1				1					
Newport.....	1						1			
Strawberry.....	1							1		
Williford.....	1						1			
District No. 3.....	3						1	2		
Cotter.....	1							1		
Lincoln.....	1								1	
Lowell.....	1						1			
District No. 4.....	9	1	1	1	1	2	3			
Ashdown.....	1					1				
Dyer.....	2				1	1				
Foreman.....	1		1							
Hatfield.....	1			1						
Mineral Springs.....	1	1								
Mulberry.....	1						1			
Seranton.....	1						1			
Winthrop.....	1						1			
District No. 5.....	13	1			2		4	1	1	4
Altus.....	1									1
Belleville.....	1	1								
Clarksville.....	1									1
Coal Hill.....	2				1			1		
Dardanella.....	1						1			
Lamar.....	1									1
Little Rock.....	1						1			
London.....	1				1					
Morrillton.....	1						1			
Ozark.....	2						1			1
Viola.....	1								1	
District No. 6.....	15	1	1	1		3	1	5		3
Arkansas City.....	1							1		
Carlisle.....	2							1		1
De Witt.....	1									1
Gillett.....	1			1						
Lonoke.....	1							1		
McGehee.....	2	2						1		
Pine Bluff.....	2					1				1
Star City.....	1					1				
St. Charles.....	1		1							
Stuttgart.....	1						1			
Watson.....	1							1		
Wilmar.....	1					1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Arkansas—Contd.</b>										
District No. 7.....	15	1	1	1	1	1			8	2
Camden.....	1								1	
Columbus.....	1									1
Dermott.....	1	1								
El Dorado.....	1		1							
Fulton.....	1				1					
Gurdon.....	1								1	
Hampton.....	1								1	
Hope.....	1					1				
Louann.....	1								1	
Montrose.....	1									1
Norphlet.....	1								1	
Okolona.....	1								1	
Smackover.....	1								1	
Taylor.....	1			1						
Thornton.....	1								1	
<b>California</b>										
District No. 1.....	4	3	6	2	2	3	5	6		4
Biggs.....	1				1					
Colusa.....	1		1							
Fort Bragg.....	2		2							
District No. 2.....	2	1								1
Alturas.....	1		1							
Cottonwood.....	1									1
District No. 3—Sacramento.....	2	1			1					
District No. 7.....	10	1				2	4	3		
Chowchilla.....	1							1		
Clovis.....	1					1				
Delano.....	1							1		
Dinuba.....	2						1	1		
Kingsburg.....	1						1			
Livingston.....	1						1			
Merced.....	1						1			
Modesto.....	1	1								
Riverbank.....	1					1				
District No. 11.....	8	1	2	1		1		3		
Bishop.....	2							2		
Chino.....	1			1						
Corona.....	1					1				
Imperial.....	2		1					1		
National City.....	1	1								
Seeley.....	1		1							

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>California—Contd.</b>										
Hynes.....	1									1
Los Angeles.....	1									1
Watts.....	1			1						
South Pasadena.....	1									1
San Francisco.....	1						1			
<b>Colorado.....</b>	<b>89</b>	<b>13</b>	<b>8</b>	<b>18</b>	<b>9</b>	<b>15</b>	<b>14</b>	<b>4</b>	<b>3</b>	<b>5</b>
District No. 1—Denver.....	12	1		2		7	1		1	
District No. 2.....	39	7	2	11	4	4	7		2	2
Akron.....	2	1					1			
Amherst.....	1								1	
Arriba.....	1								1	
Bovina.....	2	1		1						
Brush.....	1						1			
Burlington.....	1			1						
Cheyenne Wells.....	1			1						
Dailey.....	1									1
Evans.....	1				1					
Flagler.....	1						1			
Fleming.....	1			1						
Fort Collins.....	1					1				
Gilcrest.....	1									1
Goodrich.....	1			1						
Greeley.....	2	1		1						
Grover.....	1				1					
Hudson.....	1			1						
Julesburg.....	1				1					
Keensburg.....	1	1								
Keota.....	1			1						
Kersey.....	1			1						
Lafayette.....	1	1								
Loveland.....	1					1				
Matheson.....	1						1			
Millikin.....	1						1			
New Raymer.....	1						1			
Orchard.....	1			1						
Otis.....	1						1			
Simla.....	1					1				
Snyder.....	1	1								
Sterling.....	3		1		1	1				
Stoneham.....	1	1								
Stratton.....	1			1						
Windsor.....	1		1							
District No. 3.....	22	4	4	2	4	2	3	3		
Aguilar.....	1							1		
Antonito.....	1				1					
Brandon.....	1						1			
Bristol.....	1		1							



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Colorado—Contd.</b>										
<b>District No. 3—Contd.</b>										
Cheraw.....	1					1				
Granada.....	1					1				
Hasty.....	1			1						
Haswell.....	1							1		
Jarosa.....	1	1								
Lamar.....	1		1							
La Veta.....	1			1						
Mesita.....	1	1								
Monument.....	1				1					
Ordway.....	1	1								
Pueblo.....	1	1								
Rocky Ford.....	2				1		1			
San Acacio.....	2				1			1		
Sheridan Lake.....	1		1							
Springfield.....	1		1							
Trinidad.....	1						1			
<b>District No. 4.....</b>	<b>16</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>1</b>		<b>3</b>
Bayfield.....	1			1						
Clifton.....	1			1						
Delta.....	1									1
Fruita.....	1							1		
Gypsum.....	1					1				
Hayden.....	1						1			
Maybell.....	1			1						
Montrose.....	1		1							
Mount Streeter.....	1	1								
Norwood.....	1									1
Nucla.....	1		1							
Oak Creek.....	1						1			
Pagosa Springs.....	1						1			
Rifle.....	1					1				
Telluride.....	1									1
Walden.....	1				1					
<b>Connecticut.....</b>										
<b>District No. 2—Putnam.....</b>	<b>1</b>				1					
<b>District No. 3—New Haven.....</b>	<b>1</b>		1							
<b>Delaware: District</b>										
<b>No. 1.....</b>	<b>2</b>								1	1
Middletown.....	1								1	
Newport.....	1									1

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Florida</b> .....	<b>190</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>43</b>	<b>31</b>	<b>35</b>	<b>63</b>
District No. 1.....	69	3	1	12	4	11	38			
Auburndale.....	1									1
Avon Park.....	2									2
Bartow.....	2									2
Boca Grande.....	1									1
Bowling Green.....	1									1
Brandenton.....	1									1
Bushnell.....	1						1			
Clermont.....	1						1			
Coleman.....	1							1		
Crystal River.....	1									1
Dade City.....	3						1	1		1
Dundee.....	1									1
Ellenton.....	2							1		1
Eustis.....	1						1			
Frostproof.....	1									1
Fort Meade.....	1									1
Groveland.....	2						1	1		
Haines City.....	1									1
Inverness.....	2							1		1
Lake Alfred.....	1									1
Lakeland.....	4						1	2		1
Lake Wales.....	1									1
Largo.....	1							1		
Moore Haven.....	3		2				1			
Mount Dora.....	2						1	1		
Mulberry.....	1									1
Palmetto.....	1							1		
Plant City.....	2								1	1
Port Tampa City.....	1									1
Punta Gorda.....	2									2
Safety Harbor.....	1						1			
Sarasota.....	2							1		1
Sebring.....	2									2
St. Petersburg.....	1						1			
Tampa.....	6									6
Tarpon Springs.....	1		1							
Tavares.....	1						1			
Trilby.....	1				1					
Umatilla.....	1						1			
Wauchula.....	3									3
Webster.....	2							2		
Winter Haven.....	1									1
Zephyrhills.....	1								1	
Zolfo Springs.....	1									1
District No. 2.....	26	1	1	3	2		6	5	4	4
Bronson.....	1								1	
Callahan.....	1		1							
Chiefland.....	1									1
Citra.....	1							1		
Dunnellton.....	1							1		
Gainesville.....	2			1						1
Hawthorn.....	1									1
Jennings.....	2						1	1		

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Florida—Continued.</b>										
<b>District No. 2—Continued.</b>										
Lake Butler.....	1						1			
Lake City.....	1						1			
Lawtey.....	1			1						
Live Oak.....	1						1			
Macclenny.....	1				1					
Madison.....	1						1			
Mayo.....	1	1								
McIntosh.....	1							1		
Micanopy.....	1							1		
Monticello.....	1						1			
Ocala.....	1								1	
Waldo.....	1									1
White Springs.....	1							1		
Williston.....	3			1	1			1		
<b>District No. 3.....</b>	<b>7</b>	<b>1</b>				<b>1</b>	<b>3</b>	<b>1</b>		<b>1</b>
Baker.....	2	1								1
Bonifay.....	1						1			
Cottondale.....	1						1			
Laurelhill.....	1							1		
Marianna.....	1						1			
Quincy.....	1					1				
<b>District No. 4.....</b>	<b>88</b>	<b>3</b>	<b>1</b>	<b>1</b>			<b>22</b>	<b>21</b>	<b>20</b>	<b>20</b>
Boca Raton.....	1								1	
Boynton.....	1								1	
Buena Vista.....	1						1			
Cocoa.....	2								1	1
Coconut Grove.....	1						1			
Crescent City.....	1						1			
Dania.....	1						1			
Daytona Beach.....	6						2	2		2
De Land.....	2									2
Delray.....	3						1	2		
Eau Gallie.....	1								1	
Fellsmere.....	1		1							
Fort Lauderdale.....	2						1		1	
Fort Pierce.....	1							1		
Hastings.....	1								1	
Homestead.....	2						1	1		
Jacksonville.....	5	2		1						2
Jacksonville Beach.....	1									1
Kilsey City.....	1								1	
Kissimmee.....	2						1		1	
Lake Helen.....	1						1			
Lake Worth.....	2							2		
Little River.....	1						1			
Maitland.....	1							1		
Melbourne.....	2									2
Miami.....	6	1							4	1
Oakland.....	1						1			
Ocoee.....	1								1	
Okechobee.....	3						1		1	1
Orlando.....	3							1		2

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Florida—Continued.</b>										
<b>District No. 4—Continued.</b>										
Ormond.....	1									1
Palatka.....	3						2	1		
Palm Beach.....	2						1	1		
Sanford.....	2							1		1
Sebastian.....	1						1			
South Jacksonville.....	1							1		
St. Augustine.....	1									1
St. Cloud.....	3						1	1	1	
Stuart.....	4						1	1		2
Titusville.....	1								1	
Vero Beach.....	2							1	1	
West Palm Beach.....	8						2	4	2	
Winter Garden.....	2								1	1
<b>Georgia*</b> .....	<b>319</b>	<b>56</b>	<b>14</b>	<b>11</b>	<b>29</b>	<b>31</b>	<b>102</b>	<b>18</b>	<b>26</b>	<b>32</b>
<b>District No. 1.....</b>	<b>37</b>	<b>11</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>9</b>
Claxton.....	1									1
Clyo.....	1	1								
Cobbtown.....	3	1						1		1
Dover.....	1						1			
Girard.....	2							1		1
Gough.....	1			1						
Guyton.....	2	1			1					
Hagan.....	1	1								
Ludowici.....	3	1				1				1
Metter.....	1								1	
Midville.....	1									1
Oliver.....	1						1			
Pulaski.....	1									1
Register.....	3	1					1			1
Reidsville.....	1							1		
Rocky Ford.....	2						1			1
Sardis.....	1									1
Savannah.....	7	4	2						1	
Springfield.....	1	1								
Waynesboro.....	2						2			
Woodcliff.....	1					1				
<b>District No. 2.....</b>	<b>27</b>	<b>3</b>		<b>2</b>	<b>6</b>	<b>2</b>	<b>8</b>	<b>2</b>	<b>3</b>	<b>1</b>
Albany.....	2				1				1	
Baconton.....	1								1	
Berlin.....	1	1								
Camilla.....	1				1					
Climax.....	1				1					
Cloquitt.....	4	1		1	1	1				
Doerun.....	2						2			
Donalsonville.....	2				1		1			
Ellenton.....	1							1		
Iron City.....	1							1		
Morgan.....	1			1						
Moultrie.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Georgia—Continued.</b>										
<b>District No. 2—Continued.</b>										
Norman Park	1								1	
Oakfield	1	1								
Pavo	2				1		1			
Poulan	1									1
Sylvester	2					1	1			
Ty Ty	1						1			
Whigham	1						1			
<b>District No. 3</b>	<b>37</b>	<b>7</b>	<b>1</b>		<b>3</b>	<b>3</b>	<b>13</b>	<b>3</b>	<b>4</b>	<b>3</b>
Americus	2	1							1	
Ashburn	1						1			
Benevalence	1	1								
Brownwood	2	1	1							
Butler	3	1			1		1			
Byromville	1								1	
Conyers	1					1				
Cordele	3	1			1		1			
Cuthbert	1					1				
Leesburg	1						1			
Lilly	1								1	
Lumpkin	3	1					1			1
Oglethorpe	1						1			
Parrott	1									1
Plains	1						1			
Preston	1								1	
Rebecca	3	1					1	1		
Reynolds	1						1			
Richland	1						1			
Smithville	1						1			
Sycamore	2					1	1			
Unadilla	2				1			1		
Vienna	2						1	1		
Weston	1									1
<b>District No. 4</b>	<b>25</b>	<b>4</b>		<b>1</b>		<b>2</b>	<b>13</b>	<b>3</b>	<b>2</b>	
Bowdon	2	1					1			
Buena Vista	1					1				
Carrollton	2	1					1			
Chipley	1						1			
Cussetta	1						1			
Franklin	1					1				
Hamilton	1						1			
Hogansville	1								1	
Lagrange	1							1		
Lyerly	1						1			
Manchester	1						1			
Moreland	1						1			
Roopville	1						1			
Shiloh	2	1		1						
Temple	2						1		1	
Twin	1							1		
Villa Rica	1						1			
Warm Springs	2						1	1		
Waverly Hall	1	1								
Woodbury	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Georgia—Continued.</b>										
District No. 5.....	14	1	3		1		7		1	1
Atlanta.....	7		1				5			1
Chamblee.....	1		1							
Douglasville.....	1		1						1	
East Point.....	1						1			
Fairburn.....	1				1					
Lithonia.....	1		1							
Palmetto.....	1						1			
Stone Mountain.....	1	1								
District No. 6.....	16	1				2	5	2	3	3
Bradley.....	1								1	
Brooks.....	1					1				
Culloden.....	1								1	
Hampton.....	2					1	1			
Jackson.....	1						1			
Locust Grove.....	1									1
Macon.....	1								1	
McDonough.....	1									1
Milner.....	1						1			
Roberta.....	1							1		
Shady Dale.....	1	1								
Stockbridge.....	1						1			
Williamson.....	1						1			
Woolsey.....	1							1		
Yatesville.....	1									1
District No. 7.....	18	1	1			2	12	1		1
Adairsville.....	1						1			
Bremen.....	1									1
Calhoun.....	1						1			
Cassville.....	1						1			
Dallas.....	1						1			
Fair Mount.....	1						1			
Hiram.....	1						1			
Kingston.....	1						1			
Marietta.....	1		1							
Menla.....	1						1			
Plainville.....	1						1			
Powder Springs.....	1						1			
Ringgold.....	1							1		
Rockmart.....	1						1			
Smyrna.....	1						1			
Summerville.....	1					1				
Tallapoosa.....	2	1				1				
District No. 8.....	27	2	1	2	5	7	8	1		1
Arnoldsville.....	1						1			
Athens.....	2					2				
Bishop.....	1				1					
Bogart.....	1				1					
Bowersville.....	1					1				
Bowman.....	1	1								
Canon.....	2			1	1					
Carlton.....	2					1		1		

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Georgia—Continued.</b>										
<b>District No. 8—Continued.</b>										
Carnesville.....	1				1					
Colbert.....	1						1			
Comer.....	1						1			
Elberton.....	2						2			
Godfrey.....	1	1								
Greensboro.....	1					1				
Hartwell.....	1						1			
Lavonia.....	1						1			
Loganville.....	2					1				1
Madison.....	1		1							
Royston.....	1						1			
Social Circle.....	1			1						
Washington.....	1					1				
White Plains.....	1					1				
<b>District No. 9.....</b>	<b>41</b>	<b>8</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>11</b>	<b>3</b>		<b>4</b>
Alpharetta.....	1						1			
Ball Ground.....	1						1			
Blue Ridge.....	1									1
Canton.....	1						1			
Clarksville.....	1						1			
Cleveland.....	1							1		
Commerce.....	1						1			
Cornelia.....	1						1			
Covington.....	1					1				
Crawford.....	1			1						
Cumming.....	2	1	1							
Dacula.....	1	1								
Dawsonville.....	1	1								
Duluth.....	1				1					
Eatonton.....	4	2	1							1
Flowery Branch.....	1				1					
Grayson.....	1				1					
Hiawassee.....	1						1			
Homer.....	1							1		
Lawrenceville.....	1			1						
Lexington.....	2					1	1			
Lula.....	1						1			
Mansfield.....	3	1	1							1
Maxeys.....	2					1				1
McCaysville.....	1	1								
Newborn.....	2	1			1					
Norcross.....	1			1						
Statham.....	1					1				
Watkinsville.....	1						1			
Winder.....	1				1					
Wrens.....	2						1	1		
<b>District No. 10.....</b>	<b>22</b>	<b>5</b>			<b>2</b>	<b>3</b>	<b>5</b>		<b>1</b>	<b>6</b>
Augusta.....	1	1								
Avera.....	1									1
Bartow.....	2						1			1
Davidson.....	1									1
Gordon.....	4	2					1		1	
Harrison.....	1									1
Louisville.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Georgia—Contd.</b>										
<b>District No. 10—Contd.</b>										
Sandersville.....	2					1				1
Sparta.....	2	1			1					
Stapleton.....	1						1			
Tennille.....	1						1			
Thomson.....	1					1				
Wadley.....	1	1								
Warrenton.....	1					1				
Warthen.....	2				1					1
District No. 11.....	19	6		1	2	1	3		5	1
Adel.....	3					1			2	
Alapha.....	1						1			
Alma.....	2						1			1
Ambrose.....	1	1								
Blackshear.....	1	1								
Douglas.....	1	1								
Hahira.....	2								2	
Hazlehearst.....	1						1			
Milltown.....	1	1								
Naylor.....	1								1	
Nicholls.....	2	1		1						
Ocilla.....	1	1								
Pearson.....	1				1					
Valdosta.....	1				1					
District No. 12.....	36	7	3	1	4	3	11		5	2
Abbeville.....	1						1			
Adrian.....	1					1				
Alamo.....	2	1	1							
Alston.....	1	1								
Byron.....	1								1	
Cadwell.....	1								1	
Chauncey.....	1						1			
Chester.....	1						1			
Cochran.....	1						1			
Danville.....	1						1			
Dublin.....	2					1			1	
Eastman.....	3	1	1							1
Fort Valley.....	2				1				1	
Glenwood.....	1									1
Hawkinsville.....	1	1								
Helena.....	1				1					
Jeffersonville.....	1						1			
Kite.....	1						1			
Lovett.....	1				1					
Lumber City.....	1					1				
Norristown.....	1	1								
Pineview.....	1						1			
Rochelle.....	1						1			
Rockledge.....	1		1							
Scott.....	1			1						
Soperton.....	2						1		1	
Stillmore.....	2	1			1					
Swainsboro.....	1	1								
Wrightsville.....	1						1			



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Hawaii</b> .....	<b>1</b>		<b>1</b>							
<b>Idaho</b> .....	<b>72</b>	<b>23</b>	<b>8</b>	<b>10</b>	<b>7</b>	<b>8</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>3</b>
District No. 1.....	27	8	2	3	2	2	3	4		3
Bonnors Ferry.....	1						1			
Caldwell.....	1					1				
Cambridge.....	1							1		
Coeur d'Alene.....	1									1
Council.....	1						1			
Fruitland.....	1		1							
Horse Shoe Bend.....	1									1
Jerome.....	1			1						
Kamiah.....	1	1								
Kooskia.....	1	1								
Leadore.....	1					1				
May.....	1	1								
Middleton.....	1							1		
Midvale.....	1			1						
Nampa.....	2			1				1		
New Plymouth.....	1							1		
Nezperce.....	1	1								
Orofino.....	1	1								
Payette.....	1		1							
Peck.....	1	1								
Salmon.....	1									1
Stites.....	1	1								
Weiser.....	2				2					
Wilder.....	2	1					1			
District No. 2.....	45	15	6	7	5	6	1	3	2	
American Falls.....	1			1						
Ashton.....	2								2	
Bellevue.....	1	1								
Blackfoot.....	1			1						
Bliss.....	1		1							
Boise.....	1	1								
Bruneau.....	1	1								
Buhl.....	2	1				1				
Burley.....	4	4								
Carey.....	1				1					
Declo.....	1	1								
Dubois.....	1							1		
Eden.....	1			1						
Gooding.....	1					1				
Halley.....	1	1								
Hansen.....	1		1							
Heyburn.....	1		1							
Homedale.....	1							1		
Idaho Falls.....	1	1								
Meridian.....	1							1		
Montpelier.....	2				1	1				
Mountain Home.....	1	1								
Murtaugh.....	1		1							

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Idaho—Continued.</b>										
<b>District No. 2—Continued.</b>										
Oakley.....	1						1			
Paul.....	1			1						
Pocatello.....	1	1								
Rexburg.....	2				1	1				
Rigby.....	2	1				1				
Ririe.....	1				1					
Rockland.....	1			1						
Rupert.....	3		1	2						
Shelley.....	1					1				
St. Anthony.....	2		1		1					
Wendell.....	1	1								
<b>Illinois.....</b>	<b>138</b>	<b>10</b>	<b>4</b>	<b>5</b>	<b>14</b>	<b>8</b>	<b>20</b>	<b>29</b>	<b>14</b>	<b>34</b>
<b>District No. 6.....</b>										
Chicago.....	11	2	1	3	1					4
Franklin Park.....	1		1							
Oak Park.....	1									1
<b>District No. 10—Waukegan.....</b>										
	1						1			
<b>District No. 11.....</b>										
Aurora.....	1							1		
Downers Grove.....	1								1	
Marengo.....	1									1
McHenry.....	1									1
<b>District No. 12.....</b>										
Genoa.....	2									2
Oswego.....	1								1	
Rutland.....	1							1		
Winnebago.....	1								1	
<b>District No. 13.....</b>										
Davis.....	1								1	
Dixon.....	1									1
Fenton.....	1						1			
Hanover.....	1	1								
Lyndon.....	1		1							
Prophetstown.....	1	1								
Stockton.....	1								1	
<b>District No. 14.....</b>										
Aledo.....	1								1	
Augusta.....	1									1
Bardolph.....	1	1								
Biggesville.....	1						1			
East Moline.....	2				1	1				
Gladstone.....	1						1			
Matherville.....	1					1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Illinois—Continued.</b>										
<b>District No. 14—Continued.</b>										
Rock Island.....	1							1		
Sherrard.....	1				1					
Stronghurst.....	1						1			
Viola.....	1								1	
District No. 15.....	8	2						4		2
Abingdon.....	1									1
Annawan.....	2	1						1		
Astoria.....	1								1	
Geneseo.....	1	1								
Hooppole.....	1							1		
Kewanee.....	1							1		
Maquon.....	1									1
District No. 17.....	13			1	3	1	3	4		1
Arlington.....	1							1		
Buda.....	1								1	
Chenoa.....	1					1				
Colfax.....	1			1						
East Peoria.....	1				1					
Fairbury.....	1							1		
Guthrie.....	1						1			
Le Roy.....	1				1					
Magnolia.....	1							1		
McLean.....	1				1					
Meadows.....	1						1			
Princeville.....	1									1
Toluca.....	1						1			
District No. 18.....	5					2			1	2
Chebanse.....	1									1
Grant Park.....	1								1	
Kankakee.....	1									1
Momence.....	1					1				
Neoga.....	1					1				
District No. 19.....	25	2		1	3	1	7	5	5	1
Allenville.....	1				1					
Arcola.....	2	1						1		
Blue Mound.....	1						1			
Champaign.....	1							1		
Cisco.....	1							1		
Cowden.....	1						1			
Decatur.....	1					1				
Deland.....	1				1					
Fisher.....	1							1		
Foosland.....	1						1			
Hindsboro.....	1						1			
Lakewood.....	1						1			
La Place.....	1								1	
Mansfield.....	1							1		
Mattoon.....	2				1		1			
Moweaqua.....	1								1	

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Illinois—Continued.</b>										
<b>District No. 19—Continued.</b>										
Rantoul.....	1			1						
Sadorus.....	1						1			
Shelbyville.....	2								2	
Stewardson.....	1								1	
Sullivan.....	1	1								
Urbana.....	1									1
<b>District No. 20.....</b>	<b>8</b>				2		1	3		2
Bath.....	1						1			
Greenview.....	1							1		
Griggsville.....	1									1
Havana.....	1				1					
Kilbourne.....	1				1					
Jerseyville.....	1							1		
New Canton.....	1									1
New Salem.....	1							1		
<b>District No. 21.....</b>	<b>13</b>				1		1	3	1	7
Bulpitt.....	1									1
Edinbury.....	2									2
Farmerville.....	1							1		
Mt. Auburn.....	1				1					
Springfield.....	2							2		
Stonington.....	1								1	
Taylorville.....	3									3
Tamaroa.....	1						1			
Thomasville.....	1									1
<b>District No. 22.....</b>	<b>5</b>		1		1			1		2
Alhambra.....	1							1		
East St. Louis.....	1				1					
Troy.....	1									1
Venus.....	1									1
Woodriver.....	1		1							
<b>District No. 23.....</b>	<b>3</b>				1			1		1
Divide.....	1									1
Hunt.....	1				1					
Walnut Hill.....	1							1		
<b>District No. 24.....</b>	<b>10</b>	1				1	2	3		3
Bible Grove.....	2					1	1			
Dahlgren.....	1									1
Eldorado.....	1						1			
Galatea.....	1							1		
Harco.....	1							1		
New Haven.....	1									1
West End.....	1							1		
West Salem.....	1									1
Xenia.....	1	1								

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Illinois—Continued.</b>										
District No. 25.....	6					1	1	2		2
Benton.....	2							1		1
Logan.....	1					1				
Mankanda.....	1						1			
Royalton.....	1							1		
Sesser.....	1									1
<b>Indiana.....</b>	<b>115</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>10</b>	<b>7</b>	<b>25</b>	<b>24</b>	<b>24</b>
District No. 1.....	3	1							2	
Dale.....	1								1	
Fort Branch.....	1								1	
Newburgh.....	1	1								
District No. 2.....	13	1			1		1		5	5
Bloomfield.....	1						1			
Brooklyn.....	1								1	
Farmersburg.....	1									1
Hymera.....	1									1
Jasonville.....	1									1
Merom.....	1								1	
Monroe City.....	1								1	
Shelburn.....	1									1
Sullivan.....	2	1							1	
Vincennes.....	2				1				1	
Spencer.....	1									1
District No. 3.....	4		3							1
Corydon.....	2		2							
Elizabeth.....	1		1							
Huntingburg.....	1									1
District No. 4.....	8		1	3		1			2	1
Burney.....	2		1						1	
Crothersville.....	2			2						
Hope.....	2			1						1
Letts.....	1					1				
Scipio.....	1								1	
District No. 5.....	6	1		1			1	1	2	
Bainbridge.....	1							1		
Clinton.....	1								1	
North Salem.....	1			1						
Plainfield.....	1								1	
Stilesville.....	1	1								
Universal.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Indiana—Continued.</b>										
District No. 6.....	3		1						1	1
Gwynneville.....	1								1	
Liberty.....	1									1
Richmond.....	1		1							
District No. 7.....	4	1						1	2	
Action.....	1								1	
Beech Grove.....	1	1								
Indianapolis.....	2							1	1	
District No. 8.....	15		1	2		3	1	2	1	5
Bluffton.....	3							1		2
Dunkirk.....	1		1							
Geneva.....	2					1			1	
Keystone.....	1					1				
Liberty Center.....	1									1
Markleville.....	1							1		
Petroleum.....	1									1
Portland.....	1						1			
Redkey.....	2			2						
Toesin.....	1					1				
Uniondale.....	1									1
District No. 9.....	14					2	1	5	4	2
Arcadia.....	1								1	
Attica.....	1								1	
Colfax.....	1					1				
Darlington.....	1							1		
Delphi.....	1								1	
Flora.....	1							1		
Kirklin.....	1							1		
Kokomo.....	1							1		
Ladoga.....	1							1		
Linnsburg.....	1					1				
Noblesville.....	2						1		1	
Rosston.....	1									1
Whitestown.....	1									1
District No. 10.....	11	2		1		1	1	2	2	2
Ambia.....	1	1								
Gary.....	1	1								
Hobart.....	2					1				1
Kentland.....	1			1						
Kouts.....	1							1		
La Fayette.....	1							1		
Monon.....	1									1
Monticello.....	1						1			
Williamsport.....	1								1	
Wolcott.....	1								1	

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Indiana—Continued.</b>										
District No. 11.....	11				1	2		5	1	2
Bunker Hill.....	1							1		
Galveston.....	1							1		
Hartford City.....	1					1				
Huntington.....	1				1					
La Fontaine.....	1					1				
Matthews.....	1									1
Medaryville.....	1							1		
Montpelier.....	1									1
Onward.....	1							1		
Wabash.....	1							1		
Warren.....	1								1	
District No. 12.....	13	1			1	1	2	6		2
Angola.....	1							1		
Churubusco.....	2						1	1		
Columbia City.....	2							1		1
Corunna.....	1							1		
Fort Wayne.....	1					1				
Grabill.....	1							1		
Hoagland.....	1									1
Huntertown.....	1	1								
Lagrange.....	1							1		
Mongo.....	1						1			
Yoder.....	1				1					
District No. 13.....	10		1		1			3	2	3
Argos.....	1									1
Claypool.....	1								1	
Lakeville.....	1							1		
Milford.....	1				1					
Millersburg.....	1									1
North Liberty.....	1							1		
Sidney.....	1							1		
South Bend.....	2								1	1
Tippecanoe.....	1		1							
<b>Iowa.....</b>	<b>528</b>	<b>24</b>	<b>12</b>	<b>35</b>	<b>83</b>	<b>84</b>	<b>135</b>	<b>70</b>	<b>51</b>	<b>34</b>
District No. 1.....	30	1	1	2	6	1	3	6	9	1
Batavia.....	2					1			1	
Birmingham.....	1								1	
Bonaparte.....	1								1	
Brighton.....	1				1					
Columbus Junction.....	3						1	2		
Douds.....	1								1	
East Pleasant Plains.....	1						1			
Farmington.....	1								1	
Fort Madison.....	1									1
Keosawqua.....	1								1	
Kingston.....	1							1		

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Iowa—Continued.</b>										
<b>District No. 1—Continued.</b>										
Letts.....	1				1					
Lockridge.....	1				1					
Morning Sun.....	1						1			
Mount Pleasant.....	1				1					
Mount Sterling.....	1								1	
Oakville.....	1								1	
Riverside.....	3			2				1		
Rome.....	1	1								
Stockport.....	2		1		1					
Wapello.....	1							1		
Washington.....	1				1					
West Point.....	1								1	
Yarmouth.....	1							1		
<b>District No. 2.....</b>	<b>25</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>2</b>
Bellevue.....	3		2						1	
Charlotte.....	1				1					
Conesville.....	1									1
Davenport.....	1					1				
Grandmound.....	2			1			1			
Iowa City.....	1					1				
Lost Nation.....	1				1					
Low Moor.....	1								1	
Maquoketa.....	1	1								
Marengo.....	3							1	2	
McCausland.....	1			1						
North English.....	1								1	
North Liberty.....	1	1								
Oxford.....	1									1
Parnell.....	1							1		
Preston.....	1						1			
Sabula.....	1							1		
Spragueville.....	1	1								
Swisher.....	1					1				
Victor.....	1								1	
<b>District No. 3.....</b>	<b>40</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>11</b>	<b>5</b>	<b>3</b>	<b>6</b>	<b>5</b>
Aredale.....	1							1		
Aurora.....	1								1	
Cleves.....	1				1					
Dyersville.....	1				1					
Eagle Grove.....	1					1				
Frederika.....	1					1				
Goldfield.....	2						2			
Greene.....	1							1		
Hazleton.....	1					1				
Holy Cross.....	1					1				
Hopkinton.....	2								1	1
Hudson.....	1						1			
Jesup.....	1					1				
Lamont.....	1	1								
Laporte City.....	1								1	
Manchester.....	2				1					1
Masonville.....	1					1				



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Iowa—Continued.</b>										
<b>District No. 3—Continued.</b>										
New Hartford.....	1						1			
New Vienna.....	1					1				
Owasa.....	1		1							
Parkersburg.....	2				1		1			
Peosta.....	1									1
Quasqueton.....	1								1	
Ryan.....	1							1		
Sheffield.....	2		1	1						
Shellrock.....	1					1				
Sherrill.....	1				1					
Stanley.....	1					1				
Sumner.....	1								1	
Tripoli.....	1									1
Union.....	1									1
Waterloo.....	2					2				
Winthrop.....	1								1	
Zwingle.....	1				1					
<b>District No. 4.....</b>	<b>48</b>	<b>2</b>		<b>1</b>	<b>7</b>	<b>13</b>	<b>13</b>	<b>4</b>	<b>4</b>	<b>4</b>
Alta Vista.....	1									1
Arlington.....	1								1	
Bassett.....	1						1			
Cartersville.....	1				1					
Charles City.....	1					1				
Chester.....	2			1	1					
Elma.....	3						2	1		
Fertile.....	1									1
Fredericksburg.....	2						2			
Grafton.....	1	1								
Hawkeye.....	1							1		
Ionia.....	1						1			
Lansing.....	1									1
Manly.....	2					1	1			
Marble Rock.....	1				1					
Mason City.....	3				1	2				
Nashua.....	1							1		
New Albin.....	1								1	
New Hampton.....	4				1	1	2			
Oelwein.....	1						1			
Osage.....	1						1			
Plymouth.....	1					1				
Quadahl.....	1								1	
Riceville.....	1						1			
Rockford.....	2				1					1
Rossville.....	2				1	1				
Strawberry Point.....	1								1	
Swaledale.....	1	1								
Thornton.....	1						1			
Ventura.....	1					1				
Waterville.....	2					2				
Waukon.....	4					3		1		

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Iowa—Continued.</b>										
District No. 5.....	26				3	3	8	8	2	2
Alburnet.....	1							1		
Belle Plaine.....	1							1		
Central City.....	2					1	1			
Chelsea.....	1							1		
Clutier.....	1							1		
Dike.....	1								1	
Fairfax.....	1				1					
Garwin.....	1						1			
Haverhill.....	1				1					
Legrand.....	1							1		
Marshalltown.....	2						1		1	
Newhall.....	1					1				
Norway.....	1							1		
Oxford Junction.....	1									1
Rhodes.....	1						1			
St. Anthony.....	1						1			
Stout.....	1				1					
Tama.....	2						2			
Toledo.....	1						1			
Troy Mills.....	1									1
Vinton.....	1					1				
Walker.....	2							2		
District No. 6.....	27	1			6	6	7	3	1	3
Barnes City.....	1									1
Brooklyn.....	1					1				
Deep River.....	1						1			
Eddyville.....	1					1				
Farson.....	1						1			
Fremont.....	1						1			
Grinnell.....	2				1	1				
Harper.....	1	1								
Hartwick.....	1							1		
Hedrick.....	3					2	1			
Kellogg.....	1					1				
Keswick.....	2				1			1		
Lovilia.....	1						1			
Malcom.....	2				1			1		
Martinsburg.....	1						1			
Montezuma.....	1									1
New Sharon.....	1								1	
Ollie.....	1						1			
Searsboro.....	1				1					
Sigourney.....	1				1					
What Cheer.....	2				1					1
District No. 7.....	36	1	2	2	8	6	10	5	1	1
Bouton.....	2			1		1				
Cambridge.....	1						1			
Collins.....	1				1					
Colo.....	2						1			1
Des Moines.....	7	1			5		1			
De Soto.....	1						1			
Dexter.....	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Iowa—Continued.</b>										
<b>District No. 7—Continued.</b>										
Elkhart.....	1						1			
Indianola.....	1						1			
Knoxville.....	1						1			
Lacona.....	1		1							
Liberty Center.....	1							1		
Linden.....	1					1				
Melcher.....	1		1							
Milo.....	1						1			
Nevada.....	2							2		
Perry.....	3					3				
Pershing.....	1								1	
Pleasantville.....	1					1				
Redfield.....	1				1					
Sheldahl.....	1						1			
St. Marys.....	1							1		
Story City.....	1						1			
Swan.....	1			1						
Tracy.....	1							1		
District No. 8.....	33	1		1	9	7	4	6	3	2
Afton.....	2				1			1		
Allerton.....	2				1	1				
Arispe.....	1							1		
Athelstan.....	1					1				
Bartlett.....	1							1		
Bedford.....	1									1
Braddyville.....	1				1					
Clarinda.....	1						1			
Clearfield.....	1									1
Clio.....	1								1	
Corydon.....	2			1			1			
Creston.....	1				1					
Davis City.....	1	1								
Decatur.....	1						1			
Derby.....	1								1	
Garden Grove.....	1				1					
Hamburg.....	2									
Lamoni.....	1				1					
Leon.....	2				1			1		
Lineville.....	2					1		1		
Moulton.....	1							1		
Oseeola.....	1					1				
Pleasanton.....	1					1				
Sewal.....	1					1				
Shenandoah.....	1						1			
Udell.....	1								1	
Woodburn.....	1					1				
District No. 9.....	41	2	1	10	9	4	8	2	2	3
Adair.....	1						1			
Anita.....	2	1		1						
Atlantic.....	1				1					
Aubon.....	1			1						
Avoca.....	1									1
Bagley.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
Iowa—Continued.										
District No. 9—Continued.										
Bayard	3			1		1	1			
Bridgewater	1				1					
Carson	1							1		
Cumberland	1						1			
Dunlap	1					1				
Elliott	2	1				1				
Glenwood	1						1			
Griswold	1									1
Greenfield	1								1	
Lewis	1				1					
Logan	4			3					1	
Magnolia	1				1					
Malvern	1						1			
Marne	1				6					
Massena	2		1			1				
Menlo	1			1						
Mondamin	1			1						
Neola	1							1		
Panora	1						1			
Red Oak	2				1					1
River Sioux	1				1					
Stuart	2				1		1			
Treynor	1			1						
Walnut	1			1						
Wiota	1				1					
District No. 10	130	2	2	10	16	18	49	17	11	5
Algona	6				1		3	2		
Arion	1							1		
Armstrong	1						1			
Ayrshire	1					1				
Bancroft	3				1		1	1		
Barnum	1									1
Beaver	1			1						
Berkley	2					2				
Blairsburg	1								1	
Bode	1				1					
Boyer	1				1					
Bradgate	1				1					
Britt	2				1	1				
Buckgrove	1								1	
Calmar	1									1
Churdon	1						1			
Clare	1							1		
Coon Rapids	1					1				
Cooper	1					1				
Corwith	1				1					
Curlew	1	1								
Cylinder	1						1			
Dayton	1							1		
Decorah	1				1					
Dedham	2			1		1				
Denison	4				3		1			
Dolliver	2			1			1			
Dow City	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Iowa—Continued.</b>										
<b>District No. 10—Continued.</b>										
Duncombe	1						1			
Emmettsburg	5	1					2	1		1
Estherville	5			1		1	3			
Farlin	1							1		
Farnhamville	1								1	
Fenton	2						2			
Fonda	1								1	
Forest City	2					1			1	
Fort Dodge	1					1				
Garner	1					1				
Gilmore City	1						1			
Graettlinger	1						1			
Gruver	1						1			
Havelock	1							1		
Hayfield	1								1	
Humboldt	2						2			
Huntington	1						1			
Jefferson	5		1	1		2	1			
Kiron	1									1
Klemme	1					1				
Lake Mills	2							2		
Lakota	1						1			
Lehigh	1						1			
Leland	1					1				
Lidderdale	2		1					1		
Lonerock	1						1			
Luther	1						1			
Luverne	1						1			
Mallard	2						1	1		
Manilla	1					1				
Manning	2			2						
Miller	1				1					
Napier	1				1					
Otho	1					1				
Ottosen	1						1			
Palmer	1								1	
Pocahontas	2						2			
Randall	1						1			
Renwick	2						1	1		
Rinard	1								1	
Ringsted	4			1			2		1	
Rippey	1						1			
Rodman	1						1			
Rolfe	1								1	
Ruthven	2						1			1
Schleswig	1						1			
Swea City	4						2	2		
Thompson	1						1			
Vail	2				1			1		
Webster City	2						2			
Wesley	1								1	
West Bend	2				1		1			
Westside	2			2						
Whittimore	2						2			
Yetter	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Iowa—Continued.</b>										
District No. 11.....	92	10	2	6	11	12	26	13	6	6
Alta.....	2						2			
Alton.....	1					1				
Alvord.....	1						1			
Anthon.....	2									2
Arthur.....	2				2					
Ashton.....	1					1				
Auburn.....	1							1		
Battle Creek.....	1				1					
Brunsville.....	1									1
Castana.....	1				1					
Cherokee.....	1		1							
Danbury.....	1				1					
Doon.....	1								1	
Early.....	1							1		
Everly.....	1						1			
Fostoria.....	1						1			
George.....	1						1			
Greenville.....	1						1			
Harris.....	3	1			1		1			
Hartley.....	3						1			
Hawarden.....	2							2		
Holstein.....	1								1	
Hospers.....	1							1		
Idagrove.....	1					1				
Inwood.....	1							1		
Ireton.....	1					1				
Kingsley.....	1					1				
Lake Park.....	1				1					
Langdon.....	1						1			
Larrabee.....	1						1			
Lawton.....	1	1								
Le Mars.....	1					1				
Linn Grove.....	1						1			
Little Rock.....	1						1			
Lytton.....	1								1	
Marathon.....	1	1								
Marcus.....	1	1								
Matlock.....	1							1		
Melvin.....	1									1
Merrill.....	1									1
Milford.....	2	1					1			
Moneta.....	1						1			
Montgomery.....	1						1			
Nemaha.....	1					1				
Odebolt.....	2					1		1		
Onawa.....	1	1								
Oto.....	2	1								1
Paullina.....	1						1			
Pierson.....	2					1			1	
Quimby.....	1			1						
Rock Rapids.....	1				1					
Royal.....	1						1			
Sac City.....	3					2			1	
Sanborn.....	1				1					
Sheldon.....	1							1		

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Iowa—Continued.</b>										
<b>District No 11—Continued.</b>										
Sibley.....	1		1							
Sioux City.....	5	2		1	1	1				
Sioux Rapids.....	1						1			
Smithland.....	1			1						
Spencer.....	3						2	1		
Spirit Lake.....	1						1			
Superior.....	2			1				1		
Sutherland.....	1			1						
Terril.....	2						2			
Ulmer.....	1	1								
Ute.....	2						1		1	
Washta.....	1				1					
Webb.....	1						1			
Westfield.....	1			1						
<b>Kansas.....</b>	<b>223</b>	<b>14</b>	<b>20</b>	<b>34</b>	<b>16</b>	<b>19</b>	<b>46</b>	<b>36</b>	<b>26</b>	<b>12</b>
<b>District No. 1.....</b>	<b>15</b>	<b>1</b>	<b>2</b>			<b>1</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>2</b>
Arrington.....	1		1							
Cummings.....	2	1							1	
Holton.....	1							1		
Lansing.....	1						1			
Leavenworth.....	1		1							
Linnwood.....	1						1			
Oneida.....	1									1
Powhattan.....	1									1
Rossville.....	1							1		
Sebetha.....	1								1	
Seneca.....	1								1	
Tonganoxie.....	1					1				
Topeka.....	1						1			
Wetmore.....	1						1			
<b>District No. 2.....</b>	<b>26</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>2</b>
Blue Mound.....	1					1				
Centropolis.....	1									1
Colony.....	1						1			
Eudora.....	1			1						
Fort Scott.....	1							1		
Garnett.....	2				1			1		
Kansas City.....	6	1			1		2	1	1	
La Cygne.....	1									1
Lane.....	1			1						
Lawrence.....	1								1	
Le Loup.....	1	1								
Moran.....	1				1					
Olathe.....	1						1			
Osawatomie.....	3		1	1		1				
Rantoul.....	1						1			
Spring Hill.....	2	1						1		
Zarah.....	1							1		

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Kansas—Continued.</b>										
District No. 3.....	40	2	4	6	3		13	10	1	1
Altamont.....	1							1		
Altoona.....	1						1			
Angola.....	1							1		
Arkansas City.....	1		1							
Arma.....	1							1		
Bartlett.....	1			1						
Chanute.....	1						1			
Chautauqua.....	1			1						
Cherokee.....	1							1		
Cherryvale.....	1			1						
Chetopa.....	1		1							
Coffeyville.....	2	1						1		
Dennis.....	1						1			
Earleton.....	1						1			
Elgin.....	1			1						
Elk Falls.....	1						1			
Farlington.....	1				1					
Frontenac.....	1						1			
Girard.....	1									1
Hallowell.....	1			1						
Havana.....	1			1						
Hewins.....	1						1			
Kimbal.....	1						1			
Labette.....	1		1							
Longton.....	1								1	
McCune.....	1	1								
Moline.....	1						1			
Mound Valley.....	2							2		
Mulberry.....	2						1	1		
New Albany.....	1						1			
Opolis.....	1							1		
Oswego.....	2		1		1					
Parsons.....	1				1					
Pittsburg.....	1							1		
Thayer.....	1						1			
Valeda.....	1						1			
District No. 4.....	31		2	5	4	4	5	4	5	2
Belvue.....	1					1				
Burlingame.....	2		1	1						
Burlington.....	2				1			1		
Burns.....	1							1		
Cottonwood Falls.....	1								1	
Council Grove.....	1							1		
Delavan.....	1									1
Dunlap.....	1					1				
Dwight.....	1				1					
Emmett.....	1						1			
Florence.....	1				1					
Gridley.....	1			1						
Halls Summit.....	1			1						
Hartford.....	1								1	
Harveyville.....	1					1				
Lebo.....	1				1					



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Kansas—Continued.</b>										
<b>District No. 4—Continued.</b>										
Lehigh.....	1							1		
Lyndon.....	1								1	
Madison.....	1									1
Neosho Rapids.....	1								1	
Olivet.....	1			1						
Quenemo.....	1		1							
Scranton.....	1					1				
Severy.....	1								1	
Vernon.....	1			1						
Wamego.....	1						1			
Waverly.....	1						1			
Westmoreland.....	2						2			
<b>District No. 5.....</b>	<b>17</b>	<b>3</b>	<b>3</b>	<b>1</b>		<b>3</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>
Ada.....	1							1		
Assaria.....	1	1								
Barnes.....	1					1				
Clifton.....	1						1			
Haddam.....	1					1				
Hanover.....	1		1							
Hope.....	2		1			1				
Manhattan.....	2	1							1	
Minneapolis.....	1									1
New Cambria.....	1							1		
Salina.....	1	1								
Summerfield.....	1							1		
Washington.....	1		1							
Wells.....	1			1						
Winfred.....	1						1			
<b>District No. 6.....</b>	<b>42</b>	<b>1</b>		<b>7</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>3</b>	<b>13</b>	<b>1</b>
Atwood.....	1								1	
Beloit.....	1			1						
Bird City.....	2			1					1	
Cedar.....	2			1		1				
Covert.....	1								1	
Damar.....	1						1			
Ellsworth.....	1						1			
Esbon.....	1						1			
Gove.....	1									1
Hays.....	1						1			
Kanona.....	1						1			
Kanopolis.....	1					1				
Kanorado.....	1	1								
Kensington.....	1								1	
Kirwin.....	2			1			1			
Lovewell.....	1							1		
Ludell.....	1								1	
Marysville.....	1				1					
McDonald.....	2			1					1	
Osborne.....	1								1	
Otego.....	1						1			
Phillipsburg.....	2								2	

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Kansas—Continued.</b>										
<b>District No. 6—Continued.</b>										
Plainville	2						1		1	
Quinter	1							1		
Randall	1						1			
Scottville	1			1						
Smith Center	1			1						
Stockton	2						1	1		
Tipton	1								1	
Walker	1						1			
Webster	1						1			
Wheeler	1								1	
Wilson	1					1				
Woodston	1						1			
Zurich	1								1	
<b>District No. 7</b>	<b>33</b>	<b>2</b>	<b>5</b>	<b>9</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>8</b>		<b>2</b>
Adams	1			1						
Anthony	1							1		
Belmont	1		1							
Belpre	1			1						
Bloom	1			1						
Claffin	1									1
Cunningham	3		1	1		1				
Elkhart	1							1		
Englevale	1							1		
Ford	1									1
Garden City	1				1					
Geneseo	1					1				
Greensburg	1			1						
Harper	1		1							
Horace	1							1		
Hutchinson	1			1						
Kingman	2				1			1		
Lake City	1	1								
Langdon	1			1						
Larned	1		1							
McCracken	1							1		
Minneola	1			1						
Partridge	1						1			
Pawnee Rock	1	1								
Pierceville	1							1		
Runnymede	1		1							
Saxman	1						1			
Tribune	1							1		
Wright	1			1						
Zenda	1					1				
<b>District No. 8</b>	<b>19</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>
Andale	1		1							
Argonia	1			1						
Belle Plaine	1					1				
Caldwell	1								1	
Clearwater	1							1		
Eldorado	2			1	1					
Geuda Springs	1		1							
Goddard	1					1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Kansas—Continued.</b>										
District No. 8—Continued.										
Groveland.....	1				1					
Mulvane.....	1						1			
Newton.....	1									1
Peck.....	1					1				
Riverdale.....	1				1					
Viola.....	1	1								
White Water.....	1	1								
Wichita.....	3		1	1			1			
<b>Kentucky</b>										
District No. 1.....	5	1		2					1	1
Hickman.....	1									1
Loveland.....	1								1	
Moscow.....	1	1								
Paducah.....	1			1						
Tolu.....	1			1						
District No. 2.....	3					1	1	1		
Calhoun.....	1						1			
Henderson.....	1							1		
White Plains.....	1					1				
District No. 3—Morgan- town.....	1								1	
District No. 4.....	7				2	1	4			
Elk Horn.....	1					1				
Glendale.....	1				1					
Hardysville.....	1				1					
Hartford.....	1						1			
Horse Cave.....	1						1			
Lebanon Junction.....	1						1			
Rockport.....	1						1			
District No. 7.....	2				2					
Stamping Ground.....	1				1					
Sulphur.....	1				1					
District No. 8.....	10	2	2		1	1	1	2		1
Bryantsville.....	1					1				
Casey Creek.....	1				1					
Cornishville.....	1							1		
Cropper.....	1	1								
Junction City.....	1		1							
Perryville.....	1		1							
Salvisa.....	1	1								
Shelbyville.....	1							1		
Taylorville.....	1									1
Wilmore.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Kentucky—Contd.</b>										
District No. 9.....	8				1	2		4	1	
Boyd.....	1					1				
Brooksville.....	1				1					
Greenup.....	1							1		
Maysville.....	1							1		
Milford.....	1							1		
Morehead.....	1								1	
Sandy Hook.....	1					1				
Sunrise.....	1							1		
District No. 10.....	5					1			4	
Blackey.....	1								1	
Bond.....	1					1				
Hazard.....	1								1	
Himlerville.....	1								1	
Lothair.....	1								1	
District No. 11.....	2					1	1			
Evarts.....	1					1				
Fountain Run.....	1			1						
<b>Louisiana.....</b>										
	<b>34</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>4</b>	<b>2</b>	
District No. 2.....	3			2					1	
Edgard.....	1			1						
Gretna.....	1								1	
Hahnville.....	1			1						
District No. 3.....	6				1		4	1		
Abbeville.....	1						1			
Delcambre.....	1				1					
Franklin.....	1						1			
Houma.....	1							1		
Jeanerette.....	1						1			
Lockport.....	1						1			
District No. 4.....	4	1		1		1			1	
Cotton Valley.....	1					1				
Mooringsport.....	1								1	
Plain Dealing.....	1	1								
Sibley.....	1			1						
District No. 5.....	6	2	3				1			
Monroe.....	1		1							
Newellton.....	1	1								
Oak Grove.....	1		1							
Rayville.....	1						1			
Simsboro.....	1		1							
Water Proof.....	1	1								

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Louisiana—Contd.</b>										
District No. 6.....	4						1	3		
Lottie.....	1							1		
Morganza.....	1							1		
New Roads.....	1						1			
White Castle.....	1							1		
District No. 7.....	6	2			1	2	1			
Crowley.....	1						1			
De Ridder.....	1	1								
Eunice.....	2	1				1				
Iota.....	1				1					
Oakdale.....	1					1				
District No. 8.....	5	2	1	1			1			
Dodson.....	1		1							
Florien.....	1			1						
Leesville.....	1	1								
Marthaville.....	1	1								
Sikes.....	1						1			
<b>Maine.....</b>										
District No. 2—Wiscosset.....	1			1						
District No. 3—Belfast.....	2		1					1		
<b>Maryland.....</b>										
District No. 1.....	11	5	2			2			1	1
District No. 1.....	2	1	1							
Elkton.....	1		1							
Whitehaven.....	1	1								
District No. 2—Union Bridge.....	1		1							
District No. 5—Seat Pleas- ant.....	2	1								1
District No. 6.....	2	1					1			
Emmitsburg.....	1	1								
Hagerstown.....	1					1				
Baltimore.....	4	2				1			1	
<b>Massachusetts.....</b>										
District No. 11—Boston.....	6	5		1						
District No. 13—Warren.....	5	5								
District No. 13—Warren.....	1			1						

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Michigan</b> .....	<b>66</b>	<b>8</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>23</b>	<b>7</b>		<b>9</b>
District No. 2.....	3	1								2
Britton.....	1									1
Tecumseh.....	1									1
Temperance.....	1	1								
District No. 3.....	2					1				1
Grand Ledge.....	1					1				
Tekonsha.....	1									1
District No. 4.....	7	2	1		1		2	1		
Allegan.....	1							1		
Dorr.....	1						1			
Edwardsburg.....	1						1			
Hartford.....	1	1								
Jones.....	1	1								
Marcellus.....	1		1							
Vandalia.....	1				1					
District No. 5.....	4	3			1					
Ada.....	1	1								
Elinira.....	1				1					
Grand Rapids.....	2	2								
District No. 6.....	3					1	1			1
Detroit.....	1						1			
Linden.....	1									1
Otisville.....	1					1				
District No. 7.....	19	1	1		1	1	12	3		
Akron.....	1						1			
Almont.....	1	1								
Carsonville.....	1						1			
Clifford.....	1						1			
Decker.....	1							1		
Deckerville.....	1							1		
Fairgrove.....	1						1	1		
Gilford.....	1						1			
Jeddo.....	1					1				
Lum.....	1				1					
Millington.....	1						1			
Melvin.....	1						1			
New Baltimore.....	1		1							
Otter Lake.....	1						1			
Reese.....	1						1			
Richville.....	1						1			
Shabbona.....	1							1		
Silverwood.....	1						1			
Watrousville.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Minnesota—Contd.</b>										
<b>District No. 2—Continued.</b>										
Searles.....	1				1					
Slayton.....	1						1			
Sleepy Eye.....	1						1			
Steen.....	1					1				
St. James.....	1						1			
Storden.....	2		1				1			
Triumph.....	1				1					
Troskey.....	1								1	
Tyler.....	1								1	
Verdi.....	1				1					
Vernon Center.....	1								1	
Wabasso.....	1						1			
Walnut Grove.....	1				1					
Walters.....	1				1					
Wells.....	2			1	1					
Wilmont.....	1				1					
Windom.....	2	1						1		
Winnebago.....	1							1		
Worthington.....	1				1					
<b>District No. 3.....</b>	<b>17</b>	<b>1</b>	<b>1</b>		<b>4</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>4</b>
Afton.....	1								1	
Cannon Falls.....	1					1				
Elko.....	1									1
Faribault.....	1									1
Farmington.....	1						1			
Gibbon.....	1	1								
Hampton.....	1						1			
Hastings.....	1				1					
Lester Prairie.....	1				1					
Morristown.....	1								1	
New Germany.....	1					1				
North Mankato.....	1							1		
Pine Island.....	1				1					
Shakopee.....	1		1							
St. Peter.....	1				1					
Wanamingo.....	1									1
Winsted.....	1									1
<b>District No. 4—St. Paul.....</b>	<b>6</b>				<b>1</b>		<b>3</b>	<b>1</b>		<b>1</b>
<b>District No. 6.....</b>	<b>52</b>		<b>1</b>	<b>10</b>	<b>5</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>4</b>	<b>2</b>
Alexandria.....	4		1	1		1	1			
Becker.....	1					1				
Big Lake.....	1					1				
Brainerd.....	1				1					
Brooten.....	2			1			1			
Cass Lake.....	1				1					
Clarissa.....	1					1				
Clear Lake.....	1						1			
Crosby.....	1							1		
Eagle Bend.....	1						1			
Evansville.....	1						1			
Fairhaven.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Minnesota—Contd.</b>										
<b>District No. 6—Contd.</b>										
Genola.....	2					1			1	
Georgeville.....	1								1	
Grey Eagle.....	2			1				1		
Hackensack.....	1					1				
Hillman.....	1							1		
Holdingsford.....	1							1		
Holmes City.....	1							1		
Ironton.....	1						1			
Jenkins.....	1							1		
Little Sauk.....	1					1				
Long Prairie.....	1							1		
Meire Grove.....	1			1						
Melrose.....	2			1				1		
Millerville.....	1							1		
Nelson.....	1							1		
New Munich.....	1			1						
Osakis.....	1						1			
Park Rapids.....	1			1						
Pierz.....	1				1					
Pine River.....	1									1
Rice.....	1								1	
Richmond.....	1						1			
Royalton.....	1						1			
Sauk Rapids.....	1								1	
Sebeka.....	1			1						
Solway.....	1				1					
Spooner.....	1							1		
St. Cloud.....	2				1	1				
St. Joseph.....	1					1				
St. Martin.....	1			1						
Verndale.....	1			1						
West Union.....	1									1
<b>District No. 7.....</b>	<b>65</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>21</b>	<b>11</b>	<b>5</b>	<b>9</b>
Alberta.....	1									1
Appleton.....	2	1					1			
Ashby.....	1			1						
Atwater.....	1					1				
Balaton.....	1				1					
Beardsley.....	2							1		1
Bellingham.....	3			1			1		1	
Benson.....	3						1			2
Bird Island.....	1							1		
Boyd.....	2				1				1	
Buffalo Lake.....	1							1		
Chokio.....	1	1								
Clinton.....	1							1		
Correll.....	1	1								
Cyrus.....	1							1		
Danvers.....	1	1								
Dassel.....	1						1			
Dawson.....	1						1			
Dumont.....	1								1	
Glenwood.....	2					1	1			
Graceville.....	1						1			
Grove City.....	1									1
Hawick.....	1						1			



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Michigan—Contd.</b>										
District No. 8.....	6	1	2	1	1					1
Belding.....	1		1							
Northstar.....	1	1								
Oakley.....	1					1				
Orleans.....	1									1
Saranac.....	1			1						
Trufant.....	1		1							
District No. 9.....	4				1	1	2			
Manistee.....	1					1				
Ravena.....	1				1					
Thompsonville.....	1						1			
White Cloud.....	1						1			
District No. 10.....	12			1	2		5	1		3
Bay City.....	1							1		
East Tawas.....	1						1			
Ewart.....	2			1	1					
Hale.....	1						1			
Midland.....	1									1
Munger.....	1						1			
Reed City.....	1									1
Sanford.....	1				1					
Tawas City.....	1						1			
Tustin.....	1									1
West Branch.....	1						1			
District No. 11.....	4				1		1	1		1
Alba.....	1									1
Lachine.....	1							1		
Mackinaw.....	1						1			
Vanderbilt.....	1				1					
District No. 12.....	2			1				1		
Baraga.....	1			1						
Iron Mountain.....	1							1		
<b>Minnesota.....</b>	<b>411</b>	<b>13</b>	<b>14</b>	<b>45</b>	<b>55</b>	<b>50</b>	<b>92</b>	<b>65</b>	<b>46</b>	<b>31</b>
District No. 1.....	28	2		3	4	2	8	3	1	5
Albert Lee.....	2							1		1
Alden.....	1					1				
Austin.....	1								1	
Brandon.....	2						2			
Brownsvalley.....	1									1
Claremont.....	1				1					
Conger.....	1				1					
Dexter.....	1						1			
Dodge Center.....	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Minnesota—Contd.</b>										
<b>District No. 1—Continued.</b>										
Douglas.....	1	1								
Emmons.....	1									1
Glenville.....	1							1		
Hartland.....	1									1
Matawan.....	1							1		
Minneiska.....	1						1			
Oronoco.....	1			1						
Owatonna.....	1						1			
Plainview.....	1					1				
Rochester.....	1	1								
Sargeant.....	1						1			
Simpson.....	1			1						
Spring Valley.....	2			1						1
Taopi.....	1						1			
Weaver.....	1				1					
West Concord.....	1						1			
<b>District No. 2.....</b>	<b>66</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>14</b>	<b>6</b>	<b>14</b>	<b>14</b>	<b>10</b>	
Adrian.....	1						1			
Alpha.....	1								1	
Amboy.....	1				1					
Arco.....	1								1	
Avoca.....	1								1	
Beaver Creek.....	1				1					
Belview.....	1						1			
Brewster.....	1							1		
Butterfield.....	1							1		
Chandler.....	1							1		
Cobden.....	1							1		
Currie.....	1								1	
Dovray.....	1						1			
East Chain Lakes.....	1			1						
Foxlake.....	1			1						
Fulda.....	1						1			
Good Thunder.....	2			1					1	
Granada.....	2						1	1		
Guckeen.....	1						1			
Hatfield.....	1							1		
Heron Lake.....	1								1	
Hills.....	1							1		
Holland.....	1	1								
Iona.....	1							1		
Jasper.....	2					2				
Lake Wilson.....	2	1			1					
Lamberton.....	2				1			1		
Lismore.....	1						1			
Luyerne.....	2					1	1			
Mapleton.....	1							1		
Minnesota Lake.....	1				1					
Monterey.....	1								1	
New Ulm.....	1				1					
North Redwood.....	1							1		
Pemberton.....	1							1		
Redwood Falls.....	2					1	1			
Ruthton.....	1					1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Minnesota—Contd.</b>										
<b>District No. 7—Contd.</b>										
Herman.....	1							1		
Hoffman.....	1							1		
Holloway.....	1							1		
Kandiyohi.....	1					1				
Litchfield.....	2		1						1	
Louisburg.....	1									1
Lynd.....	1							1		
Marietta.....	3	1			1		1			
Montevideo.....	5				2		1	2		
Morris.....	1									1
Morton.....	2					1	1			
Murdoek.....	1									1
New London.....	1								1	
Odessa.....	1							1		
Olivia.....	2						1	1		
Ortonville.....	2						2			
Renville.....	1					1				
Spicer.....	1									1
Swift Falls.....	1						1			
Tintah.....	1						1			
Villard.....	2						1	1		
Watson.....	1						1			
Willmar.....	1			1						
District No. 8.....	14	1		1	2	1	4	2	2	1
Biwabik.....	1							1		
Brookston.....	1						1			
Cloquet.....	2						2			
Cromwell.....	1								1	
Deer River.....	1				1					
Duluth.....	1						1			
Grand Rapids.....	1				1					
Meadowlands.....	1			1						
Moose Lake.....	1					1				
Mountain Iron.....	1	1								
Northome.....	1									1
Ranier.....	1								1	
Virginia.....	1							1		
District No. 9.....	115		4	16	14	17	22	16	19	7
Ada.....	2						1		1	
Alvarado.....	3		1			1			1	
Argyle.....	2		1					1		
Badger.....	1		1							
Bagley.....	1						1			
Barnesville.....	2				1					1
Bejou.....	1			1						
Bronson.....	1								1	
Callaway.....	1						1			
Clearbrook.....	1						1			
Climax.....	1				1					
Comstock.....	1								1	
Crookston.....	3				1			2		
Dale.....	1						1			
Deer Creek.....	1					1				
Detroit.....	3					1	2			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Minnesota—Contd.</b>										
<b>District No. 9—Contd.</b>										
Dilworth	1								1	
Donaldson	1						1			
East Grand Forks	2							1		1
Eldred	1								1	
Elizabeth	1								1	
Erskine	2								1	1
Felton	1								1	
Fergus Falls	1							1		
Fertile	1								1	
Fisher	1								1	
Frazee	1					1				
Gatzke	1							1		
Georgetown	1									1
Glyndon	1								1	
Gonvick	2						1	1		
Goodridge	1						1			
Greenbush	3			1		1		1		
Grygla	1					1				
Hallock	1					1				
Halstad	1								1	
Hawley	1									1
Hazel	2				1		1			
Hendrum	1				1					
Hitterdal	1							1		
Holt	1		1							
Kalstad	2			1					1	
Kennedy	2			1				1		
Lake Park	2					1	1			
Lancaster	3			1	1				1	
Lawndale	1						1			
Leonard	1					1				
Mahnomen	3			1			1	1		
Mavie	1					1				
Mentor	1								1	
Middle River	3			1		1	1			
Moorehead	2			1					1	
Newfolden	1							1		
New York Mills	2				1		1			
Nielsville	1								1	
Novithcote	1			1						
Oklee	1									1
Orleans	1			1						
Oslo	2			1				1		
Parkers Prairie	1			1						
Pelican Rapids	1						1			
Perley	1									1
Plummer	1						1			
Red Lake Falls	3			1	1			1		
Richville	1						1			
Roseau	1						1			
Rosewood	1				1					
Rothsay	1			1						
Stephen	1					1				
St. Hilaire	1							1		
Standquist	1			1						
Strathcona	1					1				
St. Vincent	1			1						
Tabor	1							1		

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Minnesota—Contd.</b>										
<b>District No. 9—Contd.</b>										
Tenney.....	1								1	
Thief River Falls.....	2				1	1				
Trail.....	1				1					
Twin Valley.....	1				1					
Ulen.....	2				1	1				
Warren.....	2					2				
Warroad.....	1				1					
Waubun.....	1						1			
Wolverton.....	1						1			
<b>District No. 10.....</b>	<b>48</b>	<b>1</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>3</b>	<b>2</b>
Anoka.....	1					1				
Bock.....	1								1	
Braham.....	1								1	
Buffalo.....	1					1				
Cokato.....	1						1			
Delano.....	1					1				
French Lake.....	1			1						
Hanover.....	1					1				
Hinekley.....	2				1	1				
Lindstrom.....	1				1					
Long Siding.....	1						1			
Maple Lake.....	2				1		1			
Markville.....	2		1							1
Milaca.....	1	1								
Minneapolis.....	12		4	3			3	2		
Monticello.....	1							1		
Montrose.....	1							1		
North Branch.....	1						1			
Ogilvie.....	2			1				1		
Pease.....	1				1					
Princeton.....	1					1				
Rockcreek.....	1			1						
Rockford.....	2					1			1	
Rush City.....	1							1		
South Haven.....	1				1					
St. Bonifacius.....	1			1						
Sturgeon Lake.....	1		1							
Sunrise.....	1			1						
Wahkon.....	1						1			
Waverly.....	2				1					1
Willow River.....	1					1				
<b>Mississippi.....</b>	<b>34</b>	<b>5</b>	<b>10</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>1</b>
<b>District No. 1—Baldwin.....</b>	<b>2</b>		<b>1</b>	<b>1</b>						
<b>District No. 2.....</b>	<b>5</b>		<b>2</b>					<b>3</b>		
Coldwater.....	1							1		
Cortland.....	1							1		
Crenshaw.....	1		1							
Enid.....	1							1		
Sumner.....	1		1							

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Mississippi—Contd.</b>										
District No. 3.....	17	4	4	---	1	1	4	1	1	1
Boyle.....	2	1	---	---	---	---	1	---	---	---
Clarksdale.....	2	1	---	---	---	---	1	---	---	---
Drew.....	1	---	1	---	---	---	---	---	---	---
Friar Point.....	1	---	---	---	1	---	---	---	---	---
Greenville.....	1	1	---	---	---	---	---	---	---	---
Gunnison.....	2	---	1	---	---	---	1	---	---	---
Indianola.....	1	---	---	---	---	---	---	---	1	---
Lambert.....	1	---	1	---	---	---	---	---	---	---
Merigold.....	1	---	---	---	---	---	---	1	---	---
Mound Bayon.....	1	---	1	---	---	---	---	---	---	---
Rosedale.....	2	1	---	---	---	---	---	---	---	1
Shaw.....	1	---	---	---	---	1	---	---	---	---
Tunica.....	1	---	---	---	---	---	1	---	---	---
District No. 4.....	6	---	2	---	---	---	1	1	2	---
Ackerman.....	2	---	1	---	---	---	1	---	---	---
Grenada.....	1	---	1	---	---	---	---	---	---	---
Houston.....	1	---	---	---	---	---	---	1	---	---
Okolona.....	1	---	---	---	---	---	---	---	1	---
Zama.....	1	---	---	---	---	---	---	---	1	---
District No. 6—Oak Vale.....	1	---	---	1	---	---	---	---	---	---
District No. 7.....	2	---	1	---	---	---	---	---	1	---
Centreville.....	1	---	1	---	---	---	---	---	---	---
Crystal Springs.....	1	---	---	---	---	---	---	---	1	---
District No. 8—Pelahatchee.....	1	1	---	---	---	---	---	---	---	---
<b>Missouri</b>										
District No. 1.....	33	2	1	3	4	3	4	4	8	4
Alexandria.....	1	---	---	1	---	---	---	---	---	---
Arbela.....	1	---	---	---	---	---	---	---	1	---
Baring.....	1	---	---	---	---	---	---	---	1	---
Callao.....	1	---	---	---	1	---	---	---	---	---
Canton.....	1	---	---	---	---	1	---	---	---	---
Clarrence.....	1	---	---	---	---	1	---	---	---	---
College Mound.....	1	---	---	---	1	---	---	---	---	---
Gorin.....	2	---	---	---	1	---	---	---	---	1
Granger.....	1	---	---	---	---	---	---	---	---	1
Hunnewell.....	1	---	---	---	---	---	1	---	---	---
Kahoka.....	2	---	1	---	---	---	1	---	---	---
Kirksville.....	2	---	---	1	---	---	---	---	---	1
La Belle.....	1	1	---	---	---	---	---	---	---	---
Lancaster.....	2	---	---	1	---	---	---	1	---	---
Lewistown.....	3	---	---	---	---	---	---	1	2	---
Macon.....	1	---	---	---	---	---	---	1	---	---
Maywood.....	1	---	---	---	---	1	---	---	---	---
Memphis.....	2	---	---	---	---	---	1	---	1	---

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Missouri—Contd.</b>										
<b>District No. 1—Continued.</b>										
Mendota.....	1				1					
Novinger.....	1	1								
Powersville.....	1						1			
Unionville.....	1								1	
Williamstown.....	1							1		
Willmathsville.....	1								1	
Worthington.....	1									1
Wyaconda.....	1									1
District No. 2.....	28	3	1		4	8	4	6	1	1
Bedford.....	1					1				
Brookfield.....	1					1				
Browning.....	1				1					
Bucklin.....	1					1				
Chillicothe.....	1					1				
Chula.....	2							2		
Green Castle.....	2					2				
Green City.....	1							1		
Hale.....	2	1							1	
Hickory.....	1							1		
Huntsville.....	1							1		
Meadville.....	1					1				
Milan.....	2	1					1			
Moberly.....	1		1							
Newtown.....	1						1			
North Salem.....	1							1		
Paris.....	1				1					
Stoutsville.....	2						2			
Sturges.....	2	1				1				
Tina.....	1				1					
Wakenda.....	1									1
Wheeling.....	1				1					
District No. 3.....	34		2	3	5	7	9	7		1
Allendale.....	2			1			1			
Altamont.....	1					1				
Bethany.....	2							2		
Cainesville.....	1						1			
Clarksdale.....	2				1			1		
Darlington.....	1							1		
Excelsior Springs.....	1					1				
Galatin.....	1						1			
Grant City.....	1				1					
Jameson.....	2						2			
Jamesport.....	3			1		2				
King City.....	1							1		
Lawson.....	1						1			
Lowndes.....	1			1						
Maysville.....	3		2							1
Melbourne.....	1							1		
Mercer.....	1				1					
Mount Moriah.....	1							1		
Pattonsburg.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Missouri—Contd.</b>										
<b>District No. 3—Contd.</b>										
Princeton.....	1				1					
Richmond.....	1						1			
Stanberry.....	2					2				
Weatherby.....	1						1			
Winston.....	1					1				
Worth.....	1				1					
District No. 4.....	22		2	2	1	1	9	4	1	2
Burlington Junction.....	1						1			
Cosby.....	1							1		
Dearborn.....	2		1	1						
Fairfax.....	1							1		
Farley.....	1								1	
Fortescue.....	1				1					
Hopkins.....	1						1			
Maryville.....	1						1			
Nodaway.....	1						1			
Parkville.....	1			1						
Parnell.....	1							1		
Rea.....	1						1			
Rushville.....	1									1
Savannah.....	3					1	1			1
St. Joseph.....	4		1				3			
Whitesville.....	1							1		
District No. 5.....	16	1		4	3		5	2		1
Fairmount.....	1							1		
Grain Valley.....	1							1		
Greenwood.....	1						1			
Herculaneum.....	1				1					
Independence.....	1						1			
Kansas City.....	10			4	2		3			1
Mount Washington.....	1	1								
District No. 6.....	16	1		2	1	4	3		1	4
Adrian.....	1			1						
Amsterdam.....	1					1				
Arcola.....	1						1			
Caplinger Mills.....	1									1
Clinton.....	1	1								
Eldorado Springs.....	1									1
Greenfield.....	2				1					1
Harrisonville.....	1						1			
Jerico Springs.....	2			1						1
La Due.....	1					1				
Lecton.....	1					1				
Merwin.....	1					1				
Montrose.....	1						1			
West Line.....	1								1	



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Missouri—Contd.</b>										
District No. 7.....	20			1	4	4	5	3	2	1
Arrow Rock.....	1							1		
Battlefield.....	1					1				
Brookline Station.....	2				1					1
Concordia.....	1							1		
Fayette.....	1					1				
Franklin.....	1						1			
Hughesville.....	1					1				
Nelson.....	1				1					
New Franklin.....	1							1		
Republic.....	1								1	
Sedalia.....	4						4			
Slater.....	1			1						
Springfield.....	2				1				1	
Wellington.....	1					1				
Wheatland.....	1				1					
District No. 8.....	16	1		1	2		4	3	4	1
Bagnell.....	1								1	
Blackwater.....	1							1		
Boonville.....	1								1	
Centertown.....	1								1	
Clifton City.....	1						1			
Etterville.....	1							1		
Jefferson City.....	1						1			
McGirk.....	1	1								
Meta.....	1							1		
Otterville.....	1				1					
Sandyhook.....	1									1
Syracuse.....	1				1					
Tipton.....	1			1						
Ulman.....	1								1	
Versailles.....	1						1			
Wooldridge.....	1						1			
District No. 9.....	18	1	1		3	2	4	1	5	1
Annada.....	1					1				
Auxvasse.....	2				1				1	
Bland.....	1	1								
Bowling Green.....	1								1	
Foley.....	1								1	
Frankford.....	2					1		1		
Fulton.....	2						2			
Marling.....	1								1	
McCredie.....	1						1			
Middletown.....	1								1	
New Bloomfield.....	2		1		1					
New Florence.....	1						1			
Tebbetts.....	1									1
Thompson.....	1				1					
District No. 10—Allentown.....	1							1		

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Missouri—Contd.</b>										
District No. 13.....	14	1	1		2	6	2	1		1
Barnhart.....	1					1				
Chaonia.....	1						1			
De Soto.....	2	1								1
Ellsinore.....	1				1					
Farmington.....	1				1					
Frohna.....	1					1				
Glenallen.....	1					1				
Greenville.....	2						1			
Longtown.....	1							1		
Patton.....	1		1							
Perryville.....	1					1				
Ste. Genevieve.....	1					1				
District No. 14.....	41	3	1	3	4	7	6	10	5	2
Advance.....	1							1		
Anniston.....	1							1		
Benton.....	1							1		
Bernie.....	1									1
Bertrand.....	2					1	1			
Blodgett.....	1			1						
Bragg City.....	1						1			
Canalon.....	1							1		
Cardwell.....	1						1			
Chadwick.....	1								1	
Chaffee.....	1				1					
Charleston.....	1							1		
Clarkton.....	1						1			
Delta.....	1							1		
Diehlstadt.....	1					1				
Holcomb.....	1					1				
Illmo.....	1				1					
Kelso.....	1							1		
Kennett.....	1						1			
Malden.....	1						1		1	
Matthews.....	1							1		
New Madrid.....	2							1	1	
Oak Ridge.....	1					1				
Old Appleton.....	1					1				
Oran.....	2				1	1				
Pomona.....	1	1								
Poplar Bluff.....	2		1						1	
Protém.....	1					1				
Puxico.....	1			1						
Sikeston.....	2			1					1	
Steele.....	1	1								
Vanduser.....	1	1								
Whitewater.....	2	1						1		1
Wyatt.....	1				1					
District No. 15.....	18		1	1	6	1	1	1	4	3
Anderson.....	1									1
Asbury.....	1									1
Bronough.....	1				1					
Carthage.....	1								1	

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Missouri—Contd.</b>										
<b>District No. 15—Contd.</b>										
Granby .....	1				1					
Iantha .....	1						1			
Jasper .....	1				1					
Joplin .....	1			1						
Lamar .....	2				1	1				
Liberal .....	1							1		
Milford .....	1								1	
Miller .....	1								1	
Mount Vernon .....	1									1
Pierce City .....	1				1					
Seneca .....	1				1					
Stark City .....	1		1							
Stotts City .....	1								1	
<b>District No. 16 .....</b>	<b>19</b>	<b>4</b>	<b>1</b>		<b>4</b>	<b>2</b>	<b>2</b>	<b>5</b>		<b>1</b>
Belle .....	1	1								
Beulah .....	1				1					
Buffalo .....	1	1								
Cabool .....	1							1		
Charity .....	1	1								
Conway .....	1					1				
Fordland .....	2				1		1			
Grovespring .....	1				1					
Hartville .....	2					1	1			
Houston .....	1							1		
Louisburg .....	1							1		
Norwood .....	1									1
Simmons .....	1							1		
Waynesville .....	2	1			1					
St. Louis .....	2		1					1		
<b>Montana .....</b>	<b>203</b>	<b>21</b>	<b>31</b>	<b>77</b>	<b>46</b>	<b>16</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>District No. 1 .....</b>										
Augusta .....	1			1						
Butte .....	1				1					
Charlo .....	1				1					
Corvallis .....	1				1					
Culbertson .....	2				2					
Darby .....	1				1					
Dixon .....	1				1					
Drummond .....	1					1				
Eureka .....	1					1				
Gilman .....	1			1						
Glasgow .....	2		1			1				
Helena .....	2			1			1			
Hot Springs .....	1				1					
Libby .....	1					1				
Manhattan .....	1				1					
Missoula .....	1				1					
Montague .....	1			1						
Ovanda .....	1	1								

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Montana—Contd.</b>										
<b>District No. 1—Contd.</b>										
Pablo	1				1					
Philipsburg	1				1					
Plains	1				1					
Plentywood	3			2	1					
Polson	2				2					
Ronan	1				1					
Stevensville	1					1				
Thompson Falls	1				1					
Three Forks	2		1	1						
Foston	1				1					
Townsend	1					1				
Twin Bridges	1		1							
Valier	1		1							
Virginia City	1		1							
Whitefish	1						1			
Wibaux	2	1		1						
Willow Creek	1			1						
<b>District No. 2</b>	<b>160</b>	<b>19</b>	<b>26</b>	<b>68</b>	<b>27</b>	<b>10</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>1</b>
Absarokee	1	1								
Antelope	1				1					
Baker	3				3					
Ballantine	1		1							
Barber	1			1						
Bearcreek	2	1							1	
Belmont	1				1					
Belt	1		1							
Benhland	1				1					
Big Sandy	2	1		1						
Billings	2		1		1					
Bowdoin	1		1							
Box Elder	1		1							
Broadview	2		1	1						
Brockway	1			1						
Browning	1	1								
Buffalo	1			1						
Carlyle	1							1		
Carter	2			2						
Chester	2	1		1						
Circle	1	1								
Clydepark	2			2						
Coburg	1			1						
Coffee Creek	1			1						
Columbus	1					1				
Conrad	1				1					
Cut Bank	3	2		1						
Denton	2			1						1
Devon	1			1						
Dodson	1			1						
Edgar	1			1						
Fallon	1			1						
Fairfield	1						1			
Fairview	2			1	1					
Forsyth	3			2	1					
Fort Benton	2		1		1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Montana—Contd.</b>										
<b>District No. 2—Contd.</b>										
Fresno	1		1							
Galata	1				1					
Gardiner	1				1					
Genou	1			1						
Geraldine	1			1						
Geyser	1			1						
Gilford	1		1							
Grassrange	1			1						
Great Falls	4	1	1	2						
Hardin	2			1		1				
Harlowton	1			1						
Havre	3	2			1					
Hedgesville	1			1						
Highwood	1		1							
Higler	1			1						
Hingham	2	1	1							
Hinsdale	1					1				
Hobson	1			1						
Homestead	1			1						
Huntley	1		1	1						
Hysham	1			1						
Ingomar	1		1							
Intake	1						1			
Inverness	1			1						
Ismay	1	1								
Joliet	1			1						
Joplin	2	1		1						
Jordan	2	1					1			
Judith Gap	1			1						
Kremlin	2		1		1					
Lambert	2			1	1					
Laurel	3		2			1				
Lavina	1			1						
Lehigh	1			1						
Lewistown	2			1	1					
Livingston	3	1		1	1					
Lodge Grass	1				1					
Loma	1			1	1					
Madoc	1			1						
Malta	1					1				
Martinsdale	1			1						
Medicine Lake	2			2						
Melstone	1	1								
Miles City	2		1		1					
Moore	2			2						
Musselshell	1		1							
Nashua	1					1				
Neihart	1				1					
Oswego	2			2						
Poplar	3	1	1	1						
Rapelji	1			1						
Ringling	1			1						
Rosebud	1						1			
Roundup	3			3						
Roy	2			1		1				
Rudyard	2			1	1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Montana—Contd.</b>										
District No. 2—Contd.										
Ryegate.....	2			2						
Saco.....	2						1	1		
Sandcoulee.....	1		1							
Savoy.....	1					1				
Shawmut.....	1			1						
Shelby.....	2			1		1				
Shepherd.....	1						1			
Sidney.....	2		1		1					
Stockett.....	1		1							
Sumatra.....	1				1					
Sweetgrass.....	3	1		1	1					
Vanada.....	1		1							
Westmore.....	1			1						
Wilsall.....	2				2					
Windham.....	1			1						
Winifred.....	1					1				
Winnett.....	1			1						
Wolf Point.....	2		1	1						
<b>Nebraska</b> .....	<b>339</b>	<b>28</b>	<b>23</b>	<b>17</b>	<b>17</b>	<b>12</b>	<b>18</b>	<b>25</b>	<b>50</b>	<b>149</b>
District No. 1.....	<b>32</b>	<b>5</b>	<b>2</b>		<b>1</b>		<b>3</b>	<b>1</b>	<b>3</b>	<b>17</b>
Auburn.....	1									1
Bennett.....	1		1							
Brownville.....	2	1					1			
College View.....	1									1
Crab Orchard.....	1									1
Dunbar.....	1								1	
Eagle.....	2								1	1
Greenwood.....	1									1
Hallam.....	1									1
Havelock.....	1									1
Humboldt.....	2									2
Julian.....	1									1
Lincoln.....	3	2								1
Malcolm.....	1								1	
Panama.....	1									1
Pawnee City.....	1							1		
Plattsmouth.....	2	1					1			
Rhors.....	1									1
Sprague.....	1									1
Stella.....	1									1
Sterling.....	1									1
Table Rock.....	1	1								
University Place.....	1						1			
Vesta.....	1									1
Walton.....	1		1							
Waverly.....	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Nebraska—Contd.</b>										
District No. 2	18	3	2				4	2	3	4
Bennington	2								2	
Blair	1	1								
Gretna	1								1	
Kannard	2							1		1
Meadow	1									1
Omaha	4	1	1				1	1		
Papillon	1						1			
Ralston	2						1			1
Richfield	2						1			1
Springfield	1	1								
Waterloo	1		1							
District No. 3	107	6	4	5	4	6	4	7	24	47
Allen	2	1								1
Altona	1									1
Ames	1					1				
Bazile Mills	1							1		
Beemer	1									1
Belden	1								1	
Belgrade	2							1		1
Bloomfield	3					1				2
Boone	1									1
Bradish	1									1
Breslau	1									1
Brunswick	2								1	1
Carroll	1			1						
Cedar Rapids	1								1	
Chapman	1									1
Clarks	2									2
Clearwater	2								1	1
Coleridge	1									1
Cornlea	1								1	
Craig	1						1			
Creighton	1									1
Crofton	1								1	
Dixon	2			1						1
Dodge	2				1					1
Elgin	1								1	
Enola	1									1
Fremont	2	1	1							
Fullerton	1									1
Genoa	1									1
Hadar	1	1								
Hartington	1								1	
Havens	1									1
Homer	1		1							
Hoskins	1	1								
Humphrey	1									1
Jackson	2								1	1
Laurel	2							1		1
Lindsay	1									1
Loretto	1									1
Lyons	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Nebraska—Contd.</b>										
<b>District No. 3—Contd.</b>										
Macy	1					1				
Madrid	1									1
Magnet	1								1	
Martinsburg	2									2
Maskell	1			1						
Meadow Grove	1								1	
Monroe	1									1
Nacora	1									1
Neligh	3			1		1				1
Newcastle	2		1						1	
Newman Grove	2									2
Nickerson	1				1					
Niobrara	1					1				
North Bend	1									1
Oakdale	2								2	
Obert	1	1								
Orchard	1						1			
Petersburg	2								2	
Pierce	1									1
Pilger	1				1					
Plainview	3								1	2
Ponca	1									1
Raeville	1									1
Rosalie	2							1		1
Royal	2			1				1		
Schuyler	1				1					
Scribner	1									1
Sholes	1		1							
Silver Creek	1							1		
Snyder	1								1	
South Sioux City	1							1		
Stanton	1									1
St. Edward	1									1
Thurston	2								1	1
Tilden	1								1	
Verdel	1								1	
Wakefield	2								1	1
Wausa	1					1				
Wayne	1						1			
Winnetoon	1									1
Winside	1	1								
Wynot	1							1		
<b>District No. 4</b>	<b>33</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>			<b>9</b>	<b>15</b>
Abie	1									1
Adams	1					1				
Ashland	1									1
Belvidere	2	1								1
Benedict	1		1							
Endicott	1		1							
Fairbury	2		1		1					
Geneva	1								1	
Gilead	1									1
Giltner	1								1	
Milford	1									1



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Nebraska—Contd.</b>										
<b>District No. 4—Contd.</b>										
Milligan	1		1							
Murphy	1									1
Octavia	1	1								
Odell	1									1
Ohiowa	1								1	
Osceola	1								1	
Polk	2									2
Strong	1									1
Stromburg	1									1
Surprise	1									1
Tamora	1									1
Ulysses	2								2	
Valparaiso	1									1
Waco	1			1						
Wahoo	1								1	
Western	1								1	
York	2								1	1
<b>District No. 5</b>	<b>37</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>22</b>
Angus	1							1		
Bartley	1				1					
Berkelman	1									1
Bertrand	1									1
Beverly	1					1				
Bloomington	1									1
Bostwick	1						1			
Cadams	1									1
Cairo	2									2
Chambers	1		1							
Champion	1									1
Culbertson	1				1					
Deweese	1									1
Doniphan	1								1	
Edison	1									1
Fairfield	2								1	1
Gramton	1									1
Grant	1									1
Haigler	1									1
Harvard	1							1		
Hastings	1						1			
Holdrege	1			1						
Lamar	1									1
Loomis	1									1
Marion	1									1
Mount Clare	1								1	
Nelson	1							1		
Ong	1									1
Republican City	1									1
Springranch	1								1	
Stockville	1									1
Superior	2							1		1
Sutton	2									2

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Nebraska—Contd.</b>										
District No. 6.....	112	12	10	10	9	4	5	11	7	44
Ainsworth.....	2									2
Alliance.....	1									1
Angora.....	1					1				
Anselmo.....	1	1								
Ansley.....	2							1	1	
Ashton.....	1									1
Bassett.....	1								1	
Bayard.....	2		1							1
Berwyn.....	1			1						
Big Springs.....	1									1
Boelus.....	1								1	
Brady.....	1									1
Brayton.....	1						1			
Bridgeport.....	3	1						1		1
Bristow.....	2			1	1					
Broken Bow.....	1									1
Brownlee.....	1									1
Burton.....	1									1
Bushnell.....	1			1						
Butte.....	1									1
Chadron.....	2					1				1
Chappell.....	1	1								
Clinton.....	1				1					
Cody.....	1									1
Cotesfield.....	1						1			
Cozad.....	1									1
Crawford.....	2		1		1					
Crookston.....	1			1						
Dalton.....	1									1
Dannebrog.....	2								2	
Dix.....	1					1				
Dunning.....	1	1								
Eddyville.....	1			1						
Elba.....	1							1		
Erierson.....	1							1		
Ewing.....	2							2		
Gering.....	1		1							
Gibbon.....	2									2
Greeley.....	2									2
Gross.....	1			1						
Gurley.....	2	1								1
Harrison.....	2				1					1
Hazard.....	1								1	
Hemingford.....	2		1	1						
Henry.....	1			1						
Inman.....	1									1
Johnstown.....	1									1
Kearney.....	2							1		1
Kilgore.....	1	1								
Kimball.....	1		1							
Lakeside.....	1							1		
Lexington.....	1									1
Litchfield.....	1									1
Long Pine.....	2	1	1							
Lorenzo.....	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Nebraska—Contd.</b>										
<b>District No. 6—Contd.</b>										
Loup City.....	1									1
Lyman.....	1									1
Mason City.....	1									1
Maxwell.....	1									1
McGrew.....	1				1					
Merriman.....	1	1								
Minatare.....	2							1		1
Mitchell.....	1									1
Morrill.....	1		1							
Newport.....	1								1	
North Platte.....	1							1		
Ogallala.....	1		1							
Oshkosh.....	1	1								
Overton.....	2									2
Faxton.....	1									1
Pleasanton.....	1	1								
Potter.....	1				1					
Ravenna.....	1									1
Scotia.....	1									1
Scottsbluff.....	3							1		2
Seneca.....	1						1			
Shelton.....	2		1							1
Sidney.....	2	2								
Spencer.....	1		1							
Springview.....	1			1						
St. Libory.....	1									1
Sweetwater.....	1						1			
Taylor.....	1					1				
Theford.....	1				1					
Valentine.....	1					1				
Wayside.....	1			1						
Wolbach.....	3						1			2
<b>Nevada: District</b>										
No. 1.....	3		1						1	1
Gardnerville.....	1								1	
Reno.....	1									1
Wells.....	1		1							
<b>New Hampshire:</b>										
<b>District No. 2—</b>										
Lebanon.....	1					1				1
<b>New Jersey.....</b>										
	3		2							1
District No. 3—Englishtown.....	1		1							
District No. 6—Hope.....	1		1							
District No. 7—Passaic.....	1									1

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>New Mexico: Dis-</b>										
<b>trict No. 1-----</b>	<b>62</b>	<b>5</b>	<b>8</b>	<b>14</b>	<b>22</b>	<b>10</b>	<b>1</b>	<b>1</b>		<b>1</b>
Almogrado.....	1			1						
Albuquerque.....	3				3					
Capitan.....	1			1						
Carrizozo.....	2			2						
Carlsbad.....	3	1			2					
Clayton.....	2				2					
Clovis.....	2				2					
Deming.....	2			1		1				
Des Moines.....	1			1						
Dexter.....	1				1					
Encino.....	1		1							
East Las Vegas.....	2					2				
Estancia.....	1				1					
Farmington.....	2				1		1			
Ft. Sumner.....	3			1	1			1		
Gallup.....	2			1		1				
Greenville.....	2	1				1				
Hillsboro.....	1				1					
Hope.....	1		1							
Las Cruces.....	1		1							
Lordsburg.....	1		1							
Loving.....	1		1							
Lovington.....	2	1		1						
Las Vegas.....	2			1		1				
Maxwell.....	1					1				
Magdalena.....	2		1		1					
Moriarty.....	1				1					
Mountainair.....	1		1							
Portales.....	2				2					
Reserve.....	1		1							
Roswell.....	2			2						
Roy.....	1					1				
San Marcial.....	1									1
Santa Fe.....	3	1		2						
Silver City.....	3				3					
Soroeco.....	1					1				
Springer.....	1					1				
Taiban.....	1	1								
Tyrone.....	1				1					
<b>New York.....</b>	<b>26</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>6</b>			<b>2</b>	<b>3</b>	<b>5</b>
District No. 1—Bellmore.....	1				1					
District No. 31.....	2		1						1	
Hammond.....	1		1							
Plattsburg.....	1								1	
District No. 34.....	2			1						1
Endicott.....	1			1						
Fleishmans.....	1									1

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>New York—Contd.</b>										
District No. 36.....	3			1	1			1		
Schenectady.....	1				1					
Sodus.....	1			1						
Waterloo.....	1							1		
District No. 37.....	2							1		1
Avoca.....	1							1		
Odessa.....	1									1
District No. 39.....	3	1			1					1
Bergen.....	1									1
Honeyoe Faus.....	1	1								
Mechanicsville.....	1				1					
District No. 40.....	2			1					1	
Brooklyn.....	1								1	
Buffalo.....	1			1						
New York.....	11	4		1	3				1	2
<b>North Carolina</b>										
District No. 1.....	125	15	9	19	13	18	11	14	8	18
District No. 1.....	18	1	2	2	1	3	2	5		2
Ayden.....	1							1		
Belhaven.....	1							1		
Creswell.....	1							1		
Elizabeth City.....	2					1				1
Hertford.....	1		1							
Jamesville.....	1				1					
Oak City.....	1									1
Parmele.....	1			1						
Pinetown.....	1						1			
Plymouth.....	1					1				
Robersonville.....	1						1			
Roper.....	1	1								
Stokes.....	1			1						
Swanquarter.....	1							1		
Washington.....	1							1		
Williamstown.....	2		1			1				
District No. 2.....	16	2	1	2	1	3	2	1		4
Conetoe.....	2							1		1
Hollister.....	1			1						
Kinston.....	1									1
Lasker.....	1		1							
Leggett.....	1				1					
Littleton.....	1			1						
Morlina.....	2	1				1				
Pink Hill.....	1	1								
Scotland Neck.....	1									1

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>North Carolina—Con.</b>										
<b>District No. 2—Con.</b>										
Snow Hill	2					2				
Tillery	1						1			
Whitakers	1						1			
Wilson	1									1
<b>District No. 3</b>	<b>13</b>	<b>1</b>		<b>5</b>		<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>
Atkinson	1				1					
Bridgeton	1								1	
Burgaw	1			1						
Dover	1			1						
Fremont	1			1						
Goldsboro	1							1		
New Bern	1									1
Pollocksville	1	1								
Turkey	1					1				
Vanceboro	1			1						
Wallace	1								1	
Warsaw	2						1	1		
<b>District No. 4</b>	<b>19</b>	<b>3</b>	<b>1</b>		<b>2</b>	<b>5</b>		<b>2</b>	<b>1</b>	<b>5</b>
Auburn	1	1								
Bailey	1	1								
Benson	1								1	
Borlee	1									1
Castalie	1									1
Henderson	1				1					
Kenly	1									1
Knightsdale	1	1								
Louisburg	1					1				
Middlesex	1									1
Nashville	1							1		
Princeton	1				1					
Raleigh	1		1							
Selma	2					1		1		
Sharpsburg	1				1					
Spring Hope	1					1				
Townsville	1					1				
Wake Forest	1									1
<b>District No. 5</b>	<b>6</b>	<b>1</b>	<b>1</b>		<b>1</b>	<b>1</b>	<b>1</b>		<b>1</b>	
Creedmoor	1					1				
Elkin	2	1			1					
High Point	1		1							
Stoneville	1								1	
Winston Salem	1						1			
<b>District No. 6</b>	<b>25</b>	<b>1</b>	<b>3</b>	<b>7</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>
Cerro Gordo	2			1	1					
Chadbourn	1		1							
Council	1				1					
Dunn	2			1					1	

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>North Carolina—Con.</b>										
<b>District No. 6—Con.</b>										
Fairmont.....	2		1	1						
Fayetteville.....	2					1		1		
Lillington.....	1			1						
Lumberton.....	1					1				
Maxton.....	1				1					
McDonalds.....	1				1					
Parkton.....	1				1					
Proctorville.....	1			1						
Red Springs.....	1							1		
Rowland.....	2					1				1
Shallotte.....	1	1								
Southport.....	1			1						
Whiteville.....	1						1			
Wilmington.....	3		1	1	1					
<b>District No. 7.....</b>	<b>10</b>	<b>3</b>				<b>1</b>		<b>2</b>	<b>2</b>	<b>2</b>
Denton.....	1	1								
Ellerbe.....	1									1
Hamlet.....	1					1				
Mocksville.....	1								1	
Rockingham.....	1								1	
Sanford.....	1							1		
Star.....	1									1
Thomasville.....	2	2								
Wilkesboro.....	1							1		
<b>District No. 8.....</b>	<b>11</b>	<b>2</b>		<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>		<b>1</b>	<b>1</b>
Boone.....	1	1								
East Spencer.....	1						1			
Granite Quarry.....	1			1						
Hiddenite.....	1					1				
Midland.....	1						1			
Richfield.....	1				1					
Salisbury.....	1			1						
Spencer.....	1			1						
Statesville.....	1								1	
Troutmans.....	1									1
West Jefferson.....	1	1								
<b>District No. 9.....</b>	<b>7</b>	<b>1</b>	<b>1</b>		<b>1</b>		<b>2</b>			<b>2</b>
Charlotte.....	3				1		1			1
Connellys Springs.....	1						1			
Gastonia.....	1									1
North Charlotte.....	1		1							
Pineville.....	1	1								

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>North Dakota</b> .....	<b>429</b>	<b>36</b>	<b>10</b>	<b>106</b>	<b>75</b>	<b>32</b>	<b>59</b>	<b>37</b>	<b>38</b>	<b>36</b>
District No. 1.....	153	7	1	26	28	16	19	23	15	18
Abercrombie.....	2					1			1	
Aneta.....	2					1				1
Ardock.....	1								1	
Arthur.....	1			1						
Ayr.....	1						1			
Bartlett.....	1									1
Bathgate.....	1	1								
Bisbee.....	2			1		1				
Blabon.....	1							1		
Bowesmont.....	1					1				
Brocket.....	1									1
Calio.....	1						1			
Calvin.....	2								1	1
Cando.....	1						1			
Casselton.....	2				1				1	
Cavalier.....	1					1				
Cayuga.....	1				1					
Christine.....	1					1				
Churches Ferry.....	1				1					
Clyde.....	1				1					
Cogswell.....	2		1	1						
Colgate.....	1							1		
Conway.....	1					1				
Crary.....	1			1						
Crete.....	2	1				1				
Crocus.....	1	1								
Crystal.....	2					2				
Davenport.....	1								1	
De Lamere.....	2			1				1		
Derrick.....	1				1					
Devils Lake.....	1					1				
Drayton.....	2							1		1
Dresden.....	1								1	
Dwight.....	1								1	
Easby.....	1				1					
Egeland.....	1				1					
Elliott.....	1				1					
Embden.....	1									1
Emerado.....	2				1			1		
Engevale.....	1						1			
Fairdale.....	1			1						
Fargo.....	2	1							1	
Finley.....	1							1		
Forman.....	1						1			
Fort Ransom.....	1			1						
Gardner.....	1									1
Geneseo.....	1						1			
Gilby.....	2				1		1			
Glasston.....	1				1					
Grafton.....	2							1		1
Grand Forks.....	2	1			1					
Gwinner.....	1							1		
Hampden.....	1				1					
Hankinson.....	1				1					
Hannah.....	1							1		
Hansboro.....	2						1	1		



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>North Dakota—Con.</b>										
District No. 1—Con.										
Hansel.....	1				1					
Hickson.....	1			1						
Hoople.....	2			1				1		
Hope.....	1							1		
Horace.....	1			1						
Hunter.....	1				1					
Inkster.....	2			1				1		
Joliette.....	1			1						
Kempton.....	1									1
Kloten.....	1									1
Lakota.....	1									1
Langdon.....	4			2	1					1
Larimore.....	2			1						1
Lawton.....	1				1					
Lidgerwood.....	2				1		1			
Lisbon.....	2			1					1	
Loma.....	1									1
Luverne.....	2							2		
Maida.....	1				1					
Mantador.....	3				1		1	1		
Manvel.....	1					1				
Mapes.....	1						1			
Mayville.....	1									1
Maza.....	1								1	
McLeod.....	1						1			
McVille.....	1						1			
Michigan.....	2			1			1			
Milnor.....	1			1						
Minto.....	1							1		
Mountain.....	1					1				
Mowbray.....	1	1								
Munich.....	1						1			
Neeche.....	1			1						
Newville.....	1			1						
Niagara.....	1							1		
Olga.....	1				1					
Olmstead.....	1			1						
Orr.....	1				1					
Osnabrock.....	1			1						
Page.....	2				1				1	
Park River.....	1				1					
Pembina.....	1							1		
Perth.....	2					2				
Pisek.....	1								1	
Prosper.....	1	1								
Rock Lake.....	1							1		
Rutland.....	2				1		1			
Sarles.....	2			1				1		
St. Thomas.....	1									1
Stirum.....	1						1			
Tower City.....	4			2	1					1
Wahpeton.....	2						1		1	
Walcott.....	1							1		
Wales.....	3			1					1	1
Walhalla.....	2				1			1		
Wheatland.....	2					1			1	
Wyndmere.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>North Dakota—Con.</b>										
District No. 2.....	153	12	55	41	22	9	23	8	18	15
Anamoose.....	2						2			
Arena.....	1							1		
Baldwin.....	1			1						
Balfour.....	2				1		1			
Bantry.....	1							1		
Barton.....	1						1			
Bergen.....	2			1		1				
Bismark.....	2						2			
Bordulac.....	1									1
Bottineau.....	2			2						
Bowdon.....	1					1				
Braddock.....	1	1								
Brantford.....	2	1	1							
Brinsmade.....	2					1				1
Carbury.....	1				1					
Carrington.....	2			1					1	
Cleveland.....	1				1					
Cooperstown.....	2				1			1		
Courtney.....	2	1			1					
Crystal Springs.....	1	1								
Dawson.....	2			2						
Dazey.....	2			1					1	
Deering.....	1			1						
Driscoll.....	3			2			1			
Dunseith.....	1	1								
Eckelson.....	1									1
Edgeley.....	2	1						1		
Fessenden.....	1			1						
Fillmore.....	1			1						
Fingal.....	1			1						
Flora.....	1								1	
Gardena.....	1				1					
Glenfield.....	1									1
Glover.....	1			1						
Grace City.....	1									1
Granville.....	2			1			1			
Hamberg.....	1				1					
Hannaford.....	2						2			
Hastings.....	1								1	
Hazelton.....	1								1	
Hesper.....	1			1						
Hurdsfield.....	1			1						
Jamestown.....	1				1					
Jessie.....	1									1
Juanita.....	1									1
Jud.....	1				1					
Karlshruhe.....	1					1				
Karnak.....	1			1						
Kathryn.....	2			1				1		
Kensal.....	2				1				1	
Kief.....	1								1	
Kintyre.....	1								1	
Kongsberg.....	1								1	
Kramer.....	1			1						
Lake Williams.....	1						1			
La Moure.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>North Dakota—Con.</b>										
District No. 2—Con.										
Lansford	2			1	1					
Leal	1		1							
Leeds	4			3			1			
Litchville	1			1						
Ludden	1									1
Maddock	1				1					
Marion	2						1	1		
Maxbass	2				1		1			
McHenry	2								1	1
Melville	1								1	
Menoken	1				1					
Merricourt	1									1
Minnewaukan	1								1	
Monango	1			1						
Mylo	1								1	
Nanson	1					1				
Napoleon	1						1			
Newburg	1				1					
New Rockford	2	1		1						
Nome	2		1	1						
Norwich	1			1						
Nortonville	1						1			
Oakes	1						1			
Oberon	1				1					
Omemece	1				1					
Oriska	2		1	1						
Overly	1			1						
Pillsbury	1				1					
Pingree	1	1								
Regan	3			1					2	
Revere	1						1			
Robinson	1	1								
Rogers	1								1	
Rolette	2							1	1	
Rolla	2			1						1
Russell	1			1						
Sanborn	3	1		1						1
Sheyenne	3				1	1				1
Souris	1				1					
Steele	1						1			
Strasburg	1				1					
Streeter	1	1								
Sutton	1									1
Sykeston	1									1
Tokio	1								1	
Towner	1						1			
Tuttle	1							1		
Velva	2				1	1				
Verendrye	1						1			
Voltaire	1			1						
Walum	1	1								
Warwick	1						1			
Willow City	2			2						
Wimbledon	2		1			1				
Wing	1					1				
Wolford	1			1						
Woodworth	1			1						

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>North Dakota—Con.</b>										
District No. 3.....	123	17	4	39	25	7	17	6	5	3
Alexander.....	1				1					
Amidon.....	2	2								
Aurelia.....	1						1			
Beach.....	2				1		1			
Benedict.....	2	1		1						
Berthold.....	1				1					
Beulah.....	1						1			
Blaisdell.....	1			1						
Bonetrail.....	1			1						
Bowbells.....	2		1		1					
Bowman.....	2			2						
Bucyrus.....	1								1	
Burlington.....	1			1						
Carpio.....	1	1								
Cartwright.....	1			1						
Center.....	1			1						
Charbonneau.....	2			2						
Charlson.....	1				1					
Coleharbor.....	1								1	
Columbus.....	1								1	
Coulee.....	1						1			
Crosby.....	3			1	2					
Dickinson.....	1				1					
Dodge.....	2					1	1			
Dogden.....	1						1			
Douglas.....	1							1		
Dunn Center.....	2			2						
East Fairview.....	1				1					
Epping.....	1			1						
Flaxton.....	1				1					
Fort Clark.....	1			1						
Fortuna.....	1	1								
Garrison.....	1						1			
Glenburn.....	1				1					
Goldenvalley.....	2			1			1			
Golva.....	1				1					
Grenora.....	2			2						
Holliday.....	1				1					
Hartland.....	1						1			
Haynes.....	2	1			1					
Hazen.....	3	1		2						
Hebron.....	2					1		1		
Killdeer.....	1				1					
Larson.....	1	1								
Leith.....	1	1								
Lonetree.....	1		1							
Lorain.....	1				1					
Lostwood.....	1							1		
Mandan.....	1			1						
Manitou.....	1							1		
Mannhaven.....	1				1					
Manning.....	1			1						
Mohall.....	3	1		1		1				
Mott.....	1							1		
New England.....	2	1				1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>North Dakota—Con.</b>										
<b>District No. 3—Con.</b>										
New Leipzig	2					1	1			
New Salem	2	1			1					
Noonan	1					1				
Norma	1								1	
Portal	2			1	1					
Powers Lake	1						1			
Rawson	1			1						
Ray	2			1						1
Reeder	1				1					
Regent	1	1								
Ruso	1			1						
Ryder	1						1			
Sanger	1					1				
Sanish	2			2						
Sawyer	2	1	1							
Selfridge	1						1			
Sentinel Butte	1				1					
Sherwood	1				1					
Shields	1									1
Spring Brook	1			1						
Stady	1				1					
Stanley	2						2			
Stanton	1								1	
Tagus	1			1						
Temple	1							1		
Timmer	1	1								
Tolley	2		1	1						
Trenton	1			1						
Turtle Lake	1			1						
Underwood	1						1			
Van Hook	1			1						
Wattford City	3	1		2						
Werner	2			1			1			
Wildrose	3				2					1
Williston	2	1		1						
<b>Ohio</b>	<b>55</b>	<b>2</b>		<b>5</b>	<b>4</b>	<b>1</b>	<b>6</b>	<b>16</b>	<b>11</b>	<b>10</b>
<b>District No. 3</b>										
College Corner	1							1		
Eldorado	1							1		
Miamisburg	1			1						
West Alexandria	1									1
<b>District No. 4</b>										
Beaverdam	1							1		
Burkettsville	1						1			
Chattanooga	1									1
Pleasant Hill	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Ohio—Continued.</b>										
District No. 5.....	9						2	3	1	3
Antwep.....	1						1			
Continental.....	2							1		1
Grover Hill.....	1									1
Metamora.....	1								1	
Pioneer.....	1							1		
Stryker.....	1						1			
West Unity.....	1							1		
Willshire.....	1									1
District No. 6—Beaver.....	1	1								
District No. 7.....	5			1				2	2	
Blanchester.....	1								1	
Franklin.....	1							1		
Mount Sterling.....	1								1	
Springfield.....	1			1						
West Jefferson.....	1							1		
District No. 8.....	3				1				2	
Kenyon.....	1								1	
Mt. Victory.....	2				1				1	
District No. 9—Port Clinton.....	1						1			
District No. 10—New Marshfield.....	1									1
District No. 13.....	3			1				1		1
Bowling Green.....	1									1
Huron.....	1			1						
New Reigel.....	1							1		
District No. 14.....	2				1				1	
Amherst.....	1								1	
Pleasant City.....	1				1					
District No. 15.....	3							2	1	
Frazeyburg.....	1							1		
Lewisville.....	1								1	
Marietta.....	1							1		
District No. 16—Port Wash- ington.....	1								1	
District No. 17.....	3							1	2	
Lexington.....	1							1		
Lucas.....	1								1	
West Lafayette.....	1								1	

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Ohio—Continued.</b>										
District No. 18.....	9			1	1		2	3	1	1
Adena.....	1									1
Amsterdam.....	1							1		
Barnesville.....	1			1						
Bethesda.....	1				1					
Bridgeport.....	2						1	1		
Jewett.....	1							1		
Steubenville.....	1								1	
Yorkville.....	1						1			
District No. 19—Yorktown.....	2									2
District No. 22—Cleveland.....	2	1		1						
District No. 28.....	2					1		1		
Arcadia.....	1							1		
Vanlue.....	1					1				
<b>Oklahoma.....</b>	<b>267</b>	<b>27</b>	<b>41</b>	<b>54</b>	<b>50</b>	<b>21</b>	<b>21</b>	<b>28</b>	<b>5</b>	<b>20</b>
District No. 1.....	44	5	6	8	7	3	2	4	1	8
Apperson.....	1				1					
Avant.....	1									1
Barnsdall.....	1						1			
Bartlesville.....	1		1							
Bernice.....	1			1						
Bixby.....	2			1						1
Bluejacket.....	2			1						1
Choteau.....	2				1			1		
Claremore.....	1		1							
Cleveland.....	1									1
Collinsville.....	2							2		
Delaware.....	2	1								1
Fairland.....	1				1					
Grove.....	3			1		2				
Hallett.....	1							1		
Jenks.....	2	1					1			
Jennings.....	1			1						
Keystone.....	1									1
Lenapah.....	2		1	1						
Locust Grove.....	2				1					1
Mazie.....	1				1					
Miami.....	3	2		1						
Nowata.....	1				1					
Pawnee.....	1		1							
Pensacola.....	1		1							
Pershing.....	1	1								
Pryor.....	1				1					
Ramona.....	1								1	
Teriton.....	1									1
Tulsa.....	1					1				
Wann.....	2		1	1						

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Oklahoma—Contd.</b>										
District No. 2.....	32	2	6	5	2	3	2	7	1	4
Checotah.....	1							1		
Council Hill.....	1			1						
Eufaula.....	3		1		2					
Gore.....	1		1							
Hanna.....	2							1	1	
Henryetta.....	4			2		1				1
Keota.....	1							1		
Morris.....	3		1			1				1
Muldrow.....	1							1		
Muskogee.....	2		1			1				
Okmulgee.....	1	1								
Oktaha.....	1						1			
Park Hill.....	1		1							
Preston.....	1	1								
Sallisaw.....	3			1				2		
Schulter.....	1			1						
Stigler.....	2						1	1		
Vian.....	1									1
Wagoner.....	1		1							
Webbers Falls.....	1									1
District No. 3.....	57	4	9	12	7	6	9	9	1	
Achille.....	1			1						
Albion.....	1	1								
Ardmore.....	2		1	1						
Ashland.....	1			1						
Atoka.....	2						2			
Aylesworth.....	1	1								
Blanco.....	1			1						
Boswell.....	1						1			
Broken Bow.....	2			1			1			
Caddo.....	1		1							
Calera.....	1							1		
Cameron.....	1		1							
Canadian.....	1			1						
Clayton.....	1		1							
Crowder.....	1		1							
Durant.....	1		1							
Fort Towson.....	1			1						
Gowen.....	1				1					
Grant.....	1				1					
Hartshorne.....	1							1		
Haworth.....	2			1			1			
Hugo.....	4		1			3				
Healdton.....	1				1					
Idabel.....	2			1		1				
Indianola.....	1							1		
Kenefic.....	1		1							
Kiowa.....	2			1				1		
Krebs.....	1							1		
Madill.....	1							1		
McAlister.....	3				1			2		
Millerton.....	2					1				
Octavia.....	1	1								
Orr.....	1				1					
Pittsburg.....	1							1		



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Oklahoma—Contd.</b>										
District No. 3—Contd.										
Poteau .....	1				1					
Savannah .....	1			1						
Smithville .....	1						1			
Soper .....	3			1		1	1			
Stringtown .....	1						1			
Wilburton .....	1								1	
Wilson .....	3		1		1		1			
District No. 4 .....	51	4	5	9	13	4	3	6	1	6
Ada .....	2	1	1							
Allen .....	2			1	1					
Asher .....	1				1					
Atwood .....	2			1	1					
Bristow .....	2				1				1	
Bromide .....	1		1							
Chandler .....	2				1	1				
Ciarita .....	2		2							
Coalgate .....	3			1	1			1		
Dale .....	1				1					
Davenport .....	1									1
Hoffman .....	2	1				1				
Kelleyville .....	1									1
Kiefer .....	4	2			1		1			
Lehigh .....	2		1	1						
Milburn .....	2					1		1		
Mounds .....	1									1
Oilton .....	2				1					1
Roff .....	1							1		
Sapulpa .....	3			1				1		1
Seminole .....	1						1			
Shawnee .....	1				1					
Stuart .....	1			1						
Tecumseh .....	1							1		
Tishomingo .....	2			1			1			
Tupelo .....	1				1					
Wanette .....	1			1						
Wapanucka .....	3				1	1		1		
Weleetka .....	1									1
Wetumpka .....	1			1						
Wewaka .....	1				1					
District No. 5 .....	17	2	8	1	4		2			
Choctaw .....	1		1							
Edmond .....	1		1							
Glencoe .....	1		1							
Gurthrie .....	3	1	1		1					
Hickory .....	1						1			
Lindsay .....	1				1					
Marshall .....	1				1					
Mulhall .....	1			1						
Navina .....	1						1			
Oklahoma City .....	1		1							
Pleasant Valley .....	1				1					
Stratford .....	1		1							
Sulphur .....	2	1	1							
Yale .....	1		1							

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Oklahoma—Contd.</b>										
District No. 6	26	4	4	5	6	4	1	1	1	
Carnegie	1				1					
Cashion	2				1		1			
Cement	1				1					
Chattanooga	1	1								
Comanche	1		1							
Devol	2					1		1		
Dover	1								1	
Eakly	1				1					
El Reno	1		1							
Fort Cobb	1			1						
Geronimo	1			1						
Greenfield	1			1						
Hastings	1	1								
Hennessey	1					1				
Hinton	1					1				
Homestead	1			1						
Lawton	3	2	1							
Minco	1				1					
Mustang	1				1					
Richland	1			1						
Walters	2		1			1				
District No. 7	13	1	1	6	4		1			
Arnett	1				1					
Erick	1		1							
Foss	1			1						
Frederick	1			1						
Gage	3	1		1	1					
Grandfield	1			1						
Granite	1						1			
Lenora	1				1					
Mount View	1			1						
Shattuck	1				1					
Thomas	1			1						
District No. 8	27	5	2	8	7	1	1	1		2
Alva	1						1			
Bliss	2	1	1							
Boise City	1				1					
Buffalo	1				1					
Carmen	1			1						
Driftwood	2	1								1
Gottry	1	1								
Guymon	1			1						
Imo	1	1								
Ingersoll	1				1					
Kenton	1				1					
Lahoma	1			1						
Laverne	1				1					
May	1			1						
Meno	1	1								
Mutual	1				1					
Nash	2			1		1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Oklahoma—Contd.</b>										
<b>District No. 8—Contd.</b>										
Ponca City	2			1				1		
Richmond	1		1							
Summer	1				1					
Tonkawa	1									1
Woodward	2			2						
<b>Oregon</b>										
<b>District No. 1</b>	<b>43</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>12</b>	<b>3</b>	<b>1</b>
Astoria	2								1	1
Bandon	1					1				
Bay City	1		1							
Butte Falls	1								1	
Cobury	1					1				
Florence	1							1		
Gold Hill	1				1					
Jefferson	1							1		
Lafayette	1	1								
Newport	1				1					
Seaside	1							1		
Sheridan	1							1		
Sherwood	1		1							
Tillamook	1							1		
Wheeler	1	1								
Waldport	1				1					
<b>District No. 2</b>	<b>23</b>	<b>4</b>	<b>2</b>	<b>5</b>		<b>1</b>	<b>4</b>	<b>7</b>		
Bend	1							1		
Condon	1			1						
Cove	1						1			
Ione	1							1		
Jordan Valley	2	1				1				
Joseph	2			1				1		
Klamath Falls	2	1	1							
Lexington	1							1		
Madras	1						1			
Metoline	1						1			
Nyssa	1			1						
Ontario	1							1		
Papine	1			1						
Pilot Rock	1						1			
Richland	1			1						
Stanfield	1							1		
The Dalles	1		1							
Vale	3	2						1		
<b>District No. 3—Portland</b>	<b>3</b>		1				1		1	

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Pennsylvania</b> .....	<b>40</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>1</b>	<b>5</b>
District No. 8—Parkesburg.....	1				1					
District No. 10.....	3	1					2			
Lancaster.....	1	1								
Maytown.....	1						1			
Terre Hill.....	1						1			
District No. 15—Honesdale.....	1			1						
District No. 16—Blossburg.....	1									1
District No. 22—York.....	1			1						
District No. 23—Bellefonte.....	1		1							
District No. 24.....	4							3		1
Dunbar.....	1							1		
Fayette City.....	1							1		
Hollsopple.....	1							1		
Uniontown.....	1									1
District No. 25.....	3					1		2		
Burgettstown.....	1					1				
Mt. Morris.....	1							1		
Waynesburg.....	1							1		
District No. 26.....	3	1					2			
Beaver.....	1	1								
New Castle.....	1						1			
Volant.....	1						1			
District No. 28—Farrell.....	1									1
District No. 29.....	2		1	1						
Albion.....	1			1						
Conneautville.....	1		1							
District No. 31—Webster.....	1							1		
District No. 34—Pittsburgh.....	6	1					2	2	1	
District No. 36.....	3						2			1
Carnegie.....	2						2			
McKeys Rocks.....	1									1
Philadelphia.....	9	1		1	1	3	2			1

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Rhode Island</b> .....	<b>3</b>			<b>1</b>		<b>1</b>			<b>1</b>	
District No. 2—Kingston.....	<b>1</b>					<b>1</b>				
District No. 3.....	<b>2</b>			<b>1</b>					<b>1</b>	
Providence.....	<b>1</b>			<b>1</b>						
Woonsocket.....	<b>1</b>								<b>1</b>	
<b>South Carolina</b> .....	<b>227</b>	<b>14</b>	<b>18</b>	<b>23</b>	<b>24</b>	<b>43</b>	<b>44</b>	<b>21</b>	<b>22</b>	<b>18</b>
District No. 1.....	<b>22</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>1</b>	
Bonneau.....	<b>1</b>	<b>1</b>								
Charleston.....	<b>7</b>		<b>5</b>				<b>2</b>			
Cottageville.....	<b>1</b>				<b>1</b>					
Harleyville.....	<b>1</b>					<b>1</b>				
Lodge.....	<b>1</b>							<b>1</b>		
Manning.....	<b>3</b>						<b>2</b>	<b>1</b>		
McClellanville.....	<b>1</b>					<b>1</b>		<b>1</b>		
Paxville.....	<b>1</b>					<b>1</b>				
Reevesville.....	<b>1</b>						<b>1</b>			
Ridgeville.....	<b>1</b>				<b>1</b>					
Saint George.....	<b>3</b>					<b>2</b>			<b>1</b>	
Turbeville.....	<b>1</b>			<b>1</b>						
District No. 2.....	<b>35</b>	<b>2</b>		<b>5</b>	<b>3</b>	<b>5</b>	<b>10</b>	<b>5</b>	<b>3</b>	<b>2</b>
Aiken.....	<b>2</b>			<b>1</b>	<b>1</b>					
Allendale.....	<b>3</b>				<b>1</b>			<b>2</b>		
Bamberg.....	<b>3</b>					<b>1</b>			<b>2</b>	
Barnwell.....	<b>2</b>				<b>1</b>		<b>1</b>			
Beaufort.....	<b>1</b>						<b>1</b>			
Blackville.....	<b>1</b>			<b>1</b>						
Brunson.....	<b>2</b>						<b>1</b>			<b>1</b>
Denmark.....	<b>2</b>					<b>2</b>				
Dunbarton.....	<b>1</b>	<b>1</b>								
Edgefield.....	<b>1</b>					<b>1</b>				
Ehrhardt.....	<b>2</b>	<b>1</b>							<b>1</b>	
Estill.....	<b>1</b>							<b>1</b>		
Fairfax.....	<b>2</b>			<b>1</b>			<b>1</b>			
Hampton.....	<b>1</b>						<b>1</b>			
Johnston.....	<b>2</b>			<b>1</b>		<b>1</b>				
Monetta.....	<b>2</b>						<b>2</b>			
Olar.....	<b>1</b>							<b>1</b>		
Ridge Spring.....	<b>1</b>							<b>1</b>		
Scotia.....	<b>1</b>			<b>1</b>						
Varnville.....	<b>1</b>						<b>1</b>			
Wagoner.....	<b>1</b>									<b>1</b>
Windsor.....	<b>1</b>						<b>1</b>			
Yemassee.....	<b>1</b>						<b>1</b>			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>South Carolina—Con.</b>										
District No. 3	46	3	3	8	2	15	9		2	4
Abbeville	3					2			1	
Anderson	5	2		1		2				
Central	2					1				1
Coronaca	1			1						
Donalds	1					1				
Due West	2					1	1			
Easley	1									1
Greenville	2						2			
Greenwood	3	1		1		1				
Honea Path	4		2	2						
Iva	1					1				
Liberty	2						2			
Lowndesville	1					1				
McCormick	1				1					
Mount Carmel	1			1						
Newberry	1									1
Ninety Six	1						1			
Norris	1				1					
Parkesville	1		1							
Pelzer	1									1
Pendleton	1					1				
Pickens	1								1	
Plum Branch	2					1	1			
Prosperity	1					1				
Sandy Spring	1					1				
Senaca	1						1			
Townville	1			1						
Troy	1			1						
Walhalla	1						1			
Westminster	1					1				
District No. 4	22				4	4	6		2	6
Carlisle	2					2				
Clifton	1									1
Converse	1									1
Cowpens	1									1
Cross Anchor	1				1					
Cross Hill	1									1
Duncan	1				1					
Fountain Inn	2						2			
Gray Court	1						1			
Inman	1						1			
Landrum	1						1			
Laurens	2					1			1	
Mountville	1									
Pacolet	1				1					
Simpsonville	1						1			
Spartanburg	2									2
Union	1								1	
Woodruff	1					1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>South Carolina—Con.</b>										
District No. 5	17		2	1	1	2	3	4	2	2
Blacksburg	2					1		1		
Camden	2			1			1			
Cheraw	2								2	
Chesterfield	2		1		1					
Gaffney	1					1				
Great Falls	1						1			
Jefferson	1									1
Lancaster	2							1		1
Ridgeway	1						1			
Rock Hill	1							1		
Shelton	1		1							
York	1							1		
District No. 6	50	4	4	4	7	8	8	4	11	
Andrews	2				2					
Bennettsville	2					1	1			
Cades	1					1				
Clio	4	3					1			
Coward	1								1	
Darlington	3							1	2	
Dillon	1								1	
Florence	3					1			2	
Fork	1						1			
Georgetown	4		1		1		1	1		
Greeleyville	1					1				
Hartsville	1								1	
Hemingway	2		1		1					
Johnsonville	2			1	1					
Kingsbury	1	1								
Kingtree	3					2	1			
Lake City	3						2	1		
Lamar	2								2	
Lane	1						1			
Latta	1					1				
Little Rock	1		1							
Lovis	1			1						
Lydia	1			1						
Marion	1				1					
McColl	1							1		
Oats	1			1						
Scranton	1								1	
Tatum	1		1							
Timmonsville	2				1				1	
Trio	1					1				
District No. 7	35	4	4	4	5	4	3	6	1	4
Bowman	2	1						1		
Branchville	4	2				1			1	
Columbia	5		1	2			1	1		
Elliott	1		1							
Elloree	1				1					
Fort Motte	1			1						
Gilbert	2					1				1
Lynchburg	3	1	1				1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>South Carolina—Con.</b>										
District No. 7—Con.										
Mayesville.....	1				1					
Neeses.....	1				1					
New Brookland.....	1							1		
North.....	3				1	1				1
Orangeburg.....	2			1						1
Pelion.....	1									1
Pinewood.....	2		1					1		
Rowesville.....	1					1				
Springfield.....	1						1			
Sunter.....	2							2		
Swanson.....	1				1					
<b>South Dakota.....</b>										
	<b>394</b>	<b>3</b>	<b>9</b>	<b>45</b>	<b>111</b>	<b>64</b>	<b>115</b>	<b>27</b>	<b>7</b>	<b>13</b>
District No. 1.....										
	156	3	4	11	53	27	40	12	4	2
Alcester.....	2						1	1		
Alexandria.....	2				2					
Alpena.....	2				1		1			
Argonne.....	1				1					
Armour.....	1						1			
Artesion.....	1				1					
Avon.....	1						1			
Beresford.....	2						1			
Bijou Hills.....	1							1		
Bovee.....	1				1					
Bridgewater.....	1				1					
Canistota.....	1						1			
Canova.....	2	1			1					
Canton.....	1							1		
Carthage.....	2				1			1		
Centerville.....	2					1			1	
Chamberlain.....	3						2		1	
Chester.....	2				1	1				
Colman.....	1						1			
Colton.....	3				1	1				1
Cuthbert.....	1					1				
Dante.....	1					1				
Davis.....	2	1			1					
Dell Rapids.....	2					2				
Delmont.....	1							1		
Dimock.....	1							1		
Egan.....	1				1					
Elk Point.....	1								1	
Ellis.....	1				1					
Emery.....	2				2					
Ethan.....	2			1				1		
Farmer.....	1				1					
Flandreau.....	2							2		
Forestburg.....	1							1		
Fulton.....	2					2				
Gannvalley.....	2					2				
Garretson.....	1			1						
Geddes.....	3							2		1
Harrisburg.....	1				1					
Hartford.....	2				1	1				



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>South Dakota—Con.</b>										
<b>District No. 1—Con.</b>										
Howard	3			1		2				
Hudson	1					1				
Humboldt	2				2					
Hurley	2			1			1			
Irene	1						1			
Jefferson	2							2		
Kaylor	1				1					
Kimball	4				2	1	1			
Kingsburg	1						1			
Lake Andes	1				1					
Lane	2				1	1				
Lennox	2						1	1		
Lesterville	3		1				2			
Letcher	1				1					
Madison	2					1			1	
Marion	1				1					
Menno	1							1		
Missionhill	1						1			
Mitchell	4			2	2					
Montrose	1				1					
Mount Vernon	1				1					
Olivet	1							1		
Parker	3			1	1	1				
Parkston	2				1		1			
Platte	3						3			
Pukwanna	1						1			
Ravinia	1									1
Renner	1				1					
Romona	1								1	
Roswell	2			1	1					
Rutland	1							1		
Salem	3				1	2				
Scotland	2	1			1					
Sherman	1					1				
Shindler	1							1		
Sioux Falls	5				4	1				
Spencer	1						1			
Springfield	2			1	1					
Storla	2				1		1			
Tabor	2				1	1				
Tea	1			1						
Trent	1				1					
Tripp	1		1							
Tyndall	1					1				
Unityville	1			1						
Utica	1						1			
Valley Springs	1						1			
Vilas	1					1				
Volin	1							1		
Wagner	2					1	1			
Wakonda	2					1		1		
Ward	1					1				
Wentworth	1						1			
Wessington Springs	4		1		2		1			
Winifred	1		1							
Woonsocket	2				1		1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>South Dakota—Con.</b>										
District No. 2.....	162	4	14	34	21	66	11	2	10	
Aberdeen.....	1							1		
Agar.....	1					1				
Albee.....	1					1				
Altamont.....	1									1
Andover.....	2		1				1			
Arlington.....	1						1			
Ashton.....	2					1	1			
Astoria.....	1									1
Athol.....	1						1			
Aurora.....	1						1			
Badger.....	1								1	
Barnard.....	1						1			
Bemis.....	1									1
Big Stone City.....	2					1				1
Blunt.....	1						1			
Bowdle.....	1	1								
Bradley.....	2		1				1			
Brandt.....	1							1		
Brentford.....	1						1			
Britton.....	1						1			
Broadland.....	1				1					
Brookings.....	4				2	1	1			
Bruce.....	2				1		1			
Bryant.....	2						2			
Bushnell.....	1				1					
Butler.....	1						1			
Castlewood.....	2				1		1			
Cavour.....	1						1			
Clair City.....	1						1			
Claremont.....	1							1		
Clark.....	3						2			1
Clear Lake.....	2					1				1
Conde.....	2						2			
Crandall.....	1						1			
Crandon.....	1						1			
Crocker.....	1						1			
Dempster.....	1		1							
De Smet.....	3				1	1	1			
Doland.....	2						2			
Eden.....	1				1					
Elkton.....	2				1		1			
Erwin.....	1						1			
Esmond.....	1						1			
Estelline.....	1						1			
Frankfort.....	2						2			
Garden City.....	1	1								
Groton.....	1						1			
Grover.....	1							1		
Hammer.....	1				1					
Harrold.....	2	1					1			
Hayti.....	1				1					
Hecla.....	1						1			
Henry.....	2						2			
Herreid.....	1									1
Hetland.....	1						1			

Number of bank suspensions, by States, congressional districts, and years, 1921-1929--Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>South Dakota—Con.</b>										
<b>District No. 2—Con.</b>										
Highmore	2				1		1			
Hillhead	1						1			
Holabird	1						1			
Hosmer	1				1					
Huron	4				3	1				
Iroquois	2				1		1			
Labolt	1				1	1				
Lake City	1						1			
Lake Norden	2				1		1			
Lake Preston	3			1	1	1				
Leola	2						1	1		
Lily	2			1		1				
Lowry	1				1					
Loyalton	1			1						
Manchester	1		1							
Melham	1						1			
Mellette	1						1			
Milbank	2					1	1			
Miller	1							1		
Mina	1					1				
Naples	1									1
Newark	1				1					
New Effington	1							1		
Northville	1					1				
Oldham	2				1	1				
Onida	2				1		1			
Ortley	1						1			
Osceola	1					1	1			
Peever	2			1	1					
Pierport	1						1			
Pierre	1					1				
Raymond	2				1		1			
Radfield	1				1					
Ree Heights	1							1		
Reville	2			1	1					
Rosholt	2							2		
Roslyn	1			1						
Sinai	1						1			
Sisseton	2				2					
St. Lawrence	1				1					
Strandburg	1				1					
Summit	2			1			1			
Toronto	2						1		1	
Troy	1					1				
Tulare	1					1				
Turton	1				1					
Twin Brooks	2						1			1
Veblen	2			1			1			
Verdon	1			1						
Vienna	1			1						
Virgil	1						1			
Wallace	1					1				
Watertown	1				1					
Waubay	2						2			
Webster	2			1			1			
Weecota	1					1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>South Dakota—Con.</b>										
<b>District No. 2—Con.</b>										
Wetonka.....	1									1
White.....	1						1			
White Rock.....	1							1		
Wolsey.....	1						1			
Yale.....	1						1			
Zell.....	1				1					
<b>District No. 3.....</b>	<b>76</b>	<b>1</b>	<b>20</b>	<b>24</b>	<b>16</b>	<b>9</b>	<b>4</b>	<b>1</b>	<b>1</b>	
Ardmore.....	1					1				
Belle Fourche.....	1		1							
Bison.....	1					1				
Bonesteel.....	3		1			2				
Burke.....	3				1	1		1		
Carter.....	1					1				
Chance.....	1					1				
Colome.....	1					1				
Cottonwood.....	1		1							
Dallas.....	2				1		1			
Deadwood.....	1				1					
Draper.....	1		1							
Edgemont.....	1		1							
Fairburn.....	1				1					
Fairfax.....	1		1							
Fort Pierre.....	1		1							
Fruitdale.....	1		1							
Gregory.....	2					1				
Hamill.....	1				1					
Herrick.....	1		1							
Hot Springs.....	2				2					
Interior.....	1									
Isabel.....	1				1					
Kadoka.....	2				1			1		
Kennebec.....	2						1	1		
Keystone.....	1		1					1		
Laplant.....	1									1
Lemmon.....	3		1			2				
Lucas.....	1						1			
Martin.....	1				1					
McIntosh.....	1				1					
McLaughlin.....	1						1			
Meadow.....	1					1				
Mission.....	1		1							
Morristown.....	2				1		1			
Murdo.....	1						1			
Newell.....	2		1	1						
Nisland.....	1			1						
Oelrichs.....	1		1							
Owanka.....	1			1						
Philip.....	1		1							
Piedmont.....	1			1						
Presho.....	2			2						
Quinn.....	1							1		
Rapid City.....	2		1	1						
Reliance.....	2		1	1						
Sorum.....	1			1						

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>South Dakota—Con.</b>										
District No. 3—Con.										
St. Charles	1					1				
Thunder Hawk	1						1			
Timber Lake	2			1		1				
Vivian	1						1			
Wakpala	1								1	
White River	1						1			
Winner	3		1		1	1				
Witten	1					1				
Wood	1			1						
<b>Tennessee</b>	<b>66</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>8</b>	<b>12</b>	<b>17</b>	<b>4</b>	<b>12</b>
District No. 1	4						1	1		2
Baileyton	1									1
Chuckey	1						1			
Church Hill	1							1		
Kingsport	1									1
District No. 2	5	1			1		1			2
Jefferson City	1									1
Jellico	1						1			
New Market	1									1
Oliver Springs	1	1								
Talbott	1				1					
District No. 3—Jasper	1									1
District No. 4	7					3	1	1	1	1
Gordonsville	1									1
Lebanon	2					2				
Portland	1						1			
Rome	1							1		
Statesville	1					1				
Waltertown	1								1	
District No. 5	14		1	1		1	3	5		3
Alexandria	2							1		1
Beechgrove	1									1
Bellbuckle	1						1			
Coldwater	1						1			
Mulberry	1							1		
Murfreesboro	1		1							
Smithville	2						1	1		
Temperance Hall	1							1		
Unionville	1									1
Wartrace	1							1		
Woodbury	2			1		1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Tennessee—Contd.</b>										
District No. 6.....	7	1			2	1	1	1	1	
Adams.....	1							1		
Cedar Hill.....	1						1			
Green Brier.....	2				1	1				
Nashville.....	1	1								
Springfield.....	1				1					
White House.....	1								1	
District No. 7.....	6				1		1	1	1	2
Centerville.....	1				1					
Columbia.....	1									1
Erin.....	1							1		
McEwen.....	1								1	
Slayden.....	1									1
West Point.....	1						1			
District No. 8.....	6				1	2	1	2		
Atwood.....	1							1		
Big Sandy.....	1					1				
Jackson.....	1					1				
Lexington.....	1				1					
Somerville.....	1						1			
Yuma.....	1							1		
District No. 9.....	5				1		1	2		1
Dresden.....	1							1		
Dyersburg.....	1									1
Franklin.....	1						1			
Martin.....	1							1		
Palmerville.....	1				1					
District No. 10.....	11	1		2		1	2	4	1	
Bartlett.....	2			1		1				
Kerrville.....	1							1		
Memphis.....	8	1		1			2	3	1	
<b>Texas.....</b>	<b>299</b>	<b>69</b>	<b>31</b>	<b>21</b>	<b>30</b>	<b>39</b>	<b>38</b>	<b>38</b>	<b>23</b>	<b>10</b>
District No. 1.....	32	2			6	7	3	8	5	1
Annona.....	1				1					
Avery.....	2							1	1	
Blossom.....	1							1		
Bogata.....	1					1				
Clarksville.....	1					1				
Cookville.....	1				1					
Cooper.....	5					1		2	2	
De Kalb.....	1							1		
Deport.....	1							1		
Detroit.....	1				1					

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Texas—Continued.</b>										
<b>District No. 1—Continued.</b>										
Douglasville.....	1					1				
Fulbright.....	2	1					1			
Jefferson.....	1								1	
Marietta.....	1								1	
Maud.....	1	1								
Naples.....	2							1		1
Nash.....	1				1					
New Boston.....	1					1				
Paris.....	2					1	1			
Petty.....	1						1			
Sulphur Springs.....	2					1		1		
Texarkana.....	1				1					
Winfield.....	1				1					
<b>District No. 2.....</b>	<b>17</b>	<b>3</b>	<b>2</b>		<b>3</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>
Alto.....	2				1		1			
Burkeville.....	1					1				
Center.....	1				1					
Frankston.....	1	1								
Gary.....	1		1							
Jacksonville.....	1	1								
Joaquin.....	1					1				
Kountzo.....	1					1				
Lufkin.....	1					1				
Nacogdoches.....	1						1			
Orange.....	1							1		
Ponta.....	1									1
Port Arthur.....	1								1	
Woodville.....	2	1	1							
Zavella.....	1				1					
<b>District No. 3.....</b>	<b>16</b>	<b>4</b>	<b>1</b>	<b>2</b>		<b>2</b>	<b>4</b>	<b>2</b>		<b>1</b>
Alba.....	1							1		
Bullard.....	1	1								
Elmo.....	1	1								
Gladewater.....	1					1				
Golden.....	1		1							
Henderson.....	1						1			
Kaufman.....	1	1								
Kemp.....	1						1			
Longview.....	1						1			
Mineola.....	1			1						
Quitman.....	1			1						
Scurry.....	1					1				
Trinidad.....	1						1			
Troup.....	1	1								
Winnsboro.....	2							1		1
<b>District No. 4.....</b>	<b>33</b>	<b>5</b>	<b>2</b>	<b>2</b>		<b>1</b>	<b>9</b>	<b>9</b>	<b>3</b>	<b>2</b>
Altoga.....	1						1			
Bonham.....	1			1						
Celeste.....	1						1			
Collinsville.....	1	1								

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Texas—Continued.</b>										
<b>District No. 4—Continued.</b>										
Commerce	2							1	1	
Copeville	1									1
Denison	2	1					1			
Emory	1						1			
Floyd	1						1			
Frisco	2							1	1	
Greenville	2					1	1			
Gunter	2		1				1			
Hagerman	1							1		
Honey Grove	1						1			
Howe	1							1		
Ladonia	2							1	1	
Lone Oak	2						1	1		
Murphy	1	1								
Pottsboro	1							1		
Princeton	1		1							
Quinlan	1			1						
Sadler	1							1		
Southmayde	1	1								
Weston	1							1		
Windom	1	1								
Wylie	1									1
<b>District No. 5</b>	<b>7</b>	<b>1</b>	<b>1</b>		<b>1</b>	<b>3</b>		<b>1</b>		
Addison	1							1		
Coppell	1				1					
Duncanville	1					1				
Ennis	1	1								
Farmers Branch	1					1				
Hutchins	1		1							
Vickery	1					1				
<b>District No. 6</b>	<b>13</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>		<b>1</b>
Abbott	1									1
Buffalo	2		1		1					
Calvert	1							1		
Currie	1		1							
Franklin	1	1								
Kirvin	1					1				
Kosse	1	1								
Malone	1			1						
Mt. Calm	1						1			
Oakwood	1	1								
Purdon	1	1								
Teague	1					1				
<b>District No. 7</b>	<b>13</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>7</b>			
Cleveland	1					1				
Dobbin	1						1			
Dodge	1		1							
Galveston	2						2			
Hitchcock	1			1						
Magnolia	1						1			
Palestine	1						1			



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Texas—Continued.</b>										
<b>District No. 7—Continued.</b>										
Ratcliff .....	1						1			
Shepherd .....	1	1								
Trinity .....	1					1				
Weldon .....	1						1			
Winnie .....	1				1					
<b>District No. 8.....</b>	<b>11</b>	<b>4</b>		<b>2</b>		<b>2</b>	<b>2</b>	<b>1</b>		
Goose Creek .....	1						1			
Harrisburg .....	1					1				
Hempstead .....	1					1				
Hobby .....	2	2								
Houston .....	1	1								
Humble .....	1	1								
Navasota .....	1						1			
Plantersville .....	1							1		
Richmond .....	1			1						
Rosenberg .....	1			1						
<b>District No. 9.....</b>	<b>12</b>	<b>1</b>		<b>2</b>		<b>1</b>		<b>1</b>	<b>6</b>	<b>1</b>
Alvin .....	1			1						
Eagle Lake .....	1								1	
El Campo .....	1	1								
Francitas .....	1								1	
Hallettsville .....	1								1	
Lagrange .....	1									1
Louise .....	1							1		
Markham .....	1			1						
Nordheim .....	1								1	
Rock Island .....	1					1				
Westhoff .....	1								1	
Yoakum .....	1								1	
<b>District No. 10.....</b>	<b>6</b>		<b>1</b>	<b>1</b>			<b>4</b>			
Austin .....	1						1			
Elgin .....	1						1			
Granger .....	1						1			
Manor .....	2		1				1			
Taylor .....	1			1			1			
<b>District No. 11.....</b>	<b>10</b>	<b>2</b>			<b>1</b>		<b>3</b>	<b>3</b>	<b>1</b>	
Bartlett .....	1						1			
Belton .....	1							1		
Crawford .....	1	1								
Elm Mott .....	1							1		
Lorena .....	1								1	
Meridian .....	1						1			
Morgan .....	1				1					
Temple .....	1	1								
Travis .....	1						1			
Walnut Springs .....	1							1		

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Texas—Continued.</b>										
District No. 12.....	14	3	3	1	1	3		3		
Aledo.....	1							1		
Bluff Dale.....	1					1				
Cleburne.....	4	1		1		1		1		
Cresson.....	1				1					
Ft. Worth.....	4		3			1				
Keller.....	1	1								
Mansfield.....	1							1		
Riovista.....	1	1								
District No. 13.....	18	4	2	2	2	4		2	2	
Argyle.....	1							1		
Bellevue.....	1							1		
Bradleys Corner.....	1	1								
Denton.....	2								2	
Eliasville.....	1				1					
Era.....	1					1				
Garza.....	1					1				
Graham.....	1				1					
Henrietta.....	1			1						
Muenster.....	2	1	1							
Pilot Point.....	1					1				
Scotland.....	1					1				
South Bend.....	2	1	1							
Westover.....	1			1						
Wichita Falls.....	1	1								
District No. 14.....	5	2			1			1		1
Kingsbury.....	1									1
Rockport.....	2	2								
San Antonio.....	2				1			1		
District No. 15.....	15	3	1	2	3	2				4
Alice.....	1									1
Donna.....	1	1								
Eagles Pass.....	1					1				
Harlingen.....	2	1			1					
Laredo.....	2			1						1
Leming.....	1				1					
Mirando City.....	1			1						
N. Pleasanton.....	1									1
Orangesgrove.....	1									1
Pearsall.....	1				1					
Rio Hondo.....	1					1				
San Juan.....	1	1								
Three Rivers.....	1		1							
District No. 16.....	10	2	2	1	3			2		
Bronte.....	1		1							
Cain City.....	1							1		
Clint.....	1	1								
El Paso.....	3				2			1		
Garden City.....	1		1							

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Texas—Continued.</b>										
<b>District No. 16—Continued.</b>										
Midland.....	1			1						
Pecos.....	1				1					
Sherwood.....	1	1								
<b>District No. 17.....</b>	<b>46</b>	<b>23</b>	<b>9</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	
Avoca.....	1		1							
Bertram.....	1						1			
Breckenridge.....	2	2								
Brownwood.....	1	1								
Caddo.....	2	1	1							
Cherokee.....	1				1					
Cisco.....	1						1			
Coleman.....	1	1								
Crystal Falls.....	1	1								
De Leon.....	1	1								
Desdemona.....	3	2	1							
Eastland.....	2	1			1					
Frankell.....	1			1						
Gorman.....	1		1							
Gustine.....	1		1							
Hasse.....	1	1								
Ivan.....	1	1								
Kempner.....	1							1		
Llano.....	2			2						
Lometa.....	1					1				
Luray.....	1	1								
Marble Falls.....	1				1					
Miles.....	1		1							
Mineral Wells.....	1					1				
Moran.....	1	1								
Mullin.....	1							1		
Necessity.....	1	1								
Novice.....	1	1								
Olden.....	2	2								
Oplin.....	1		1							
Palo Pinto.....	1								1	
Pioneer.....	1		1							
Ranger.....	4	3				1				
Sipe Springs.....	2	2								
Wayland.....	1		1							
<b>District No. 18.....</b>	<b>21</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>1</b>		<b>2</b>
Booker.....	1	1								
Bovina.....	1	1								
Clairmont.....	1			1						
Farwell.....	2	1	1							
Friona.....	1	1								
Gail.....	1		1							
Girard.....	1					1				
Glazier.....	1					1				
Groom.....	1				1					
Idalon.....	1									1
Lamesa.....	1							1		
Lockney.....	1					1				
Longworth.....	1		1							

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Texas—Contd.</b>										
<b>District No. 18—Contd.</b>										
Miami.....	1				1					
Paducah.....	1	1								
Perryton.....	1				1					
Rule.....	1						1			
Southland.....	1									1
Texline.....	2		1		1					
<b>Utah.....</b>	<b>18</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>		<b>2</b>	<b>2</b>	
<b>District No. 1.....</b>										
Delta.....	1							1		
Duchesne.....	1	1								
Garland.....	2	1						1		
Greenriver.....	1	1								
Kanab.....	1	1								
Marysvale.....	1	1								
Myton.....	2		2							
Oasis.....	1								1	
Panguitch.....	1			1						
Tremonton.....	1					1				
<b>District No. 2.....</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>				<b>1</b>	
Bingham Canyon.....	1				1					
Lehi.....	1	1								
Midvale.....	1								1	
Payson.....	1			1						
Salt Lake City.....	1		1							
Spanish Fork.....	1				1					
<b>Virginia.....</b>	<b>45</b>	<b>6</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>7</b>	<b>9</b>
<b>District No. 1.....</b>										
Horsey.....	1							1		
Milford.....	1									1
Reedville.....	1	1								
<b>District No. 2.....</b>	<b>11</b>	<b>2</b>	<b>3</b>		<b>1</b>		<b>2</b>		<b>2</b>	<b>1</b>
Holland.....	1						1			
Norfolk.....	2		2							
Ocean View.....	1	1								
Portsmouth.....	3	1			1					1
Sebrell.....	1		1							
Sedley.....	1								1	
Walters.....	1						1			
Windsor.....	1								1	
<b>District No. 3—Richmond.....</b>	<b>1</b>		<b>1</b>							

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Virginia—Continued</b>										
District No. 4.....	6	1	2		1				1	1
Disputanta.....	1		1							
Ford.....	1									1
Hopewell.....	1	1								
Meherrin.....	1		1							
Petersburg.....	2				1				1	
District No. 5.....	2	1		1						
Troutdale.....	1	1								
Virgilina.....	1			1						
District No. 6.....	2					2				
Huddleston.....	1					1				
Moneta.....	1					1				
District No. 7—Scottsville..	1					1				
District No. 8.....	3			1	1			1		
Culpeper.....	1				1					
Qnatico.....	1			1						
Stafford.....	1							1		
District No. 9.....	9				1		1	1	3	3
Clinchport.....	1									1
Cleveland.....	1							1		
Coeburn.....	1							1		
Fort Blackmore.....	1									1
Gundy.....	1									1
Honaker.....	1				1					
Ivanhoe.....	1							1		
Pocahontas.....	1						1			
Wise.....	1							1		
District No. 10.....	7	1					1	1	1	3
Craigsville.....	1						1			
Doe Hill.....	1						1			
Monroe.....	2	1								1
Mount Sidney.....	1							1		
Pamplin.....	1								1	
Stuarts Draft.....	1									1
<b>Washington.....</b>	<b>56</b>	<b>13</b>	<b>5</b>	<b>5</b>	<b>12</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>7</b>
District No. 1.....	5	5								
Black Diamond.....	1	1								
Georgetown.....	1	1								
Seattle.....	3	3								
District No. 2—Anacortes..	1		1							

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Washington—Contd.</b>										
District No. 3.....	6	2		1				2		1
Aberdeen.....	1							1		
Ilwaco.....	1			1						
Kelso.....	1	1								
Napavine.....	1							1		
Tacoma.....	1	1								
Vancouver.....	1									1
District No. 4.....	26	5	2	1	8	4	1	1	1	3
Clarkston.....	2	1			1					
Colfax.....	1									1
Connell.....	1	1								
Coulee.....	1			1						
Ephrata.....	1		1							
Farmington.....	1									1
Grandview.....	1		1							
Hartline.....	1							1		
Kahlotus.....	1				1					
Kennewick.....	1					1				
Lind.....	1	1								
Neppel.....	1					1				
Oakesdale.....	1						1			
Othello.....	1	1								
Pasco.....	2					2				
Prosser.....	1				1					
Ritzville.....	1				1					
Ruff.....	1				1					
St. John.....	1				1					
Sunnyside.....	1				1					
Waitsburg.....	1				1					
White Swan.....	1									1
Wilsoncreek.....	1								1	
Yakima.....	1	1								
District No. 5.....	18	1	2	3	4	2	1	1	1	3
Bridgeport.....	1			1						
Chelan.....	1					1				
Colville.....	2			1					1	
Davenport.....	1					1				
Harrington.....	1				1					
Leavenworth.....	1				1					
Mansfield.....	1	1								
Molson.....	1				1					
Northport.....	2			1						1
Omak.....	1							1		
Oroville.....	2				1		1			
Rockford.....	1									1
Spokane.....	1									1
Waterville.....	1		1							
Withrow.....	1		1							

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>West Virginia</b> .....	<b>34</b>	<b>1</b>	<b>1</b>	---	<b>2</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>14</b>
District No. 1.....	7	1	---	---	---	2	---	1	---	3
Benwood.....	1	---	---	---	---	1	---	---	---	1
Fairmont.....	1	---	---	---	---	---	---	---	---	1
Grafton.....	1	---	---	---	---	---	---	---	---	1
Jacksonburg.....	1	---	---	---	---	---	---	---	---	1
New Martinsville.....	1	1	---	---	---	---	---	---	---	---
New Cumberland.....	1	---	---	---	---	---	---	1	---	---
Pine Grove.....	1	---	---	---	---	1	---	---	---	---
District No. 2.....	3	---	1	---	---	---	---	---	---	2
Keyser.....	1	---	1	---	---	---	---	---	---	---
Philippi.....	1	---	---	---	---	---	---	---	---	1
Tunnelton.....	1	---	---	---	---	---	---	---	---	1
District No. 3.....	10	---	---	---	1	---	---	---	1	8
Auburn.....	1	---	---	---	---	---	---	---	---	1
Buckhannon.....	1	---	---	---	---	---	---	---	---	1
Cairo.....	1	---	---	---	---	---	---	---	---	1
Clarksburg.....	2	---	---	---	---	---	---	---	---	2
Harrisville.....	1	---	---	---	---	---	---	1	---	---
Lumberport.....	1	---	---	---	---	---	---	---	---	1
Pullman.....	1	---	---	---	---	---	---	---	---	1
Shinnston.....	1	---	---	---	---	---	---	---	---	1
Wallace.....	1	---	---	---	1	---	---	---	---	---
District No. 4.....	5	---	---	---	1	---	---	1	2	1
Grantsville.....	1	---	---	---	1	---	---	---	---	---
Huntington.....	2	---	---	---	---	---	---	1	1	---
Point Pleasant.....	1	---	---	---	---	---	---	---	1	---
Winfield.....	1	---	---	---	---	---	---	---	---	1
District No. 5.....	8	---	---	---	---	2	1	3	2	---
Davy.....	1	---	---	---	---	---	---	1	---	---
Gilbert.....	1	---	---	---	---	---	1	---	---	---
Matooka.....	1	---	---	---	---	1	---	---	---	---
Mullens.....	2	---	---	---	---	---	---	1	1	---
Pineville.....	1	---	---	---	---	---	---	---	1	---
Welch.....	1	---	---	---	---	---	---	1	---	---
Williamson.....	1	---	---	---	---	1	---	---	---	---
District No. 6—Cabincreek.....	1	---	---	---	---	---	1	---	---	---
<b>Wisconsin</b> .....	<b>75</b>	---	<b>2</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>14</b>	<b>6</b>	<b>11</b>
District No. 1—Evansville.....	1	---	---	---	---	1	---	---	---	---
District No. 2.....	4	---	1	---	1	---	---	---	1	1
Ixonia.....	1	---	---	---	1	---	---	---	---	---
Jackson.....	1	---	1	---	---	---	---	---	---	---
Plymouth.....	1	---	---	---	---	---	---	---	---	1
Rome.....	1	---	---	---	---	---	---	---	1	---

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Wisconsin—Contd.</b>										
District No. 3.....	13		1	3		2	1	2	2	2
Albany.....	1						1			
Blanchardville.....	1									1
Browntown.....	1								1	
Darlington.....	1							1		
Highland.....	1			1						
Hollandale.....	1							1		
Lancaster.....	2			2						
Montfort.....	1		1							
Mt. Sterling.....	1					1				
Richland Center.....	1								1	
Soldiers Grove.....	1					1				
Sun Prairie.....	1									1
District No. 6.....	3			1	1					1
Fond du Lac.....	1									1
Packwaukee.....	1			1						
Princeton.....	1				1					
District No. 7.....	7			2	1	1				3
Black Hawk.....	1									1
Granton.....	1									1
Greenwood.....	1			1						
Humbird.....	1									1
Loyal.....	1			1						
Prairie du Sac.....	1					1				
Wonewoc.....	1				1					
District No. 8.....	4						1	1	1	1
Marion.....	1								1	
Ogdensburg.....	1							1		
Scandinavia.....	1									1
Waukesha.....	1						1			
District No. 9.....	3					1		1	1	
Argonne.....	1								1	
Crandon.....	1					1				
Crivitz.....	1							1		
District No. 10.....	17			2	1	3	6	2	1	2
Allen.....	1					1				
Alma.....	1				1					
Altoona.....	1					1				
Boyceville.....	1							1		
Cadott.....	1						1			
Campia.....	1			1						
Chetek.....	1						1			
Colfax.....	1						1			
Cumberland.....	1									1
Cylon.....	1							1		
Hammond.....	1								1	



Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Wisconsin—Contd.</b>										
<b>District No. 10—Contd.</b>										
Jim Falls.....	1			1						
Pepin.....	1						1			
Poskin.....	1					1				
Rice Lake.....	1						1			
River Falls.....	1									1
Wilson.....	1						1			
<b>District No. 11.....</b>	<b>23</b>			<b>3</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>8</b>		<b>1</b>
Bruce.....	1							1		
Clear Lake.....	1				1					
Danbury.....	2					1	1			
Eagle River.....	1					1				
Fifield.....	1						1			
Hayward.....	1				1					
Kennan.....	1							1		
Ladysmith.....	1							1		
Prentice.....	1							1		
Sanborn.....	1				1					
Saxon.....	1				1					
Shell Lake.....	1							1		
Springbrook.....	1							1		
Superior.....	1				1					
Three Lakes.....	1			1						
Tomahawk.....	1									1
Trego.....	1						1			
Wanderoos.....	1				1					
Washburn.....	2			2						
Westboro.....	1							1		
Wheeler.....	1							1		
<b>Wyoming: District No. 1.....</b>	<b>60</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>32</b>	<b>3</b>	<b>3</b>	<b>2</b>		<b>1</b>
Baggs.....	1					1				
Basin.....	4		1	1	1					1
Buffalo.....	1				1					
Carpenter.....	1				1					
Cheyenne.....	3				3					
Clearmont.....	1				1					
Cowley.....	1				1					
Dixon.....	1			1						
Douglas.....	1				1					
Dubois.....	1							1		
Frannie.....	1		1							
Garland.....	1	1								
Gillette.....	2	1		1						
Glendo.....	2				1		1			
Glenrock.....	1				1					
Greybull.....	2				1			1		
Guernsey.....	2	1			1					
Hillsdale.....	1				1					
Hudson.....	1					1				

Number of bank suspensions, by States, congressional districts, and years, 1921-1929—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Wyoming—Con.</b>										
Jay Em.....	1				1					
Kane.....	1		1							
Kaycee.....	2		1		1					
Keeline.....	1				1					
Levoye.....	1					1				
Lingle.....	2				2					
Lost Springs.....	1						1			
Lusk.....	2			1	1					
Manderson.....	1				1					
Manville.....	1			1						
Medicine Bow.....	1			1						
Moorcroft.....	2	2								
New Castle.....	2				2					
Osage.....	1				1					
Pine Bluff.....	1						1			
Powell.....	1				1					
Ranchester.....	1			1						
Riverton.....	1				1					
Rock River.....	1			1						
Sheridan.....	1				1					
Thermopolis.....	1				1					
Torrington.....	2				2					
Upton.....	2	1			1					
Van Tassel.....	1				1					
Wheatland.....	1			1						

SUMMARY

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Alabama</b> .....	<b>32</b>	<b>1</b>		<b>2</b>	<b>10</b>	<b>5</b>	<b>2</b>	<b>1</b>		<b>11</b>
District No. 1.....	1							1		
District No. 2.....	3	1				1				
District No. 3.....	9			1	3	1				4
District No. 4.....	2					2				
District No. 5.....	2				2					
District No. 7.....	3					2				1
District No. 8.....	3			1			1			1
District No. 9.....	5									5
District No. 10.....	4				2	1	1			
<b>Arizona: District No. 1</b> .....	<b>27</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>		
<b>Arkansas</b> .....	<b>95</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>11</b>	<b>8</b>	<b>19</b>	<b>18</b>	<b>14</b>	<b>11</b>
District No. 1.....	32		1	2	6	1	8	8	4	2
District No. 2.....	8	1			1	1	2	2	1	
District No. 3.....	3						1	2		
District No. 4.....	9	1	1	1	1	2	3			
District No. 5.....	13	1			2		4	1	1	4
District No. 6.....	15	1	1	1		3	1	5		3
District No. 7.....	15	1	1	1	1	1			8	2
<b>California</b> .....	<b>31</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>6</b>		<b>4</b>
District No. 1.....	4		3		1					
District No. 2.....	2		1							1
District No. 3.....	2	1			1					
District No. 7.....	10	1				2	4	3		
District No. 11.....	8	1	2	1		1		3		
Los Angeles.....	4			1						3
San Francisco.....	1						1			
<b>Colorado</b> .....	<b>89</b>	<b>13</b>	<b>8</b>	<b>18</b>	<b>9</b>	<b>15</b>	<b>14</b>	<b>4</b>	<b>3</b>	<b>5</b>
District No. 1.....	12	1		2		7	1		1	
District No. 2.....	39	7	2	11	4	4	7		2	2
District No. 3.....	22	4	4	2	4	2	3	3		
District No. 4.....	16	1	2	3	1	2	3	1		3
<b>Connecticut</b> .....	<b>2</b>		<b>1</b>		<b>1</b>					
District No. 2.....	1				1					
District No. 3.....	1		1							

## Summary—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Delaware: District</b>										
No. 1.....	<b>2</b>								<b>1</b>	<b>1</b>
<b>Florida.....</b>	<b>190</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>43</b>	<b>31</b>	<b>35</b>	<b>63</b>
District No. 1.....	69		3		1		12	4	11	38
District No. 2.....	26	1	1	3	2		6	5	4	4
District No. 3.....	7	1				1	3	2		1
District No. 4.....	88	3	1	1			22	21	20	20
<b>Georgia.....</b>	<b>319</b>	<b>56</b>	<b>14</b>	<b>11</b>	<b>29</b>	<b>31</b>	<b>102</b>	<b>18</b>	<b>26</b>	<b>32</b>
District No. 1.....	37	11	2	1	1	2	6	3	2	9
District No. 2.....	27	3		2	6	2	8	2	3	1
District No. 3.....	37	7	1		3	3	13	3	4	3
District No. 4.....	25	4		1		2	13	3	2	
District No. 5.....	14	1	3		1		7		1	1
District No. 6.....	16	1				2	5	2	3	3
District No. 7.....	18	1	1			2	12	1		1
District No. 8.....	27	2	1	2	5	7	8	1		1
District No. 9.....	41	8	3	3	5	4	11	3		4
District No. 10.....	22	5			2	3	5		1	6
District No. 11.....	19	6		1	2	1	3		5	1
District No. 12.....	36	7	3	1	4	3	11		5	2
<b>Hawaii.....</b>	<b>1</b>		<b>1</b>							
<b>Idaho.....</b>	<b>72</b>	<b>23</b>	<b>8</b>	<b>10</b>	<b>7</b>	<b>8</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>3</b>
District No. 1.....	27	8	2	3	2	2	3	4		3
District No. 2.....	45	15	6	7	5	6	1	3	2	
<b>Illinois.....</b>	<b>138</b>	<b>10</b>	<b>4</b>	<b>5</b>	<b>14</b>	<b>8</b>	<b>20</b>	<b>29</b>	<b>14</b>	<b>34</b>
District No. 6.....	13	2	2	3	1					5
District No. 10.....	1						1			
District No. 11.....	4							1	1	2
District No. 12.....	5							1	2	2
District No. 13.....	7	2	1				1		2	1
District No. 14.....	12	1			2	2	3	1	2	1
District No. 15.....	8	2						4		2
District No. 17.....	13			1	3	1	3	4		1
District No. 18.....	5					2				2
District No. 19.....	25	2		1	3	1	7	5	5	1
District No. 20.....	8				2		1	3		2
District No. 21.....	13				1		1	3	1	7
District No. 22.....	5		1		1			1		2
District No. 23.....	3							1		1
District No. 24.....	10	1				1	2	3		3
District No. 25.....	6					1	1	2		2

## Summary—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Indiana</b> -----	<b>115</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>10</b>	<b>7</b>	<b>25</b>	<b>24</b>	<b>24</b>
District No. 1-----	3	1							2	
District No. 2-----	13	1			1		1		5	5
District No. 3-----	4		3							1
District No. 4-----	8		1	3		1			2	1
District No. 5-----	6	1		1			1	1	2	
District No. 6-----	3		1						1	1
District No. 7-----	4	1						1	2	
District No. 8-----	15		1	2		3	1	2	1	5
District No. 9-----	14					2	1	5	4	2
District No. 10-----	11	2		1		1	1	2	2	2
District No. 11-----	11				1	2		5	1	2
District No. 12-----	13	1			1	1	2	6		2
District No. 13-----	10		1		1			3	2	3
<b>Iowa</b> -----	<b>528</b>	<b>24</b>	<b>12</b>	<b>35</b>	<b>83</b>	<b>84</b>	<b>135</b>	<b>70</b>	<b>51</b>	<b>34</b>
District No. 1-----	30	1	1	2	6	1	3	6	9	1
District No. 2-----	25	3	2	2	2	3	2	3	6	2
District No. 3-----	40	1	2	1	6	11	5	3	6	5
District No. 4-----	48	2		1	7	13	13	4	4	4
District No. 5-----	26				3	3	8	8	2	2
District No. 6-----	27	1			6	6	7	3	1	3
District No. 7-----	36	1	2	2	8	6	10	5	1	1
District No. 8-----	33	1		1	9	7	4	6	3	2
District No. 9-----	41	2	1	10	9	4	8	2	2	3
District No. 10-----	130	2	2	10	16	18	49	17	11	5
District No. 11-----	92	10	2	6	11	12	26	13	6	6
<b>Kansas</b> -----	<b>223</b>	<b>14</b>	<b>20</b>	<b>34</b>	<b>16</b>	<b>19</b>	<b>46</b>	<b>36</b>	<b>26</b>	<b>12</b>
District No. 1-----	15	1	2			1	4	2	3	2
District No. 2-----	26	3	1	3	3	2	5	5	2	2
District No. 3-----	40	2	4	6	3		13	10	1	1
District No. 4-----	31		2	5	4	4	5	4	5	2
District No. 5-----	17	3	3	1		3	2	3	1	1
District No. 6-----	42	1		7	1	3	13	3	13	1
District No. 7-----	33	2	5	9	2	3	2	8		2
District No. 8-----	19	2	3	3	3	3	2	1	1	1
<b>Kentucky</b> -----	<b>43</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>2</b>
District No. 1-----	5	1		2					1	1
District No. 2-----	3					1	1	1		
District No. 3-----	1								1	
District No. 4-----	7				2	1	4			
District No. 7-----	2				2					
District No. 8-----	10	2	2		1	1	1	2		1
District No. 9-----	8				1	2		4	1	
District No. 10-----	5					1			4	
District No. 11-----	2				1		1			

## Summary—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Louisiana</b> .....	<b>34</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>4</b>	<b>2</b>	---
District No. 2.....	3	---	---	2	---	---	---	---	1	---
District No. 3.....	6	---	---	---	1	---	4	1	---	---
District No. 4.....	4	1	---	1	---	1	---	---	1	---
District No. 5.....	6	2	3	---	---	---	1	---	---	---
District No. 6.....	4	---	---	---	---	---	1	3	---	---
District No. 7.....	6	2	---	---	1	2	1	---	---	---
District No. 8.....	5	2	1	1	---	---	1	---	---	---
<b>Maine</b> .....	<b>3</b>	---	<b>1</b>	<b>1</b>	---	---	---	<b>1</b>	---	---
District No. 2.....	1	---	---	1	---	---	---	---	---	---
District No. 3.....	2	---	1	---	---	---	---	1	---	---
<b>Maryland</b> .....	<b>11</b>	<b>5</b>	<b>2</b>	---	---	<b>2</b>	---	---	<b>1</b>	<b>1</b>
District No. 1.....	2	1	1	---	---	---	---	---	---	---
District No. 2.....	1	---	1	---	---	---	---	---	---	---
District No. 5.....	2	1	---	---	---	---	---	---	---	1
District No. 6.....	2	1	---	---	---	1	---	---	---	---
Baltimore.....	4	2	---	---	---	1	---	---	1	---
<b>Massachusetts</b> .....	<b>6</b>	<b>5</b>	---	<b>1</b>	---	---	---	---	---	---
District No. 11.....	5	5	---	---	---	---	---	---	---	---
District No. 13.....	1	---	---	1	---	---	---	---	---	---
<b>Michigan</b> .....	<b>66</b>	<b>8</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>23</b>	<b>7</b>	---	<b>9</b>
District No. 2.....	3	1	---	---	---	---	---	---	---	2
District No. 3.....	2	---	---	---	---	1	---	---	---	1
District No. 4.....	7	2	1	---	1	---	2	1	---	---
District No. 5.....	4	3	---	---	1	---	---	---	---	---
District No. 6.....	3	---	---	---	---	1	1	---	---	1
District No. 7.....	19	1	1	---	1	1	12	3	---	---
District No. 8.....	6	1	2	1	1	---	---	---	---	1
District No. 9.....	4	---	---	---	1	1	---	---	---	---
District No. 10.....	12	---	---	1	2	---	5	1	---	3
District No. 11.....	4	---	---	---	1	---	1	1	---	1
District No. 12.....	2	---	---	1	---	---	---	1	---	---

## Summary—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Minnesota</b> .....	<b>411</b>	<b>13</b>	<b>14</b>	<b>45</b>	<b>55</b>	<b>50</b>	<b>92</b>	<b>65</b>	<b>46</b>	<b>31</b>
District No. 1.....	28	2	---	3	4	2	8	3	1	5
District No. 2.....	66	3	1	4	14	6	14	14	10	---
District No. 3.....	17	1	1	---	4	2	2	1	2	4
District No. 4.....	6	---	---	---	1	---	3	1	---	1
District No. 6.....	52	---	1	10	5	9	10	11	4	2
District No. 7.....	65	5	1	3	5	5	21	11	5	9
District No. 8.....	14	1	---	1	2	1	4	2	2	1
District No. 9.....	115	---	4	16	14	17	22	16	19	7
District No. 10.....	48	1	6	8	69	8	8	6	3	2
<b>Mississippi</b> .....	<b>34</b>	<b>5</b>	<b>10</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>1</b>
District No. 1.....	2	---	1	1	---	---	---	---	---	---
District No. 2.....	5	---	2	---	---	---	---	3	---	---
District No. 3.....	17	4	4	---	1	1	4	1	1	1
District No. 4.....	6	---	2	---	---	---	1	1	2	---
District No. 6.....	1	---	---	1	---	---	---	---	---	---
District No. 7.....	2	---	1	---	---	---	---	---	1	---
District No. 8.....	1	1	---	---	---	---	---	---	---	---
<b>Missouri</b> .....	<b>296</b>	<b>17</b>	<b>11</b>	<b>20</b>	<b>43</b>	<b>45</b>	<b>58</b>	<b>48</b>	<b>31</b>	<b>23</b>
District No. 1.....	33	2	1	3	4	3	4	4	8	4
District No. 2.....	28	3	1	---	4	8	4	6	1	1
District No. 3.....	34	---	2	3	5	7	9	7	---	1
District No. 4.....	22	---	2	2	1	1	9	4	1	2
District No. 5.....	16	1	---	4	3	---	5	2	---	1
District No. 6.....	16	1	---	2	1	4	3	---	1	4
District No. 7.....	20	---	1	4	4	5	3	2	1	1
District No. 8.....	16	1	---	1	2	---	4	3	4	1
District No. 9.....	18	1	1	---	3	2	4	1	5	1
District No. 10.....	1	---	---	---	---	---	1	1	---	---
District No. 13.....	14	1	1	---	2	6	2	1	---	1
District No. 14.....	41	3	1	3	4	7	6	10	5	2
District No. 15.....	18	---	1	1	6	1	1	1	4	3
District No. 16.....	19	4	1	---	4	2	2	5	---	1
<b>Montana</b> .....	<b>203</b>	<b>21</b>	<b>31</b>	<b>77</b>	<b>46</b>	<b>16</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>1</b>
District No. 1.....	43	2	5	9	19	6	2	---	---	---
District No. 2.....	160	19	26	68	27	10	6	2	1	1
<b>Nebraska</b> .....	<b>339</b>	<b>28</b>	<b>23</b>	<b>17</b>	<b>17</b>	<b>12</b>	<b>18</b>	<b>25</b>	<b>50</b>	<b>149</b>
District No. 1.....	32	5	2	---	1	---	3	1	3	17
District No. 2.....	18	3	2	---	---	---	4	2	3	4
District No. 3.....	107	6	4	5	4	6	4	7	24	47
District No. 4.....	33	2	4	1	1	1	---	---	9	15
District No. 5.....	37	---	1	1	2	1	2	4	4	22
District No. 6.....	112	12	10	10	9	4	5	11	7	44

## Summary—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Nevada: District No. 1</b> -----	<b>3</b>		<b>1</b>						<b>1</b>	<b>1</b>
<b>New Hampshire: District No. 2</b> -----	<b>1</b>					<b>1</b>				
<b>New Jersey</b> -----	<b>3</b>		<b>2</b>							<b>1</b>
District No. 3-----	1		1							
District No. 6-----	1		1							
District No. 7-----	1									1
<b>New Mexico: Dis- trict No. 1</b> -----	<b>62</b>	<b>5</b>	<b>8</b>	<b>14</b>	<b>22</b>	<b>10</b>	<b>1</b>	<b>1</b>		<b>1</b>
<b>New York</b> -----	<b>26</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>6</b>			<b>2</b>	<b>3</b>	<b>5</b>
District No. 1-----	1				1					
District No. 31-----	2		1						1	
District No. 34-----	2			1						1
District No. 36-----	3			1	1			1		
District No. 37-----	2							1		1
District No. 39-----	3	1			1					1
District No. 40-----	2			1					1	
New York-----	11	4		1	3				1	2
<b>North Carolina</b> -----	<b>125</b>	<b>15</b>	<b>9</b>	<b>19</b>	<b>13</b>	<b>18</b>	<b>11</b>	<b>14</b>	<b>8</b>	<b>18</b>
District No. 1-----	18	1	2	2	1	3	2	5		2
District No. 2-----	16	2	1	2	1	3	2	1		4
District No. 3-----	13	1		5		1	1	2	2	1
District No. 4-----	19	3	1		2	5		2	1	5
District No. 5-----	6	1	1		1	1	1		1	
District No. 6-----	25	1	3	7	6	3	1	2	1	1
District No. 7-----	10	3				1		2	2	2
District No. 8-----	11	2		3	1	1	2		1	1
District No. 9-----	7	1	1		1		2			2
<b>North Dakota</b> -----	<b>429</b>	<b>36</b>	<b>10</b>	<b>106</b>	<b>75</b>	<b>32</b>	<b>59</b>	<b>37</b>	<b>38</b>	<b>36</b>
District No. 1-----	153	7	1	26	28	16	19	23	15	18
District No. 2-----	153	12	5	41	22	9	23	8	18	15
District No. 3-----	123	17	4	39	25	7	17	6	5	3



## Summary—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Ohio</b> .....	<b>55</b>	<b>2</b>		<b>5</b>	<b>4</b>	<b>1</b>	<b>6</b>	<b>16</b>	<b>11</b>	<b>10</b>
District No. 3.....	4			1				2		1
District No. 4.....	4				1		1	1		1
District No. 5.....	9						2	3	1	3
District No. 6.....	1	1								
District No. 7.....	5			1				2	2	
District No. 8.....	3				1				2	
District No. 9.....	1						1			
District No. 10.....	1									1
District No. 13.....	3			1				1		1
District No. 14.....	2				1				1	
District No. 15.....	3							2	1	
District No. 16.....	1								1	
District No. 17.....	3							1	2	
District No. 18.....	9			1	1		2	3	1	1
District No. 19.....	2									2
District No. 22.....	2	1		1						
District No. 28.....	2					1		1		
<b>Oklahoma</b> .....	<b>267</b>	<b>27</b>	<b>41</b>	<b>54</b>	<b>50</b>	<b>21</b>	<b>21</b>	<b>28</b>	<b>5</b>	<b>20</b>
District No. 1.....	44	5	6	8	7	3	2	4	1	8
District No. 2.....	32	2	6	5	2	3	2	7	1	4
District No. 3.....	57	4	9	12	7	6	9	9	1	
District No. 4.....	51	4	5	9	13	4	3	6	1	6
District No. 5.....	17	2	8	1	4		2			
District No. 6.....	26	4	4	5	6	4	1	1	1	
District No. 7.....	13	1	1	6	4		1			
District No. 8.....	27	5	2	8	7	1	1	1		2
<b>Oregon</b> .....	<b>43</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>12</b>	<b>3</b>	<b>1</b>
District No. 1.....	17	2	2		3	2		5	2	1
District No. 2.....	23	4	2	5		1	4	7		
District No. 3.....	3		1				1		1	
<b>Pennsylvania</b> .....	<b>40</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>1</b>	<b>5</b>
District No. 8.....	1				1					
District No. 10.....	3	1					2			
District No. 15.....	1			1						
District No. 16.....	1									1
District No. 22.....	1			1						
District No. 23.....	1		1							
District No. 24.....	4							3		1
District No. 25.....	3					1		2		
District No. 26.....	3	1				2				
District No. 28.....	1									1
District No. 29.....	2		1	1						
District No. 31.....	1							1		
District No. 34.....	6	1					2	2	1	
District No. 36.....	3					2				1
Philadelphia.....	9	1		1	1	3	2			1

## Summary—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Rhode Island</b> .....	<b>3</b>			<b>1</b>		<b>1</b>			<b>1</b>	
District No. 2.....	1					1				
District No. 3.....	2			1					1	
<b>South Carolina</b> .....	<b>227</b>	<b>14</b>	<b>18</b>	<b>23</b>	<b>24</b>	<b>43</b>	<b>44</b>	<b>21</b>	<b>22</b>	<b>18</b>
District No. 1.....	22	1	5	1	2	5	5	2	1	
District No. 2.....	35	2		5	3	5	10	5	3	2
District No. 3.....	46	3	3	8	2	15	9		2	4
District No. 4.....	22				4	4	6		2	6
District No. 5.....	17		2	1	1	2	3	4	2	2
District No. 6.....	50	4	4	4	7	8	8	4	11	
District No. 7.....	35	4	4	4	5	4	3	6	1	4
<b>South Dakota</b> .....	<b>394</b>	<b>3</b>	<b>9</b>	<b>45</b>	<b>111</b>	<b>64</b>	<b>115</b>	<b>27</b>	<b>7</b>	<b>13</b>
District No. 1.....	156	3	4	11	53	27	40	12	4	2
District No. 2.....	162		4	14	34	21	66	11	2	10
District No. 3.....	76		1	20	24	16	9	4	1	1
<b>Tennessee</b> .....	<b>66</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>8</b>	<b>12</b>	<b>17</b>	<b>4</b>	<b>12</b>
District No. 1.....	4						1	1		2
District No. 2.....	5	1			1		1			2
District No. 3.....	1									1
District No. 4.....	7					3	1	1	1	1
District No. 5.....	14		1	1		1	3	5		3
District No. 6.....	7	1			2	1	1	1	1	
District No. 7.....	6				1	1	1	1	1	2
District No. 8.....	6				1	2	1	2		
District No. 9.....	5				1		1	2		1
District No. 10.....	11	1		2		1	2	4	1	
<b>Texas</b> .....	<b>299</b>	<b>69</b>	<b>31</b>	<b>21</b>	<b>30</b>	<b>39</b>	<b>38</b>	<b>38</b>	<b>23</b>	<b>10</b>
District No. 1.....	32	2			6	7	3	8	5	1
District No. 2.....	17	3	2		3	4	2	1	1	1
District No. 3.....	16	4	1	2		2	4	2		1
District No. 4.....	33	5	2	2		1	9	9	3	2
District No. 5.....	7	1	1		1	3				
District No. 6.....	13	4	2	1	1	2	1	1		1
District No. 7.....	13	1	1	1	1	2	7			
District No. 8.....	11	4		2		2	2	1		
District No. 9.....	12	1		2		1		1	6	1
District No. 10.....	6		1	1			4			
District No. 11.....	10	2			1		3		3	1
District No. 12.....	14	3	3	1	1	3		3		
District No. 13.....	18	4	2	2	2	4		2	2	
District No. 14.....	5	2			1			1		1
District No. 15.....	15	3	1	2	3	2			4	
District No. 16.....	10	2	2	1	3			2		
District No. 17.....	46	23	9	3	3	3	2	2	1	
District No. 18.....	21	5	4	1	4	3	1	1		2

## Summary—Continued

	Total, 1921- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
<b>Utah</b> .....	<b>18</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>		<b>2</b>	<b>2</b>	
District No. 1.....	12	5	2	1		1		2	1	
District No. 2.....	6	1	1	1	2				1	
<b>Virginia</b> .....	<b>45</b>	<b>6</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>7</b>	<b>9</b>
District No. 1.....	3	1						1		1
District No. 2.....	11	2	3		1		2		2	1
District No. 3.....	1		1							
District No. 4.....	6	1	2		1				1	1
District No. 5.....	2	1		1						
District No. 6.....	2					2				
District No. 7.....	1					1				
District No. 8.....	3			1	1			1		
District No. 9.....	9				1		1	1	3	3
District No. 10.....	7	1					1	1	1	3
<b>Washington</b> .....	<b>56</b>	<b>13</b>	<b>5</b>	<b>5</b>	<b>12</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>7</b>
District No. 1.....	5	5								
District No. 2.....	1		1							
District No. 3.....	6	2		1				2		1
District No. 4.....	26	5	2	1	8	4	1	1	1	3
District No. 5.....	18	1	2	3	4	2	1	1	1	3
<b>West Virginia</b> .....	<b>34</b>	<b>1</b>	<b>1</b>		<b>2</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>14</b>
District No. 1.....	7	1				2		1		3
District No. 2.....	3		1							2
District No. 3.....	10				1				1	8
District No. 4.....	5				1			1	2	1
District No. 5.....	8					2	1	3	2	
District No. 6.....	1						1			
<b>Wisconsin</b> .....	<b>75</b>		<b>2</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>14</b>	<b>6</b>	<b>11</b>
District No. 1.....	1					1				
District No. 2.....	4		1		1				1	1
District No. 3.....	13		1	3		2	1	2	2	2
District No. 6.....	3			1	1					1
District No. 7.....	7			2	1	1				3
District No. 8.....	4						1	1	1	1
District No. 9.....	3					1		1	1	
District No. 10.....	17			2	1	3	6	2	1	2
District No. 11.....	23			3	6	2	3	8		1
<b>Wyoming: District No. 1</b> .....	<b>60</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>32</b>	<b>3</b>	<b>3</b>	<b>2</b>		<b>1</b>

## RECAPITULATION

	Total 1920- 1929	1921	1922	1923	1924	1925	1926	1927	1928	1929
Alabama	32	1		2	10	5	2	1		11
Alaska										
Arizona	27	6	4	9	3	3	1	1		
Arkansas	95	5	4	5	11	8	19	18	14	11
California	31	3	6	2	2	3	5	6		4
Colorado	89	13	8	18	9	15	14	4	3	5
Connecticut	2		1							
Delaware	2								1	1
Florida	190	5	5	4	3	1	43	31	35	63
Georgia	319	56	14	11	29	31	102	18	26	32
Hawaii	1		1							
Idaho	72	23	8	10	7	8	4	7	2	3
Illinois	138	10	4	5	14	8	20	29	14	34
Indiana	115	7	7	7	4	10	7	25	24	24
Iowa	528	24	12	35	83	84	135	70	51	34
Kansas	223	14	20	34	16	19	46	36	26	12
Kentucky	43	3	2	2	7	6	7	7	7	2
Louisiana	34	7	4	4	2	3	8	4	2	
Maine	3		1	1				1		
Maryland	11	5	2			2			1	1
Massachusetts	6	5		1						
Michigan	66	8	4	3	7	5	23	7		9
Minnesota	411	13	14	45	55	50	92	65	46	31
Mississippi	34	5	10	2	1	1	5	5	4	1
Missouri	296	17	11	20	43	45	58	48	31	23
Montana	203	21	31	77	46	16	8	2	1	1
Nebraska	339	28	23	17	17	12	18	25	50	149
Nevada	3		1						1	1
New Hampshire	1					1				
New Jersey	3		2							1
New Mexico	62	5	8	14	22	10	1	1		1
New York	26	5	1	4	6			2	3	5
North Carolina	125	15	9	19	13	18	11	14	8	18
North Dakota	429	36	10	106	75	32	59	37	38	36
Ohio	55	2		5	4	1	6	16	11	10
Oklahoma	267	27	41	54	50	21	21	28	5	20
Oregon	43	6	5	5	3	3	5	12	3	1
Pennsylvania	40	4	2	4	2	8	6	8	1	5
Rhode Island	3			1		1			1	
South Carolina	227	14	18	23	24	43	44	21	22	18
South Dakota	394	3	9	45	111	64	115	27	7	13
Tennessee	66	3	1	3	6	8	12	17	4	12
Texas	299	69	31	21	30	39	38	38	23	10
Utah	18	6	3	2	2	1		2	2	
Vermont										
Virginia	45	6	6	2	4	3	4	4	7	9
Washington	56	13	5	5	12	6	2	4	2	7
West Virginia	34	1	1		2	4	2	5	5	14
Wisconsin	75		2	11	10	10	11	14	6	11
Wyoming	60	6	4	9	32	3	3	2		1
Total	5,641	500	356	647	778	611	957	662	487	643

Mr. POLE. Mr. Chairman, on that question you asked a moment ago in reference to chain and group systems—

The CHAIRMAN. Yes.

Mr. POLE. Those systems were not mentioned by name, but simply by number of banks controlled. That will be sufficient?

The CHAIRMAN. Yes.

Mr. POLE. If you want the names they can be made available.

The CHAIRMAN. We will now hear Governor Young.

#### STATEMENT OF HON. ROY A. YOUNG, GOVERNOR OF THE FEDERAL RESERVE BOARD

Governor YOUNG. Mr. Chairman and members of the committee, I want, first, to refer to a letter that the board wrote to the committee about a week ago and quote excerpts from it.

The board feels that group, chain, and branch banking presents one of the most important and most difficult problems of our changing banking structure before the country at the present time. It believes that more complete information regarding the forces which have impelled this new development will be necessary before conclusions of value can be arrived at regarding its effects—financial, economic, and social. The board has not yet reached such conclusions and is not, therefore, in a position to designate a representative to appear before your committee and to speak for the board at this time.

That would appear that the board has not done any work in reference to group, chain, and branch banking. In reality it has done a great deal of work. I have watched the records of these hearings with a great deal of interest and much profit. I find much that I am going to present will be a repetition of what the Comptroller of the Currency has already presented. Very much of what I have does not need to be a part of this record, in my opinion.

In this file [indicating] there is a great deal of information that the board has made public at different times over the past eight or nine years in reference to group and chain banking. That is far too much material for anyone to read and there is much repetition in it; so that I have attempted to condense this in the statement that I will leave with the committee. Even that statement is far too long to read at this meeting to-day.

We can, however, furnish mimeographed copies of it to the members of the committee. It is a digest of all the data in the possession of the Federal Reserve Board on the subject of branch, group, and chain banking.

There are being submitted to the committee at the same time, as exhibits, copies of all material referred to in this digest.

In this connection, however, attention is called to the fact that part of the material submitted is confidential in its nature and probably ought not to be published in any report of the committee's hearings. These confidential reports are indicated both on the exhibits and by explanatory statements in the body of the digest, so that the committee can easily eliminate them if they should decide to publish this digest or any of these exhibits.

I shall try to cover this briefly, Mr. Chairman.

The CHAIRMAN. For the purpose of clarifying the record I understand you will furnish each member of the committee with mimeographed copies of this brief which is for their immediate information.

Governor YOUNG. Correct.

The CHAIRMAN. To be used as the committee sees fit in the conduct of this study?

Governor YOUNG. There is nothing confidential in this report, however—this part of it [indicating].

The CHAIRMAN. It is a separate report you are submitting?

Governor YOUNG. Yes. Some of these other reports are confidential.

Mr. FORT. And there is an indication on the material of which part it is confidential?

Governor YOUNG. Yes, sir.

Mr. BRAND. Have you that ready for distribution now?

Governor YOUNG. I will have it before the day is over.

The CHAIRMAN. When you furnish that we will distribute it to the members of the committee.

Mr. FORT. May that distribution be made tonight so that we will have it ready for cross-examination of Governor Young to-morrow?

The CHAIRMAN. I understand that is the intention.

Mr. FORT. So that we will not waste time with useless questions to-morrow that may be covered in the statement?

The CHAIRMAN. That will be taken care of. Now, let me get this clear—

Governor YOUNG. That will be ready to-night.

The CHAIRMAN. This statement that you are filing with the committee this evening is the same as you have there?

Governor YOUNG. Yes, sir; I can cover that briefly. That covers all the legal research work that the Federal reserve system has done since 1922 and concludes with a statement that the Federal reserve system made in February, containing a digest of all the State laws regarding branch banking in the United States. That is brought up to the last minute.

The CHAIRMAN. I should like to ask you also, Governor, whether you have extra copies of the exhibits or whether that is the only copy available.

Governor YOUNG. That is the only copy I have with me. I think this is condensed in such manner that very few members of the committee will care to refer to this detailed information. If they do, we can furnish it.

Mr. LETTS. If a member of the committee becomes interested in one particular point, he can go to the exhibits and follow it up?

Governor YOUNG. Yes, sir.

The CHAIRMAN. I am wondering whether this statement you are going to go over this morning should not be placed in the record.

Governor YOUNG. I think that it should.

The CHAIRMAN. Without objection this particular document from which Governor Young is speaking now will be inserted in the record and furnished to the members of the committee this afternoon so that it will be available for study before the meeting to-morrow.

Governor YOUNG. Correct.

(The statement referred to is here printed in full as follows:)

#### FEDERAL RESERVE BOARD DIGEST OF DATA ON BRANCH, GROUP, AND CHAIN BANKING

The following is a digest of all the data in the possession of the Federal Reserve Board on the subject of branch, group, and chain banking. There is being submitted to the committee at the same time as exhibits, copies of all the material

referred to in this digest. In this connection, attention is called to the fact that part of the material submitted is confidential in its nature and probably ought not to be published in any report of the committee's hearings. These confidential portions are indicated both on the exhibits and by explanatory statements in the body of the digest, so that the committee can easily eliminate them if it should desire to publish this digest or any of the exhibits.

I. Legal research:

1. September, 1922. Status of branch banking under the laws of the several States.
2. December, 1924. Comprehensive article on branch banking, including legal status.
3. March, 1925. Digest of State laws as of December 31, 1924.
4. June, 1926. Supplement to December, 1924, article.
5. February, 1929. Branch banking developments to June 30, 1928.
6. October, 1929. Digest of State laws re ownership of bank stocks by holding companies.
7. December, 1929. Branch and chain banking developments in 1929.
8. February, 1930. Digest of State laws re branch banking.

II. Statistical research re branch banking:

1. June, 1924.
2. December, 1925.
3. December, 1926.
4. February 25 and June 30, 1927.
5. June, 1928.
6. June, 1929.
7. December, 1929.

III. Statistical research on chain banking:

1. December, 1922.
2. June, 1926.
3. June, 1928.
4. June, 1929.
5. December, 1929.
6. Annual report for 1927.
7. Annual report for 1928.

IV. Branch banking in foreign countries:

1. Canada.
2. British Isles.
3. Germany.
4. France.
5. Japan.

V. History, United States:

1. Branch Banking Before the Civil War: Address by Hon. Edmund Platt.
2. Branch Banking for Country Banks: Address by Hon. Edmund Platt.
3. Recent growth of branch banking through 1924.
4. Branch banking in the United States from June, 1924, to December, 1925.
5. Branch banking developments in 1926.
6. Branch banking developments to June 30, 1928.
7. Branch and chain banking developments to June 30, 1929.

VI. Federal legislation on branch banking.

1. First bank of the United States.
2. Second bank of the United States.
3. National banks.
4. Postal savings banks.
5. Federal reserve banks.
6. Federal land banks and joint-stock land banks.
7. War Finance Corporation.
8. Federal intermediate credit banks.
9. The McFadden Act.
  - (a) National banks.
  - (b) State member banks of the Federal reserve system.

- VII. Policy of Federal reserve system on branch banking.
1. Annual report for 1915.
  2. Recommendations during 1916.
  3. Annual report for 1917.
  4. Annual report for 1918.
  5. Developments during 1919.
  6. Annual report for 1919.
  7. Recommendation of Federal reserve agents in 1921.
  8. Annual report for 1922.
  9. Annual report for 1923.
  10. Administrative policy of Federal Reserve Board prior to November 1923.
  11. Federal Reserve Board's resolution of November 7, 1923.
  12. Recommendations on McFadden bill.
  13. Administrative policy during 1924.
  14. Regulations of 1924.
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- VIII. Policy of Federal reserve system on chain banking.
1. Conditions of membership.
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  4. Annual reports for 1927 and 1928.
  5. Conferences of Federal reserve agents and governors of Federal reserve banks, 1927-28.
  6. Committee to study chain banking.
- IX. Bank failures.
1. Federal Reserve Board's annual report for 1926.
  2. Report on bank suspensions, 1921-1927.
  3. Study of bank suspensions, 1921-1929.
  4. Federal Reserve Board's annual report for 1929.
  5. Studies of bank failures by Professor Sprague and Doctor Burgess.

#### RESEARCH WORK

During the past eight years the Federal Reserve Board has done a great amount of research work in connection with the subject of branch banking, and during the past four years it has made much research in connection with the subject of group and chain banking. It is believed that the results of this research work will be very enlightening and helpful to the committee. There is given below a brief discussion of the various different phases of this research work, and there are attached exhibits containing the principal documents containing the detailed information resulting from this research work.

#### I. LEGAL RESEARCH

1. During September, 1922, Mr. Robert F. Leonard, secretary to Hon. John R. Mitchell, who was at that time a member of the Federal Reserve Board, prepared a preliminary draft of a digest showing the status of branch banking under the laws of the several States. In this digest it appears that in September, 1922, branch banking was prohibited by law in 15 States and was expressly permitted by law in 13 States. In 12 States there were no specific provisions of law prohibiting branch banking, but the State supervisory authorities did not permit branches to be established. In four States the laws prohibited branch banking, but permitted the establishment of branch offices or agencies; and in 3 States the establishment of branches was permitted without any express authorization of law. In 1 State branch banking was permitted by implication, but there were no branches then in operation in that State. Of the 13 States expressly permitting branch banking, 8 permitted it without any geographical limitations, while 5 permitted the establishment of branches only within certain geographical limits. A copy of this preliminary digest (X-3530) is attached hereto as Exhibit A. It appears that it was never put in final form.

2. In December, 1924, there was published in the Federal Reserve Bulletin (pp. 925-940) a comprehensive article with reference to the entire subject of branch banking, which reviewed the administrative policies of the Federal Reserve Board with reference to this subject, the board's recommendations to Congress, the extent of branch banking in the United States, both within and without the Federal reserve system, and the growth of branch banking. In addition to



much valuable statistical material, this article also contained (pp. 930-931) a summary of the legal status of branch banking in the United States and a map showing in which States branch banking was authorized, in which States it was prohibited and in which States the laws contained no provisions with reference to branch banking. This summary showed that at that time branch banking was expressly prohibited by statute in 17 States and was either expressly or impliedly permitted by statutory provisions in an equal number of States. The free extension of branch banking on a state-wide basis was expressly authorized in 9 States, was impliedly authorized in 2 other States, and was permitted without specific, statutory authority in 2 additional States, making 13 States in all in which state-wide branch banking was permitted. Three States restricted branch banking to the county or territory contiguous to the city or county in which the parent bank was located and two States limited the establishment of branches to the corporate limits of the city in which the parent bank was located. In three States additional offices or agencies, but not full-power branches, were permitted either by statutory provisions or under judicial decisions. A copy of this article is attached as Exhibit B.

3. In March, 1925, there was published in the Federal Reserve Bulletin (pp. 182-187) a complete digest of State laws pertaining to branch banking, which was prepared in the office of the board's general counsel with the assistance of the counsel for the various Federal reserve banks. This digest showed the status of branch-banking legislation in the various States at the close of the year 1924. It showed that branch banking was permitted either specifically or by implication in 20 States and was specifically prohibited in 17 States. It also shows that at that time there were 11 States having no express provisions of law covering branch banking. A copy of this digest is attached hereto as Exhibit I (3).

4. In June, 1926, there was published in the Federal Reserve Bulletin (pp. 401-408) an article with reference to branch banking in the United States, bringing up to date the data contained in the article published in the Federal Reserve Bulletin for December, 1924. With reference to the legal situation in the various States, this article showed that three States had enacted legislation regarding the establishment and maintenance of branches during the year 1925. It showed that, on December 31, 1925, branch banking was permitted in 20 States either expressly or by implication; it was prohibited in 17 States; and there was no legislation on the subject in 10 States. In addition to the 20 States permitting branch banking, New Jersey had recently enacted a statute authorizing banks and trust companies to establish branches within the limits of the city in which the head office was located, if national-banking associations in New Jersey should at the time be permitted by act of Congress to establish branches. A copy of this article is attached as Exhibit D.

5. In February, 1929, there was published in the Federal Reserve Bulletin (pp. 97-103) an article entitled "Branch Banking Developments to June 30, 1928," which not only brought up to date much of the statistical data on this subject but also contained a brief summary of the legal situation existing on June 30, 1928. This showed that in the period which had elapsed since the enactment of the McFadden-Pepper Act of February 25, 1927, several States had enacted legislation expressly forbidding branch banking. A table published in this article indicates that on June 20, 1928, branch banking was permitted in 22 States and in the District of Columbia, but was limited to the city or county in which the head office of the bank was located in 10 of these States and was permitted only in the home county and adjoining counties in 1 State and only in the home city or territory contiguous thereto in 1 other State, so that 12 of the States in all permitted branch banking only within limited geographical limits, while 10 States (not counting the District of Columbia) permitted branch banking without any geographical limitation. Branch banking was prohibited (except as to branches already existing) in 20 States. In only 6 States was there no legislation on the subject of branch banking, and no branches in operation. A copy of this article is attached as Exhibit E.

6. In October, 1929, there was prepared in the office of the board's general counsel, with assistance of counsel to the various Federal reserve banks, a digest of State laws regarding the ownership of bank stock by holding corporations. This was not published, but a copy is attached hereto as Exhibit F. It shows that only 19 States had any legislation affecting this subject either expressly or by implication. In most of these States the legislation obviously was not intended to deal directly with the subject of chain or group banking. Most of the legislation was very general in its character and dealt only with the general powers of banks

to own stock in other corporations or in other banks. Only in the States of New Jersey, Oregon, West Virginia, and Wisconsin did there appear to be any legislation designed specifically to restrict chain banking.

7. In December, 1929, there was published in the Federal Reserve Bulletin (pp. 762-771) an article with reference to branch and chain banking developments during the year 1929. This article pointed out that "the area within which banks were operating branch offices" on June 30 was composed of 28 States and the District of Columbia. In 9 of these States, however, any further extension of branch banking has been prohibited by law, leaving 19 States and the District of Columbia as composing what may be called "the branch-banking area," to which may perhaps be added Wyoming, whose banking code would seem to permit branch banking, although no branch offices have been reported from this State. In 8 of these States (or 9 including Wyoming) State-wide branch banking is permitted, the establishment of branches being restricted in the other 11 States to the home city of the parent bank or territory nearly contiguous thereto. In tables published on pages 768 to 770, giving the data for individual States, the States are grouped with reference to the status of branch banking as defined in the State banking codes. A copy of this article is attached hereto as Exhibit G.

8. In February, 1930, the office of the board's general counsel, with the assistance of counsel to the various Federal reserve banks, completed a preliminary draft of a new digest of State laws regarding branch banking. This digest has recently been completed in final form, and a copy of the final draft is attached hereto as Exhibit H. This digest shows that the establishment of branch banks is prohibited in 22 States; that the establishment of branches is authorized in 19 States, and that there are no specific provisions covering branch banks in 7 States. Of the 19 States permitting branch banking, 9 permit State-wide branch banking and 10 permit branch banking only within limited areas.

## II. STATISTICAL RESEARCH ON BRANCH BANKING

1. June, 1924: The first survey made for the Federal Reserve Board on branch banking in the country as a whole, i. e., including nonmember as well as member banks, was prepared as of June, 1924, and the results were published in the 1924 December Bulletin (pp. 925-940). That summary showed that 681 member and nonmember banks, out of a total of 28,468, were operating a total of 2,233 branches. Of this number, 248 were branches of national banks, 1,137 were branches of State bank members, and 848 were branches of nonmember banks. The States in which the largest number of branches were reported at that time were California, 538; New York, 359; Michigan, 332; and Ohio, 203. A copy of the Federal Reserve Bulletin for December, 1924, is attached hereto as Exhibit B.

2. December, 1925: The next survey on branch banking made for the Board was as of December, 1925, and the results are published on pages 401-408 of the June, 1926, Federal Reserve Bulletin. This survey showed that the number of banks operating branches had increased from 686 in June, 1924, to 735 in December 1925, and the number of branches in operation from 2,243 to 2,572. Of the total number of branches in operation in December, 1925, 332 were branches of national banks, 1,280 of State bank members, and 960 of nonmember banks. A copy of the Federal Reserve Bulletin for June, 1926, is attached hereto as Exhibit D.

3. December, 1926: In 1926 the board decided to maintain a complete record of all branches coming into or going out of existence of all banks in the country, and the Federal reserve agents were instructed to prepare the necessary data for this purpose. On the basis of this new record a compilation was prepared as of December, 1926, and presented to the board in Mr. Smead's memorandum of April 27, 1927. Briefly this memorandum summarized the branch banking situation at the end of 1926 as follows:

"The summary shows that out of a total of 28,000 banks in the United States on December 31, 1926, 789 banks in 401 cities were operating 2,777 branches. If mutual savings and private banks are excluded, in order to obtain figures comparable with previous compilations, it is found that 730 banks were operating 2,690 branches at the end of 1926, as compared with 735 banks with 2,572 branches in December, 1925, and 686 banks with 2,243 branches in June, 1924. There was during 1926, therefore, an increase of 118 in the number of branches in operation (exclusive of branches of mutual savings and private banks) and a nominal decrease in the number of parent banks operating the branches, this decrease being more than accounted for by consolidations of banks having branches."

A copy of this report (St. 5334) is attached hereto as Exhibit I. The same statistics, i. e., for December, 1926, were published in somewhat different form in the May, 1927, Bulletin (pp. 315-318 and 384-389), a copy of which is attached hereto as Exhibit J.

4. February 25, and June 30, 1927: Under date of February 17, 1928, Mr. Smead submitted a memorandum to the board summarizing the branch banking situation as of the date on which the so-called McFadden bill was passed. This memorandum also brought the statistics up to date as of the end of June, 1927. The following material taken from the first page of that memorandum shows briefly the status of branch banking at the time the McFadden act was passed, as well as four months later, i. e., in June, 1927:

"On February 25, 1927, the date on which the McFadden amendment to the Federal reserve and national bank acts became effective, there were in the United States 777 banks in 396 cities which were operating a total of 2,902 domestic branches, the figures by classes of banks being as follows:

	Number of banks operating branches	Number of branches
Total .....	777	2,902
National banks.....	144	389
State bank members.....	189	1,562
State bank nonmembers.....	385	863
Mutual savings banks.....	50	76
Private banks.....	9	12

"On June 30, 1927, the latest date for which complete figures for both member and nonmember banks are available, the number of banks operating branches was 788, or about 3 per cent of the total number of banks (about 26,800) in the United States, while the number of branches on the same date was 2,989, about one-tenth the number of banking offices (parent banks plus branches) in the country. Although the majority of the banks—481 out of 788—had branches only in the head-office city, there were 978 branches, or one-third of the total number, that were located outside the head-office city.

"In most cases the size of the individual branch system was small, 442 of the 788 banks having only 1 branch and 136 but 2 branches. Of the 210 banks that had more than 2 branches, 58 were located in cities of less than 100,000 population (where national banks may not hereafter establish more than 2 branches), including 3 national banks, 13 State bank members, and 42 nonmembers. There were 51 banks that had more than 10 branches on June 30, 1927, including the following which had 30 or more branches."

A copy of this report (St. 5656) is attached hereto as Exhibit K.

5. June, 1928: The next tabulation of statistics on branch banking gives the situation at the end of June, 1928, and is covered by Mr. Smead's memorandum to the board of December 1, 1928. The first paragraph of that memorandum contains a condensed statement of the status of branch banking and is quoted below:

"*Branch banking since passage of McFadden Act.*—In the 16-month period between February 25, 1927, the date on which the McFadden Act became effective, and June 30 of the present year, the number of branches of member and nonmember banks in operation in the United States increased from 2,900 to 3,230, or by 330, and the number of banks operating branches increased from 779 to 835, or by 56. While the net increase in the number of banks operating branches was 56, there were really 109 banks operating branches on June 30, 1928, that had no branches whatever when the McFadden bill became a law. The difference between this figure and the net increase of 56 in the number of banks operating branches is accounted for by the fact that 39 banks which on February 25, 1927, were operating branches went out of existence through merger with other banks, 10 banks abolished their branches, and 4 banks suspended operations on account of financial difficulties. Of the 2,900 branches that were in operation on February 25, 1927, 72 were no longer in operation on June 30, 1928, 64 having been abolished or merged with other branches or with the head office, and 8 going out of existence as a result of the suspension of the parent bank. There were 402 branches in operation on June 30, 1928, that were not

in existence when the McFadden Act became effective, including 258 established de novo and 144 that succeeded independent banks."

A copy of this report (St. 5987) is attached hereto as Exhibit L.

6. June, 1929: Under date of October 1, 1929, Mr. Smead submitted a memorandum to the board giving status of member and nonmember banks as of the end of June, 1929. The changes that took place during that year are summarized in the following paragraph quoted from that memorandum:

"Branch banking since June 30, 1928: During the 12-month period between June 30, 1928, when the last report of branches of member and nonmember banks was submitted to the board, and June 30 of the present year, the number of banks operating branches declined from 835 to 818, or by 17, while the number of branches in operation increased from 3,230 to 3,440, or by 210. Although as just stated there was a decrease during the year of 17 in the number of banks operating branches, there were 56 banks operating branches on June 30, 1928, which had no branches in operation a year earlier. This is accounted for by the fact that 51 banks which were operating branches in June, 1928, went out of existence during the year through merger with other banks, 5 banks suspended operation on account of financial difficulties, and 17 abolished their branches. Of the 3,230 branches that were in operation on June 30, 1928, 96 were discontinued during the year, 81 were abolished or merged with other branches, and 15 went out of existence as a result of suspension of the parent bank. There were 306 branches in operation on June 30, 1929, that were not in existence on June 30, 1928, including 171 established de novo, and 135 that succeeded independent banks."

A copy of this report (St. 6335) is attached hereto as Exhibit M. The same statistics, i. e., for June, 1929, were published in somewhat different form in the December, 1929, Federal Reserve Bulletin (pp. 762-770), a copy of which is attached as Exhibit G.

7. December, 1929: These are the latest statistics that we have available on branch banking, but the board's division of bank operations is now finishing the preparation of a complete statement showing the branch-banking situation at the end of the year 1929. A copy of this statement will be furnished to the committee as soon as it is available; and, for convenience, it will here be designated as Exhibit N.

### III. STATISTICAL RESEARCH ON CHAIN BANKING

1. December, 1922: The Federal reserve agents were requested (by the division of research and statistics) to gather together what material was available on the subject of chain banking, including a list of the claims and the constituent banks, and to send it to the board. This material was reviewed in the division of research and statistics, but apparently no memorandum on the subject was prepared for the board. A copy of this material is attached as Exhibit O, but apparently it is confidential and should not be released.

2. June, 1926: At the board's request, the Federal reserve agents made another survey of chain banking as of June, 1926, and a memorandum summarizing the results of this survey was presented to the secretary of the board by Mr. Smead under date of May 7, 1927. This memorandum summarized the situation briefly as follows:

"A review of the data submitted indicates that on the whole there is relatively little chain banking in the eastern section of the country, though quite a number of small chains or affiliations are reported in New York and New Jersey. In the Central and Western States, however, in most of which there is little or no branch banking, chain banking appears to be conducted on a considerable scale. The banks in the chains are in most cases controlled by a majority ownership of stock—sometimes through a holding company, but quite often the banks' policies are dominated by interests owning a substantial part but not a majority of the stock. Quite a number of the constituent banks, it will be noted from the statement attached, are national banks, particularly in New York, New Jersey, Minnesota, Kansas, and Oklahoma."

A copy of this report is attached as Exhibit P. Apparently the part typed on white paper (which contains the names of the banks) is confidential and should not be released.

3. June, 1928: Another survey was made by the Federal reserve agents as of the end of June, 1928, and a memorandum summarizing the agents' reports on this subject was presented to the Federal Reserve Board by Mr. Van Fossen of the division of bank operations under date of January 17, 1929. The situation prevailing at that time was summarized in the memorandum as follows:

"Attached hereto is a summary showing the extent of chain banking in the various States, grouped in accordance with the provisions of State laws as regards branch banking. It will be noted, as might be reasonably expected, that chain banking has had very little development in those States in which state-wide branch banking is permitted by State law. Generally speaking, also, chain banking has not developed extensively in those States in which branch banking restricted as to location is permitted. The greatest development of chain banking exists in those States which either prohibit branch banking or in which, while there is no prohibitory legislation, branch banking is not practiced.

"In States which permit either state-wide or local branch banking there is, of course, little occasion for the operation of a number of local banks in a chain, and as a matter of fact, except in the case of Chicago and Pittsburgh, where branch banking is prohibited, there are no known instances of a banking chain located either entirely or chiefly within a large city. The Old Colony Trust Co., of Boston, and the Marine Trust Co., of Buffalo, each have banking chains confined to banks located within a comparatively short distance of Boston and Buffalo, respectively, and constituting in effect extensions of their branch systems restricted by law to within the head-office city. The only other notable instances of large city banks controlling a chain of banks consisting of or including banks located outside of the head-office city are encountered in California and may be due in part to the restrictions of the McFadden Act against state-wide branch banking by member banks. The typical chain banking system is, in fact, apparently a group of country banks, usually including one or more members of the Federal reserve system, united by common stock ownership, in most instances by an individual or group of individuals, into a banking combination that under State law could not exist in the more obvious form of a branch banking system."

A copy of this report is attached as Exhibit Q. The entire report is marked "confidential," though the summary on the first few pages probably could be released if names of banks are deleted.

4. June, 1929: A fourth survey was made by the Federal reserve agents as of June, 1929, and, in order to insure uniformity in the reports on the subject, in so far as practicable, each Federal reserve agent was supplied with a copy of the reports rendered the year before covering the entire country. The survey for June, 1929, was felt, therefore, to be much more comprehensive and reliable than any that had been previously made.

A memorandum summarizing the chain banking situation in June, 1929, was presented to the board by Mr. Snead on September 20, 1929. Following is an extract from this memorandum.

"Reports of the agents indicate that on June 30, 1929, there were 231 chains comprising 1,563 banks of which 597 were national banks and 966 State banks. It is noteworthy that as of the same date, June 30, 1929, there were 818 banks operating 3,440 branches which taken together with the chain banks makes a total of over 5,800 banking offices belonging to branch or chain banking groups. As there were about 28,550 banking offices in the United States on June 30, the number connected with branch and chain banking groups constitute over 20 per cent of the total.

"The States in which chain or group banking has had its principal growth are Minnesota, New York, Iowa, Illinois, Michigan, Arkansas, Nebraska, North Dakota, Washington, Oklahoma, Kansas, Utah, and New Jersey. Branch banking is prohibited by law in seven of these States, in three others it is limited to the city in which the head office is located, and in the other three there is no provision in the State law regarding branch banking and there are no branches in operation."

There is available at this time only one carbon copy of the record for June, 1929, but the memorandum prepared for the board and the accompanying list of banking chains or groups is attached as Exhibit R.

After the data on chain banking as well as branch banking as of June, 1929, had been presented to the board, the material was written up and published in somewhat different form in the December, 1929, Federal Reserve Bulletin. That part of the article pertaining particularly to chain banking appears on pages 765 and 771, a copy of which is attached as Exhibit G.

5. December, 1929: There are still some reports outstanding on the subject of chain banking as of December, 1929, but they probably will not affect materially the preliminary summary of the situation as given in a memorandum of February

15, 1930. The situation is pretty well summarized on the first page of the memorandum, the first two paragraphs of which read as follows:

"We have just completed a preliminary compilation on chain banking as of the end of 1929, subject to some revision upon receipt of additional data in a few instances. On the basis of the data now available it appears that there were 287 banking chains or groups in the United States at the end of December embracing 2,069 banks, as compared with 274 groups embracing 1,806 banks at the end of June. The 2,069 banks reported as belonging to banking groups or chains at the end of the year constituted about one-twelfth of the 25,000 banks in the country, while the loans and investments of the chain banks were about \$10,500,000,000 or nearly one-sixth of the aggregate loans and investments of all banks in the United States.

"National banks reported as members of banking chains or groups numbered 791 at the end of December as compared with 646 in June, State-bank members 134 compared with 111 in June, and nonmember banks, 1,144 compared with 1,049 in June. Loans and investments of the national banks belonging to the banking groups were approximately \$5,600,000,000, or about one-fourth of the total for all national banks, while loans and investments of State-bank members belonging to the groups aggregated \$3,000,000,000, and of nonmember banks \$1,800,000,000."

A copy of this preliminary report is attached as Exhibit S. It is marked "Confidential," but part of it could be released if names are deleted.

6. Annual report, 1927: The subject of chain banking was discussed in the board's annual report for the year 1927 (p. 31), as follows:

"During the past few years the expanding operations of financial companies specializing in the purchase of bank stock have presented special problems to Federal and State officials charged with the responsibilities of bank supervision. Such companies have been organized in increasing numbers to operate extensively in the field of banking, not simply as investment agencies but specifically in individual instances to acquire control of corporately independent banking institutions, through stock ownership, and to exercise this centralized control in effecting bank mergers; in extending identical or virtually single corporate control over companies operated as subsidiaries in special fields of banking; in building up branch systems in States which permit branch banking; and in building up in these and in other States—but particularly in States which do not permit branch banking—chain systems, embracing in individual instances banking institutions operating under national and State charters in several States. Since such companies are not directly engaged in the business of banking as defined in Federal or State statutes, they have not been subject to supervision or regular examination by banking authorities. In some respects the control exercised through stock ownership over a group of banks operated as a system is similar to that exercised by a parent bank over its branch offices. This character of the financial company brings it clearly within the field of banking activities, and banking officials have been urged to subject developments of this character to careful scrutiny."

A copy of this report is attached as Exhibit T.

7. Annual report, 1928: In this report the subject is discussed in somewhat greater length on pages 30-31 and the report shows the number of chains in operation in each State in June, 1928. A copy of the report is attached as Exhibit U.

#### IV. BRANCH BANKING AND ITS EFFECT IN FOREIGN COUNTRIES

In order to ascertain the possible effect of unrestricted branch banking in this country, the board has caused investigations to be made of the history of branch banking in foreign countries with special reference to its effect on unit or single office banks in those countries. The information obtained is very enlightening and will be summarized below:

1. *Canada*.—Among banks doing a general banking business, the unit bank has disappeared. As of December 31, 1928, 10 chartered banks controlled general banking in the Dominion. Each of these is a branch banking system, with none having less than 30 branches. The three largest banks, the Royal Bank of Canada, the Bank of Montreal, and the Canadian Bank of Commerce, have \$2,500,000,000 in assets out of \$3,500,000,000, the aggregate of all 10. Of the 3,966 domestic branches and agencies of the chartered banks, these three largest banks have 2,219.

The progress of concentration from 1868 to 1928, which resulted in the decrease of the total number of banks from 21 to 10, is shown by a table contained in a report attached hereto as Exhibit V.

2. *British Isles.*—Among banks doing a general deposit business, the unit bank has practically disappeared in the British Isles. Only seven small institutions doing all their business at one office exist. Indeed, most of these are doubtfully classified as deposit banks, some classifications placing them among acceptance or discount houses. Forty-two concerns are in the general deposit banking business in the British Isles, with 12,837 offices in all. The five big banks have 8,050 of these offices and have 67 per cent of the banking assets. Twenty-six concerns, including the big five, each with more than 100 offices, have 93 per cent of the assets.

A century ago banking in the British Isles was done by private banking houses. By 1862 joint-stock banks were not uncommon, but real impetus to their organization was given in that year by an act which permitted the registration of such banks with limited shareholder liability. Before 1880 Lloyds Banking Co. had participated in a number of amalgamations, and concentration moved rapidly after that date. However, it was not until 1896 that 20 private banking concerns united in Barclays Banking Co., and the fifth of the present big five began its career.

During the period between 1895 and 1928, the total number of banks in the British Isles was decreased from 154 to 42.

More detailed information on this subject is contained in a report attached hereto as Exhibit W.

3. *Germany.*—In Germany, the movement from the unit bank to a branch banking system among banks doing a general banking business advanced considerably in the 20 years from 1888 through 1907.

In 1888, 164 credit or joint-stock banks with 173 branches were in existence. By 1907, there were 421 such banks with 1,064 branches. Of the total number existent in that year almost 200 were small unit banks with paid-in capital of less than 1,000,000 marks. These small banks controlled less than 2 per cent of the aggregate paid-in capital of the 421 credit banks. By the end of 1926, out of a total of 488 credit banks, as many as 354 were classified as having less than 1,000,000 marks capital. Unfortunately no figures for all credit banks are available to us since that date. However, the absorption of the smaller banks by the larger ones has progressed rapidly since that time, it is said.

For a long period of years, four great Berlin banks have been in the forefront of German banking—Deutsche, Disconto-Gesellschaft, Dresdner, and Darmstadter. The first two have recently merged. Among the 100 largest credit banks in Germany in 1907, these four banks controlled 27 per cent of the aggregate capital and in September 1929, 42 per cent.

More detailed information is contained in a report attached hereto as Exhibit X.

4. *France.*—The unit bank in France has suffered severely from the competition of extensive branch banking systems and has been losing ground in recent years. Four great French banks, doing a general business, control approximately one-half the commercial banking business in France, it has been estimated. Three of these have a large net-work of branches throughout the country: Credit Lyonnais, 1014 branches; Societe Generale, 1,350 branches; Comptoir d'Escompte, over 250 branches. The fourth, the Credit Industriel et Commercial, has many branches in Paris but none outside the city.

In addition to these large banks there are several sizable banks which have many branches in particular regions of the country. For example, there are the Credit du Nord (branches in 75 places), Societe Nancienne (105 branches and agencies), Banque Privee (more than 200 branches and agencies), and Societe Marseillaise (107 branches and agencies). Figures for branches are as of 1922. No satisfactory figures exist as to how many banks of a purely local importance survive. It was estimated for the National Monetary Commission (1911) that there were 2,700–2,800 banks (probably a loose classification) in France. The growth of the four big banks and the regional banks has been at the expense of the local bank, which is said to play a small role in French banking to-day.

More detailed information is contained in a report attached hereto as Exhibit Y.

5. *Japan.*—The unit bank in Japan is losing ground rapidly in the face of a progressive branch banking movement. In the past few years the tendency has been deliberately fostered by the government based on the belief that larger organizations would contribute to stability. Between 1913 and 1928 the total number of banks was reduced from 2,156 to 1,163.

Of the 1,163 banks in existence in 1928, 100 were savings banks, 32 special banks, and the remainder ordinary banks which do a general banking business. The special banks were individually chartered to further some particular end, often as public or semipublic institutions. In this group are the Bank of Japan, Bank of Chosen, Bank of Taiwan, Yokohama Specie Bank, and the agricultural and industrial banks. Moreover, these figures do not include Japanese trust companies and cooperative banks.

Fourteen important ordinary banks at the end of 1928 had deposits equal to 55 per cent of all the deposits of the ordinary banks. The Big Five alone had 34 per cent of the aggregate of such deposits.

More detailed information is contained in a report attached hereto as Exhibit AA.

#### V. HISTORY OF BRANCH BANKING IN THE UNITED STATES

The early history of branch banking within the United States has been the subject of research work done by Hon. Edmund Platt, vice governor of the Federal Reserve Board, in connection with certain speeches delivered by him. The more recent history of branch banking in the United States is very well covered by a series of articles published in the Federal Reserve Bulletin, commencing with the number for December, 1924. This material will be discussed briefly and copies will be attached as exhibits.

1. *Branch Banking Before the Civil War.*—In an address on this subject delivered before the national bank section of the New York State Bankers' Association at Ithaca, N. Y., on June 22, 1925, Mr. Platt points out that branch banking was very much in evidence in this country before the Civil War, especially in the West and in the South.

In 1848, out of 48 banks in Ohio, 29 were branches of the Ohio State Bank; Indiana had 17 branches of one State bank and no independent banks, Missouri had 1 bank and 5 branches, Kentucky 3 banks and 13 branches, Tennessee 3 banks and 17 branches, Virginia 6 banks and 30 branches, North Carolina 4 banks and 14 branches, South Carolina 12 banks and 2 branches, Georgia 13 banks and 7 branches, Delaware 5 banks and 3 branches, and Alabama 2 banks and 4 branches. At the same time no branches were listed in the eastern States except two each in the States of New York, Maryland, and New Jersey.

In 1860 the situation was similar, though Illinois appeared with 75 banks, Indiana with 13, all of which were branches of the State Bank of Iowa, and Missouri had 42 banks of which 33 were classed as branches. The two branches existing in New York in 1848 had disappeared in 1860, and apparently branch banking was forbidden in New York, Pennsylvania, Massachusetts, and Connecticut.

Mr. Platt's address contains an interesting discussion of the motive for the establishment of such branches (which appeared to be the facilitation of the issue of bank notes which would be difficult to redeem) and also the reasons for the opposition to the establishment of branches in Eastern States.

A copy of Mr. Platt's address is attached as Exhibit BB.

2. *Branch banking for country banks.*—On May 20, 1927, Mr. Platt made an address at Birmingham, Ala., before a meeting of the American Bankers' Association, at which he discussed the above subject. In this address he pointed out that, in the early days of banking in the United States, the right of any bank to establish branches was rarely questioned; both the first and second banks of the United States had branches; many of the early State banks established branches; and branches were looked upon as the natural means of providing banking facilities and convenience to the smaller communities.

He discussed the development of banking in the United States, commencing with the first incorporated bank in Philadelphia in 1781 and pointed out that the Philadelphia Bank, chartered in 1804, established branches in many of the interior towns of Pennsylvania, pursuant to an act of the legislature passed in March, 1809. It also appears that the Bank of Manhattan Co. had at least three branches outside of New York in 1811. It appears that most of these branches in the Eastern States were replaced by smaller independent banks during the early part of the nineteenth century.

This speech also reviews again the cause leading up to legislation in the Eastern States restricting the establishment of branches, which apparently was due to the fact that banks were frequently located in remote places with branches in the financial centers at which their circulating notes were redeemed at a discount. From this, Mr. Pratt reached the conclusion that the early legislation restricting branch banking was not really aimed at branch banking itself, but at the issuance of "wild-cat currency."



In the South and the West, however, branch banking was the general rule. In this connection much of the statistical data incorporated in Mr. Platt's earlier speech with reference to branches in the Southern and Western States in 1848 and 1860 is covered again.

Mr. Platt states that the branch banking systems in the South and West successfully weathered the panic of 1857; and it seems to have been expected in 1866, when the State bank notes were taxed out of existence, that the successful banks in the Western States would convert into national banks and retain their branches. It appears, however, that they did not do so but reorganized as national banks and reorganized their branches as independent unit banks.

Mr. Platt points out that in 1860 the country banks in the South and West had a much larger average capitalization than at present, but that the authority contained in the national bank act for the organization of banks with a capital of only \$50,000 furnished an impetus for the organization of small banks and that some of the Western States "ran wild in the effort to provide banking facilities in the very smallest towns by permitting the organization of independent banks with a capital as small as \$10,000, and even in a few States \$5,000."

Mr. Platt then traces the difficulties arising out of the organization of numerous small independent banks and calls attention to the number of failures among them in the panic of 1893. From about that time he traces the modern development of branch banking, which apparently started in the Southern States and in California.

Mr. Platt then discusses the number of bank failures in small banks during the years 1921 to 1926, inclusive, and calls attention to the fact that almost two-thirds of the suspended banks had a capital of \$25,000 or less and that 72 per cent of them had a capital of less than \$50,000. He points out that, in his annual report for the year 1898, Mr. Charles G. Dawes, then Comptroller of the Currency, recommended that branch banking be authorized in communities of less than 2,000 inhabitants, since many of such communities were not able to support independent banks. He then compares the experience of farmers in the wheat sections of the United States where the independent bank system was in operation and in Canada where the branch banking system was in operation and concludes that "The Canadian farmers have lost nothing from the bank failures while \$298,070,000 in deposits has been tied up and at least 50 per cent of it lost, in the bordering States of Montana, North and South Dakota, and Minnesota in 1,134 bank suspensions in the past six years, nearly all of them in small towns and small banks."

Mr. Platt states that he does not advocate nation-wide branch banking for the United States, but believes that we need and must have "larger country banks with a limited number of branches along the lines of the development that has taken place in many of the Southern States for many years." He claims that the McFadden Act discriminates against country banks and in favor of banks in the big cities. He reviews the statistics with reference to the number of branch banking organizations in the United States and concludes with a plea for branch banking in the country districts.

A copy of Mr. Platt's speech is attached hereto as Exhibit CC.

3. *Recent growth of branch banking through 1924.*—On pages 925 to 940, inclusive, of the Federal Reserve Bulletin for December, 1924, there is published an article entitled, "Branch Banking in the United States," which contains a comprehensive survey of the recent growth of branch banking in this country through the year 1924. No attempt will be made to summarize this article here, but its scope may be indicated by listing its various headings, which are as follows:

Limitations upon Federal Control of Branch Banking.

Administrative Policy of the Board Prior to November, 1923.

Branch Banking Recommendations to Congress.

Resolution on Branch Banking Adopted by the Board on November 7, 1923.

Further Definition of the Board's Branch Banking Policy. (In the Regulations of 1924.)

Extent of Branch Banking in the United States.

Legal Status of Branch Banking.

Branch Banking within and without the Federal Reserve System.

Resources of Banks Operating and Not Operating Branches.

Banks Operating Home City and Outside Branches.

Size of Branch Systems.

Branches in and Outside of the Home City of the Parent Bank.

Parent Banks and Branches Classified by Population of Community in Which Located.

Growth of Branch Banking, 1865-1924.

Classification of Parent Banks and Branches by Federal Reserve Districts.  
State Totals.

A copy of this article is attached hereto as Exhibit B.

4. *Branch banking in the United States from June, 1924, to December, 1925.*—On pages 401 to 414, inclusive, of the Federal Reserve Bulletin for June, 1926, there is published an article entitled, "Branch Banking in the United States," which describes the development of branch banking from June, 1924, to the end of December, 1925, and thus supplements the article published in the Federal Reserve Bulletin for December, 1924. It contains not only a discussion of the development of branch banking during this period but also a classification of the States with reference to their branch banking laws as of December 31, 1925, and certain valuable statistical material with reference to the status of branch banking in this country on the same date. A copy of the Bulletin containing this article is attached as Exhibit D.

5. *Branch banking developments in 1926.*—On pages 315 to 318, inclusive, of the Federal Reserve Bulletin for May, 1927, there is published an article describing the development of branch banking in the United States during the year 1926, which supplements the earlier articles on this subject. It contains discussions of the legal status of branch banking, the extent of branch banking, branch banking in California, and the method of establishing branches, and also valuable statistical tables showing the status of branch banking at the end of the year 1926. A copy of the Bulletin containing this article is attached hereto as Exhibit J.

6. *Branch bank developments to June 30, 1928.*—On pages 97 to 103, inclusive, of the Federal Reserve Bulletin for February, 1929, there is published a discussion of branch banking developments in the United States from the end of the year 1926 to June 30, 1928, which supplements the earlier articles on this subject. This article is especially interesting because it describes the effect of the Mc Fadden-Pepper Act of February 25, 1927, during the first 18 months of the functioning of that act. It contains a table showing the States permitting, restricting, and prohibiting branch banking to June 30, 1928, tables showing the number of banks operating branches and the number of branches in operation, together with the increase in these numbers from February 25, 1927, to June 30, 1928, together with other valuable statistical material. A copy of this article is attached as Exhibit E.

7. *Branch and chain banking developments to June 30, 1929.*—On pages 762 to 771, inclusive, of the Federal Reserve Bulletin for December, 1929, there is published an article discussing the branch and chain banking developments in the United States during the year ending June 30, 1929. This not only supplements the information with reference to branch banking published in earlier articles, but contains much valuable material with reference to chain banking. The scope of the article may be indicated by the captions in the text and the headings of the tables, which are as follows:

Changes, 1927 to 1929.

Banks Initiating and Discontinuing Branch Banking and Branches Established and Discontinued; 1927-1929.

Branch Banking Area.

Size of Branch Systems.

Size of Branch Systems for Parent Banks Located in Large and Small Cities; June 30, 1929.

Urban and Rural Systems.

Chain Banking.

Summary of Branch Banking Developments; 1924 to 1929.

Branch Systems with Head Offices in Selected Cities.

Banks Operating Domestic Branches and Number of Branches, by States; June 30, 1929.

Banks Operating Domestic Branches and Number of Branches, by States; June, 1924-June, 1929.

Size of Branch Systems and Location of Branches; June, 1929, and 1928.

Chains and Banks in Chain Systems, by States; June 30, 1929.

A copy of this article is attached as Exhibit G.

#### VI. FEDERAL LEGISLATION ON BRANCH BANKING

Congress has in several instances enacted legislation authorizing the establishment of branch banking systems. In the early years of this country, 1791 and 1816, Congress authorized the establishment of the First Bank of the United States and the Second Bank of the United States. Both of these banks were

authorized to establish branches in any part of the United States. The national bank act did not expressly forbid the establishment of branches; and the amendment of March 3, 1865 (sec. 5155 of the Revised Statutes), authorized State banks having branches, with capital assigned to the head office and branches in definite proportions, to convert into national banks and retain their branches, regardless of their location.

Branch banking systems for particular purposes were also authorized when Congress authorized the establishment of the postal savings banks, Federal reserve banks, Federal land banks, joint-stock land banks, Federal intermediate credit banks, and the War Finance Corporation. The establishment of branches in each of these systems, however, was permitted only under certain conditions and subject to certain restrictions and safeguards. In determining what legislation should now be enacted with reference to the establishment of branches by commercial banking institutions, it would be advisable to examine carefully the restrictions and safeguards which Congress has thrown about the establishment of branches in the banking systems it has heretofore authorized.

The legislation authorizing these various systems of branch banks will be discussed very briefly.

1. *First Bank of the United States.*—In 1791 Congress chartered the First Bank of the United States. The charter of this bank provided that its head office should be located at Philadelphia and authorized its board of directors to establish branch offices within the United States wherever thought fit, for purposes of discount and deposit. It appears that eight branches of the First Bank of the United States were established in various parts of the country.

2. *Second Bank of the United States.*—In 1816 Congress authorized the establishment of the Second Bank of the United States with its head office in the city of Philadelphia. The charter of this bank authorized its directors to establish branch offices wherever they thought fit within the United States, for purposes of discount and deposit. It appears that 18 of such branches were established by this bank.

3. *National banks.*—The national bank act did not expressly forbid the establishment of branches, and it was not until January 28, 1924, when the Supreme Court of the United States rendered its decision in the famous case of First National Bank in St. Louis *v.* State of Missouri (263 U. S. 640), that it was definitely and finally settled that national banks could not establish branches under the provisions of that act. Even after that decision, it was contended that, in the exercise of their incidental powers, national banks could establish "additional offices" for the performance of certain limited functions within the limits of the city or town in which they were located.

Although the national bank act did not expressly authorize the establishment of branches by national banks, the amendment of March 3, 1865 (sec. 5155 of the Revised Statutes) specifically provided that State banks having branches with capital assigned to the head office and branches in definite proportions could convert into national banks and retain their branches, regardless of the location of such branches. Moreover, under the act of November 7, 1918, a national bank having branches retained upon conversion from a State bank could consolidate with another national bank and the consolidated bank could retain the branches. Where the State law was suitable, therefore, national banks could acquire branches by the device of organizing a State bank with branches, converting it into a national bank, and consolidating with it. In 1925 there were in existence 103 branches of national banks acquired under these Statutes.

All of this, of course, was changed by the McFadden Act of February 25, 1927, which expressly authorized national banks to establish branches within the limits of the city or town in which their head offices are located but expressly forbids them to establish or acquire, by consolidation or otherwise, branches beyond the limits of the city, or town in which their head offices are located, except that they may retain or acquire by consolidation or conversion branches lawfully established and in actual operation prior to the passage of that act. This will be discussed in more detail under a separate heading.

In this connection, it may be pointed out that, under the provisions of section 25 of the Federal reserve act, any national bank having a capital and surplus of \$1,000,000 or more with the permission of the Federal Reserve Board and upon such conditions and under such regulations as may be prescribed by the board, may establish branches in foreign countries or dependencies or insular possessions of the United States; but this privilege is denied to State member banks of the Federal Reserve System under the provisions of the McFadden Act.

4. *Postal Savings banks.*—In 1910 Congress authorized the establishment of the Postal Savings System. (U. S. C., title 39, ch. 20.) This system is under the control, supervision, and administration of a board of trustees consisting of the Postmaster General, the Secretary of the Treasury, and the Attorney General. Every post office designated by the Postmaster General may act as a postal-savings depository and receive deposits of funds from the public. Such funds may be received from any one person in amounts of \$1 or multiples thereof, but not more than an aggregate amount of \$2,500 may be received from any one person. Interest at the rate of 2 per cent per annum is to be paid upon such deposits. These deposits may be withdrawn under such regulations as the Postmaster General may prescribe. The law contemplates that 5 per cent of postal-savings deposits shall be kept with the Treasurer of the United States as a reserve and that the balance of such deposits shall be deposited in banks located in the city, town, or village of the postal-savings depository which receives such deposits, or under certain circumstances with the treasurer of the board of trustees. The law also provides that under certain circumstances these deposits may be invested in bonds or other securities of the United States. Depositors in the Postal Savings System may surrender their deposits in certain specified amounts and receive therefor bonds of the United States. It appears from these facts that the Postal Savings System is a form of branch banking with the controlling and supervising board located in Washington, D. C., and with branches located in the various post offices designated by the Postmaster General in different parts of the country.

It appears from the Annual Report of the Postmaster General for the fiscal year ending June 30, 1929, that at the close of that year there were 6,770 postal-savings depositories in operation in the various post offices, including 794 such depositories located in branch post offices. Postal-savings deposits held for depositors at the end of that fiscal year amounted to \$158,055,538.55 and there were 416,580 depositors.

5. *Federal Reserve Banks.*—In 1913 Congress enacted the Federal reserve act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford a means of rediscounting commercial paper, and to establish a more effective supervision of banking in the United States. (U. S. C., title 12, ch. 3.) This act authorized the division of the continental United States, exclusive of Alaska, into not more than 12 districts and the establishment in each district of one Federal reserve bank. The act authorized such Federal reserve banks to exercise certain banking powers and to perform certain functions for the national and State banks which were required or permitted to become members of the Federal reserve system by the purchase of stock in a Federal reserve bank. It provided for the creation of the Federal Reserve Board with supervisory powers over the entire Federal reserve system, and section 3 of the Federal reserve act authorizes the Federal Reserve Board to permit or require any Federal reserve bank to establish branch banks within the Federal reserve district in which it is located or within the district of any Federal reserve bank which may have been suspended. Pursuant to this authority the board has permitted the Federal reserve banks to establish branches within their respective districts. The total number of such branches which have been established is 25. It will thus be seen that, when Congress enacted the Federal reserve act, it authorized the establishment of a system of banks having branches with the supervisory power over such system vested in the Federal Reserve Board, with its offices in Washington, D. C., and the banking functions vested in the Federal reserve banks and their branches located in various parts of the United States. It will be noted that Congress in this instance restricted the establishment of branches of a Federal reserve bank to the district in which the particular Federal reserve bank is located, except in those cases where a Federal reserve bank may have been suspended.

6. *Federal land banks and joint-stock land banks.*—In 1916 Congress enacted the Federal farm loan act to provide for loans on farm lands secured by mortgages. (U. S. C., title 12, ch. 7.) This act authorized the creation of the Federal Farm Loan Board with supervisory powers and the creation of Federal land banks and joint-stock land banks with power to make farm loans and, with the approval of the Federal Farm Loan Board, to issue farm loan bonds. It was provided that the continental United States, exclusive of Alaska, should be divided into 12 districts and that in each district there should be established one Federal land bank. It was not required, however, that only one joint-stock land bank be established in each district. Such Federal land banks and joint-stock land banks were authorized, with the approval of the Federal Farm Loan Board,

to establish branches within the district in which such banks are located. The Federal Farm Loan Board was also authorized to designate a Federal land bank which might establish a branch in Porto Rico and to designate a Federal land bank which might establish a branch in the Territory of Alaska. It will be seen that in this instance Congress has again provided for the establishment of a banking system with branches with the supervisory powers over such system vested in a board with offices in Washington, D. C., and the banking functions vested in banks and branches thereof located in various parts of the country. It is significant that here also Congress has restricted the right of each bank to establish branches to the area of the district in which it is located.

It appears that no branches of either Federal land banks or joint stock land banks have been established in the United States. One branch of a Federal land bank, however, has been established in Porto Rico.

7. *War Finance Corporation.*—In 1918 Congress enacted legislation to create the War Finance Corporation and authorized this corporation to make loans to persons, firms, or corporations whose operations were necessary or contributory to the prosecution of the war. (U. S. C., title 15, ch. 9.) By a later amendment the corporation was also authorized to make loans for agricultural purposes. This corporation was also authorized to issue its notes or bonds. The management of the corporation was vested in a board of directors consisting of the Secretary of the Treasury and four other persons appointed by the President, with the advice and consent of the Senate. It was provided that the principal office of the corporation should be located in the District of Columbia, but the corporation was authorized to establish agencies or branch offices in any city, or cities, of the United States, under rules and regulations prescribed by its board of directors. Congress thus authorized the establishment of a branch banking system for a particular purpose and subject to certain restrictions and provision.

At the peak of its activity the War Finance Corporation had 33 loaning agencies or branches in operation in various parts of the country in connection with its loans for agricultural purposes.

8. *Federal intermediate credit banks.*—In 1923 Congress amended the Federal farm loan act so as to authorize the creation of Federal intermediate credit banks. (U. S. C., title 12, ch. 8.) This amendment provided for the establishment of 12 Federal intermediate credit banks, 1 to be located in each of the cities in which a Federal land bank is located, and authorized these institutions to make loans for agricultural purposes and to issue debentures. The powers granted to these institutions are to be exercised under the supervision and control of the Federal Farm Loan Board. It appears that in this instance also Congress has approved a form of branch banking. In this case the control and supervisory functions are vested in the Federal Farm Loan Board, with its offices in Washington, D. C., and the banking functions are vested in the Federal intermediate credit banks located in different parts of the country.

9. *The McFadden Act.*—No discussion of congressional legislation of branch banking would be complete without a discussion of the McFadden Act of February 25, 1927, though the provisions of that act are familiar to everyone who has made any study of the subject of branch banking.

(a) *National banks.*—The provisions of the McFadden Act with reference to branches of national banks may be summarized as follows:

(1) Any national bank may retain and operate such branch or branches as it had in lawful operation on February 25, 1927, regardless of their location.

(2) Any national bank which has continuously maintained and operated not more than one branch for a period of more than 25 years immediately preceding February 25, 1927, may continue to maintain and operate such branch, regardless of the legality of the establishment of such branch or the maintenance of it prior to the enactment of the McFadden Act.

(3) Where a State bank converts into a national bank such national bank may retain and operate any and all branches of such State bank which any bank had in lawful operation on February 25, 1927, regardless of their location.

(4) If a State bank consolidates with a national bank, such consolidated national bank may retain and operate any and all branches of either the State bank or the national bank which any bank had in lawful operation on February 25, 1927, regardless of their location.

(5) Where two or more national banks consolidate, such consolidated national bank may retain and operate any and all branches of any one of the constituent national banks which any bank had in lawful operation on February 25, 1927, regardless of their location.

(6) After February 25, 1927, national banks may establish and operate new branches subject to the following conditions and limitations:

(a) Such branches may be established and operated only within the limits of the city, town, or village in which the parent bank is situated;

(b) Such branches may be established and operated only in those States the laws of which permit State banks to establish and operate similar branches;

(c) No such branch may be established in a city, town or village of which the population by the last decennial census was less than 25,000;

(d) Not more than one such branch may be established in any city, town or village of which the population by the last decennial census does not exceed 50,000;

(e) Not more than two such branches may be established in any city, town or village of which the population by the last decennial census does not exceed 100,000;

(f) In any city, town or village the population of which exceeds 100,000 the determination of the number of branches which may be established by national banks is left to the Comptroller of the Currency; and

(g) No such branch shall be established or moved from one location to another without first obtaining the consent and approval of the Comptroller of the Currency.

(7) The term "branches" as here used includes any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State or territory of the United States or in the District of Columbia where deposits are received, checks paid or money lent.

(8) This section of the McFadden Act does not affect the establishment or maintenance of branches by national banks in foreign countries or dependencies or insular possessions of the United State pursuant to the provisions of section 25 of the Federal reserve act.

(9) The words "State bank," "State banks," "bank," or "banks": as used in this section includes trust companies, savings banks, or other such corporations or institutions carrying on the banking business under authority of State laws.

(10) National banks are expressly authorized to transact at branches established or maintained in accordance with the provisions of the McFadden Act any and all business which might be lawfully transacted at the head office.

(b) State member banks of the Federal reserve system: Under the McFadden Act, any State bank which, on February 25, 1927, had established and was operating a branch or branches in conformity with the State law, may retain and operate such branch or branches while remaining or upon becoming a member of the Federal reserve system. In other words, any nonmember State bank which, on February 25, 1927, had established and was operating a branch or branches in conformity with the State law and which becomes a member of the Federal reserve system is entitled by law to retain such branch or branches, regardless of the number or location thereof; and any State member bank which, on February 25, 1927, had established and was operating a branch or branches in conformity with the State law is lawfully entitled to retain and operate such branches while remaining a member of the Federal reserve system, regardless of the location or number of such branches.

The only restriction on the establishment of branches by State member banks is that no State bank may become a member of the Federal reserve system or may remain a member of the Federal reserve system except upon relinquishing any branch or branches established after February 25, 1927, beyond the limits of the city, town or village in which the parent bank is located. In other words, no nonmember State bank may become a member of the Federal reserve system except upon relinquishing any branch or branches established after February 25, 1927, beyond the limits of the city, town, or village in which the parent bank is situated; and any State member bank which establishes a branch or branches beyond the limits of the city, town, or village in which the parent bank is located after February 25, 1927, must either relinquish such branch or branches or give up its membership in the Federal reserve system.

The McFadden Act prescribed no limitations upon the number of branches which State member banks may establish or maintain within the limits of the city, town, or village in which the parent bank is located, nor does it require any specified population of the cities, towns, and villages in which State member banks may establish or maintain branches.

On the other hand, no exception is made as to foreign branches of State member banks and the Attorney General has held that they may not lawfully establish foreign branches and remain members of the Federal reserve system since the

passage of the McFadden Act, although the right of national banks to establish foreign branches under the provisions of section 25 of the Federal reserve act is expressly preserved.

There are many inequalities in the branch banking provisions of the McFadden Act as they affect national banks and State member banks, respectively, and to a certain extent that act fails to place these two classes of banks on an equality with respect to the establishment of branches.

#### VII. POLICY OF FEDERAL RESERVE SYSTEM ON BRANCH BANKING

1. *Annual report for 1915.*—In its annual report for the year 1915, page 22, the Federal Reserve Board recommended to Congress that national banks be permitted to establish branch offices within the city, or within the county in which they were located. The Federal Advisory Council, under date of September 21 and November 16, 1915, had recommended that the national bank act be amended so as to permit national banks to establish branches under certain conditions.

2. *Recommendations during 1916.*—Consistently with this recommendation, the board in 1916 prepared and transmitted to Congress the draft of an amendment to the Federal reserve act. In the terms of this amendment national banks located in cities of 100,000 and over having a capital and surplus of \$1,000,000 or more would have been permitted to establish branches within the corporate limits of the cities in which they were located, and any national banks located in other places would, with the approval of the Federal Reserve Board and under such regulations as the board might prescribe, have been permitted to establish branches within the limits of the county in which they were located or within a radius of 25 miles, irrespective of county lines, but not in any case outside the State or Federal reserve district of the parent bank. (Federal Reserve Bulletin, pp. 323, 327; 1916 annual report, pp. 29, 145.)

Under date of November 20, 1916, the Federal advisory council renewed its recommendation regarding the establishment of branches by national banks but added that the privilege of establishing branches should apply to all banks in the national banking system and not only to such national banks as were located in States which permitted State institutions to establish branch banks. (See pp. 28 and 34 of 1916 Recommendations.)

An amendment drawn in compliance with the recommendations of the board was adopted by the Senate, during 1916, and together with other amendments, was referred to a conference committee of the House and Senate. In conference it developed that the amendment was not acceptable to the House conferees and the Senate on recommendation of its conferees receded from its proposal. (1916 annual report, p. 135.)

3. *Annual report for 1917.*—In its 1917 annual report to Congress (p. 33), the board recommended an amendment to the Federal reserve act to provide that any national bank located in a city or incorporated town of more than 100,000 inhabitants, and possessing a capital and surplus of \$1,000,000 or more, may, under such rules and regulations as the Federal Reserve Board may prescribe, establish branches, not to exceed 10 in number, within the corporate limits of the city or town in which it is located, provided that no such branch shall be established in any State in which neither State banks nor trust companies may lawfully establish branches. The board stated that "State banks which become members of the Federal reserve system are allowed by law to retain any branches which may already be in existence and, with the approval of the board, to establish new branches. National banks which have taken over State banks having branches are permitted to continue the operations of these branches. There seems to be no reason for such discrimination between members of the Federal reserve system, and with the view of placing them more nearly upon terms of equality, besides affording in many cases better service to the public, it is recommended that provision be made for the establishment of branches by national banks, under proper limitations."

4. *Annual report for 1918.*—In its annual report for the year 1918 (p. 83) the board renewed its recommendation, expressing the opinion that national banks were "at a serious disadvantage in meeting the competition of State banks with branches," and that "the proper development of the Federal reserve system makes it necessary to coordinate as far as possible the powers of all member banks." This coordination of powers could not be effected without amendment of existing laws under which "some member banks, both National and State, are given advantage over other member banks." The board renewed its recommend-

ation of previous years, being confident that the proposed amendment would "prove beneficial to the Federal reserve system, as well as to the communities concerned." The Federal advisory council also renewed its recommendation that an amendment of this character should be enacted. (P. 6, 1918 recommendations of Federal advisory council.)

5. *Developments during 1919.*—In 1919, a bill was passed by the Senate which proposed to authorize national banks in cities of 500,000 or more population having a capital and surplus of \$1,000,000 or more, to establish not exceeding 10, branches within the corporate limits of the cities in which they were located, provided State law extended a similar privilege to State banking institutions. Under date of September 16, 1919, the Federal advisory council urged the Federal Reserve Board to use every effort to secure the passage of this bill in the interest of sound banking and the granting of equal banking facilities to all people in the same business. (P. 19 of 1919 Recommendations of Federal Advisory Council.)

6. *Annual report for 1919.*—The board in its annual report for the year 1919 (p. 64) made substantially the same recommendation regarding the branch banking amendment as it had made in its annual report for the year 1918, and commented upon the bill above referred to as follows:

"Under the present law national banks can not afford the same facilities to the public as are given by State banks having branches, except in cases where State banks and trust companies operating branches have merged with national banks, when existing branches may be continued by the national banks. \* \* \* While the board would prefer to have this privilege (of establishing branches) extended to national banks in cities of not less than 100,000 inhabitants, or, failing that, have the population limit raised to 200,000, it wishes to point out that the limit fixed in the Senate bill does not affect the principle involved, and it therefore respectfully recommends once more that national banks be permitted to establish branches in cities in which they are located under such limitations as in the wisdom of Congress may be deemed desirable."

7. *Recommendation of agents' conference in 1921.*—The conference of Federal reserve agents held in October, 1921, adopted a resolution favoring the establishment of branches in the same city in which a national bank is located, provided State banks are permitted that privilege under State law. (Pp. 111-115 of proceedings of October, 1921, Conference of Federal Reserve Agents.)

8. *Annual report for 1922.*—Again in its report for 1922 (pp. 5-6) the board commented briefly upon branch-banking developments, noting that the establishment of branches by the larger State banks "had gone so far in a few States, notably California, and in a few large cities, including New York, Cleveland, and Detroit, as to reduce greatly the number of national banks." The board expressed the opinion that the action of the Comptroller of the Currency in permitting national banks to open "additional offices" within the corporate limits of the cities in which they were located in States which permitted branch banking "does not meet the situation in California and does not fully meet it in the cities mentioned," and that "an amendment to the national banking act allowing national banks the same privilege given to State banks in States where branch banking is permitted is much to be desired."

In this connection the board noted a suggestion made by the joint commission of agricultural inquiry in its report to Congress dealing with the problem of rural credit, to the effect that "a system of limited branch banking might furnish a possible solution of this problem." Upon this suggestion the board commented as follows:

"Such systems are in fact already established in some sections of our country, notably in California, and appear to have gone far toward solving the problem. Branch banking has lowered the rate of interest in some of the leading agricultural sections of California, and at the same time has provided added security for the deposits of the farmers. There are interesting neighborhood branch banking groups in other States, which appear to be serving their communities well."

9. *Annual report for 1923.*—Finally, in its 1923 report, page 48, the board notes the difficulties which originate in the differences of State laws and the competitive disadvantages under which national banks operate in States which permit branch banking, and expresses the hope "that it can by administrative measures find some reasonable method of harmonizing existing differences of interest of State and national banks in the matter of branch banking, and thus lay the basis for a policy which will result in shaping the development and practice of branch banking in the United States along useful and serviceable lines."

10. *Administrative policy of the board prior to November, 1923.*—In acting upon application of State member banks for permission to establish additional branches within the system the board, prior to November, 1923, had considered each case



upon its merits, giving consideration to public convenience and to the parent bank's capacity for properly organizing the branch and assimilating the business taken over. As a matter of general policy rather than specifically of branch banking policy, the board in individual cases withheld its approval until satisfied that establishment of the additional branch or branches in question would not impair the solvency or liquidity of the parent bank. It gave consideration to the rate of expansion of the given branch system; coordination of branches already acquired; head-office control, supervision, and personnel; affiliation with outside corporations, relation of capital and surplus to deposit liabilities, especially in rapidly expanding branch systems; methods of acquiring branches; and generally to local conditions and needs in so far as they could be clearly defined. The board distinguished branches from paying and receiving stations not vested with discretionary power to make loans, except for inconsiderable sums and, while reserving the right to reconsider in case such offices in any instance developed into full fledged branches, it made approval of such outside offices more or less a matter of form, except where it appeared that the expense of maintaining them might impair the capital of the bank.

Although the board had not formulated any arbitrary rule requiring simultaneous examinations of head offices and branches, it had nevertheless regarded any evidence of inability on the part of State authorities to conduct proper examinations of banks maintaining extensive branch systems as being in itself adequate justification for limiting further expansion of such systems. It felt that responsibility for the conduct of adequate examinations must, in the case of member as of nonmember banks, be assumed primarily by State authorities rather than, in the case of member banks, by the Federal reserve bank of the given district.

In general, it may be observed that, prior to November, 1923, the board permitted expansion of member bank branch systems under State supervision and control, in so far as such expansion was consistent with sound banking principles of efficient administration, adequate State supervision, and complete solvency.

11. *Resolution of November 7, 1923.*—On November 7, 1923, the Federal Reserve Board adopted a resolution (X-3881) formulating certain general principles for guidance of the board in acting upon individual cases presented to it in applications for admission to membership of State banks operating branches outside the city or town or contiguous territory in which the parent bank was located and in applications of State member banks for permission to establish such branches.

This resolution reads as follows:

*Resolved*, That the board continue hereafter as heretofore to require State banks applying for admission to the Federal reserve system to agree as a condition of membership that they will establish no branches except with the permission of the Federal Reserve Board; be it further

*Resolved*, That, as general principle, State banks with branches or additional offices outside of the corporate limits of the city or town in which the parent banks are located or territory contiguous thereto ought not be admitted to the Federal reserve system except upon condition that they relinquish such branches or additional offices; be it further

*Resolved*, That, as general principle, State banks which are members of the Federal reserve system, ought not be permitted to establish or maintain branches or additional offices outside the corporate limits of the city or town in which the parent bank is located or territory contiguous thereto; be it further

*Resolved*, That in acting upon individual applications of State banks for admission to the Federal reserve system and in acting upon individual applications of State banks which are members of the Federal reserve system for permission to establish branches or additional offices, the board, on and after February 1, 1924, will be guided generally by the above principles; be it further

*Resolved*, That the term 'territory contiguous thereto' as used above shall mean the territory of a city or town whose corporate limits at some point coincide with the corporate limits of the city or town in which the parent bank is located; be it further

*Resolved*, That this resolution is not intended to affect the status of any branches or additional offices established prior to February 1, 1924, either those of banks at the present time members of the Federal reserve system or those of banks subsequently applying for membership in said system."

The Federal advisory council, however, was not inclined to favor this resolution. Under date of November 19, 1923, it stated with reference to the resolution that "it believes that the resolution, if carried into effect, will give a position of monopoly to those State banks that have established state-wide system of branches, while those State banks that have refrained from branch banking will be placed in a position of great disadvantage." (P. 11 of 1923 recommendations of Federal advisory council.)

12. *Recommendations re McFadden bill.*—On February 11, 1924, the so-called McFadden bill was introduced in Congress giving to national banks the right to establish branches and imposing some restrictions upon the establishment of branches by State member banks of the Federal reserve system. As has been shown above, the board had repeatedly recommended the enactment of legislation authorizing the establishment of domestic branches by national banks and a number of bills designed to accomplish this general purpose were introduced from time to time. These bills were in various forms and contained various limitations and restrictions, but none of them was ever passed by Congress.

On May 26, 1924, and April 23, 1926, in letters addressed to Congressman McFadden and Senator McLean, respectively, the board expressed its general approval of the McFadden bill. The Federal advisory council in 1924, 1925, and 1926 also recommended enactment of the bill, and on February 25, 1927, it was finally enacted into law.

13. *Administrative policy during 1924.*—At its meeting on January 7, 1924, the board gave consideration to the applications of three banks for permission to establish branches from time to time over a period of several months in accordance with contemplated programs of development, and adopted a resolution to the following effect: That no blanket authority to establish branches would be granted; that each application must be presented separately in regular form and manner, subject to approval of the State banking authorities and a recommendation of the Federal reserve bank of the district; that applications to establish branches in noncontiguous territory, filed before February 1 (under the board's resolution of November 7) might be considered by the board after that date; and that the board reserved right to pass on each application on its merits. (See X-3937.)

14. *Regulations of 1924.*—On March 27, 1924, the board issued a revised and further elaboration of its regulations formulated under that general provision of the Federal reserve act which authorizes it to prescribe conditions of membership for State banking institutions applying for admission to the system. In these regulations, as amended a month later, on April 7, the board took occasion to give more formal statement than it had previously given to principles which would govern it in approving the establishment of branches.

By Section IV of its Regulation H, as amended April 7, 1924, the board stated that it would prescribe the following conditions of membership for every State bank thereafter admitted to the Federal reserve system:

"(4) Such bank or trust company shall not, except after applying for and receiving the permission of the Federal Reserve Board, establish any branch, agency, or additional office.

"(5) Such bank or trust company, except after applying for and receiving the permission of the Federal Reserve Board, shall not consolidate with or absorb or purchase the assets of any other bank or branch bank for the purpose of operating such bank or branch bank as a branch of the applying bank; nor directly or indirectly, through affiliated corporations or otherwise, acquire an interest in another bank in excess of 20 per cent of the capital stock of such other bank; nor directly or indirectly promote the establishment of any new bank for the purpose of acquiring such an interest in it; nor make any arrangement to acquire such an interest."

These conditions were prescribed for all State banks and trust companies which were admitted to membership between April 7, 1924, and February 25, 1927, and were conditionally prescribed for all institutions admitted between February 26, 1927, and January 3, 1928. Prior to April 7, 1924, these conditions, or conditions substantially similar thereto, were prescribed for special reasons for a number of State banks and trust companies admitted to the system.

In Section VI of the same regulation, the board stated the administrative policy which it would pursue in acting upon applications for permission to establish branches under these conditions of membership as follows:

## SECTION VI. PRINCIPLES GOVERNING ESTABLISHMENT OF BRANCHES

"In passing upon applications by State banks and trust companies for permission to establish branches, agencies, or additional offices, under condition No. 4 of Section IV, or under any similar condition which may have been prescribed by the Federal Reserve Board and agreed to by any bank or trust company heretofore admitted to the Federal reserve system, the Federal Reserve Board will observe the following principles:

"(1) The Federal Reserve Board will as a general principle restrict the establishment of branches, agencies, or additional offices by such banks or trust companies to the city or location of the parent bank and the territorial area within the State contiguous thereto, as said territory has been defined in the board's resolution of November 7, 1923, excepting in instances where the State banking authorities have certified and the board finds that public necessity and advantage render a departure from the principle necessary or desirable.

"(2) The Federal Reserve Board as a general principle will not consider an application by such bank or trust company for a permit to establish a branch, agency, or additional office, unless the authorities of the State in which such bank is located regularly make simultaneous examinations of the head office and all branches, agencies, or additional offices of such bank, nor unless the examinations made by the State authorities are, in the judgment of the Federal Reserve Board, of such character in every respect as to furnish the Federal Reserve Board with sufficient information as to the condition of such bank and the character of its management to enable the Federal Reserve Board fully to protect the interests of the public.

"(3) The Federal Reserve Board as a general principle will require each bank or trust company which establishes or maintains branches, agencies, or additional offices to maintain for itself and such branches, agencies, or additional offices an adequate ratio of capital to total liabilities and an adequate percentage of its total investments in the form of paper or securities eligible for discount or purchase by Federal reserve banks.

"(4) The Federal Reserve Board will not consider any application to establish a branch, agency, or additional office until the State banking authorities have approved the establishment of such branch, agency or additional office, and the directors or executive committee and the Federal reserve agent of the Federal reserve bank of the district in which such bank or trust company is located have made a report upon the financial condition of the applying bank or trust company, the general character of its management, what effect the establishment of such branch, agency or additional office would have upon other banks or branches in the locality in which it is to be established, and whether in their opinion, it would be in the interest of the public in such locality, together with their recommendation as to whether or not the application should be granted.

"(5) When permission is granted for the establishment of such branch, agency or additional office same shall be established and opened for business within six months after such permission is granted. If such branch, agency or additional office is not established within such time the permit shall become void, unless the time is extended by the board for good cause.

"(6) The Federal Reserve Board reserves the right to cancel any permit which it may grant hereafter to establish any branch, agency or additional office whenever it shall appear, after hearing, that such branch, agency or additional office is being operated in a manner contrary to the interest of the public in the locality in which it is established."

15. *After the McFadden Act.*—As a result of the amendments to the Federal reserve act contained in the McFadden Act, the board issued a new set of regulations applicable to member banks which became effective on January 3, 1928. Before these new regulations became effective and after the passage of the McFadden Act, a number of State banks and trust companies were admitted to membership in the system. These banks and trust companies were admitted subject to certain conditions of membership which usually included the conditions in the 1924 regulations regarding the establishment of branches, and such conditions were subject to any changes which the board found to be necessary on account of the amendments to the Federal reserve act contained in the McFadden Act. After the board's 1928 regulations became effective (January 3, 1928) these banks were advised of the new conditions of membership to which they were subject. As the McFadden Act prescribed the conditions under which branches might be established by State member banks, the board did not include a condition in these new regulations in that connection. In Section V of Regulation H,

however, it stated its interpretation of the provisions of the McFadden Act regarding branches of State member banks as follows:

"1. Any State member bank which, on February 15, 1927, had established and was actually operating a branch or branches in conformity with the State law is permitted to retain and operate the same while remaining a member of the Federal reserve system, regardless of the location of such branch or branches.

"2. Any nonmember State bank which, on February 25, 1927, had established and was actually operating a branch or branches in conformity with State law may, if otherwise eligible, become a member of the Federal Reserve system and retain and operate such branches, regardless of their location.

"3. In order to remain a member of the Federal reserve system, every State member bank must relinquish any branch or branches established after February 25, 1927, beyond the corporate limits of the city, town, or village in which the parent bank is situated.

"4. Any State member bank which establishes any branch or branches after February 25, 1927, beyond the corporate limits of the city, town, or village in which the parent bank is situated must either (a) relinquish such branch or branches or (b) forfeit all rights and privileges of membership and surrender its stock in the Federal reserve bank.

"5. No State bank which has established any branches subsequent to February 25, 1927, beyond the corporate limits of the city, town, or village in which the parent bank is situated may become a member of the Federal reserve system except upon relinquishment of every such branch.

"6. State member banks may establish branches within the corporate limits of the city, town, or village in which the parent bank is situated without obtaining permission of the Federal Reserve Board."

#### VIII. POLICY OF FEDERAL RESERVE SYSTEM ON CHAIN BANKING

1. *Conditions of membership.*—Prior to the enactment of the McFadden Act, the board prescribed conditions of membership under which State banks could be admitted to the Federal reserve system, in order to effect some degree of control over chain banking. One of the conditions with which State banks entering the Federal reserve system were required to comply, reads as follows:

"(5) Such bank or trust company, except after applying for and receiving the permission of the Federal Reserve Board, shall not consolidate with or absorb or purchase the assets of any other bank or branch bank for the purpose of operating such bank or branch banks as a branch of the applying bank; nor directly or indirectly, through affiliated corporations or otherwise, acquire an interest in another bank in excess of 20 per cent of the capital stock of such other bank; nor directly or indirectly promote the establishment of any new bank for the purpose of acquiring such an interest in it; nor make any arrangement to acquire such an interest."

This condition of membership was incorporated in the board's regulations of 1924 and was prescribed for every State bank admitted to membership between April 7, 1924, and January 3, 1928. As a result of an amendment to section 9 contained in the McFadden Act (February 25, 1927), there is some doubt whether the board now has authority to prescribe this broad condition and, therefore, it has been unable to exercise the same degree of control over chain banking. It has, however, prescribed the following condition of membership for every State bank or trust company admitted to membership since January 3, 1928.

"(3) Except after applying for and receiving the permission of the Federal Reserve Board, such bank or trust company shall not acquire an interest in any other bank or trust company, through the purchase of stock in such other bank or trust company."

2. *Recommendations for legislation.*—As early as January 8, 1926, the board addressed a letter to Congressman McFadden (X-4500) recommending that there be incorporated in the pending McFadden bill certain provisions designed to secure adequate information regarding national and State member banks which are closely related in management, operation or interests to other banking institutions and, in particular, to afford some check upon the abuses frequently occurring from chain banking. These suggestions were not adopted by Congress. A copy of the board's letter is attached hereto as Exhibit DD.

3. *Correspondence with Hon. Louis T. McFadden re administrative control.*—Under date of May 2, 1927, Congressman McFadden addressed a letter to the Comptroller of the Currency, suggesting that he adopt administrative measures calculated to control or prevent the growth of chain banking among national

banks and sent a copy of his letter to the Federal Reserve Board with the suggestion that the board should adopt similar administrative measures with reference to State member banks of the Federal reserve system. The board, under date of May 18, 1928 (X-4854) replied that it was powerless under the law to take any such action. The board called attention to the fact that it had suggested legislation along this line, but that Congress had not adopted its suggestions, and also called attention to the fact that Congress in the McFadden Act had amended the law so as apparently to take away the board's power to control this practice through conditions of membership. The board's letter, a copy of which is attached as Exhibit EE, concluded with the statement that the remedy lies with Congress.

4. *Annual reports for 1927 and 1928.*—In addition to the correspondence with Congressman McFadden above referred to, the board has in its annual reports for the years 1927 and 1928 brought to the attention of Congress the fact that the expanding operations of financial companies specializing in the purchase of bank stock have presented special problems to Federal and State officials charged with the responsibilities of bank supervision. It was pointed out that such companies have been organized in increasing numbers and that since they are not directly engaged in the business of banking as defined in Federal and State statutes, they have not been subject to supervision or regular examination by banking authorities. (See pp. 31, 32 of 1927 annual report.) The difference between branch and chain banking was explained and it was pointed out that the more considerable developments in chain banking have been generally in States which prohibit the establishment of branch offices by banks. The chain banking situation in the United States was also summarized for the information of Congress. (See pp. 30, 31 of the 1928 annual report.)

5. *Conferences of Federal reserve agents and governors of Federal reserve banks in 1927 and 1928.*—The 1927 fall conferences of Federal reserve bank governors and Federal reserve agents considered the development of investment companies for the purchase of bank stock, and the Federal reserve agents were of the opinion that a dangerous situation is developing which should be brought to the attention of the Federal Reserve Board and the banking authorities with the view that some legislation should be obtained placing such companies under the jurisdiction of the banking departments. The Federal reserve bank governors felt that the possible dangers incident to a widespread development of such companies make it a matter for the consideration of the Federal reserve system. The governors discussed this question further at their April, 1928, conference and while nothing definite was recommended, it was stated that the question is a matter that deserves thoughtful consideration.

6. *Committee to study chain banking.*—The question of branch, chain, and group banking development in the United States with particular reference to the effects of bank stock ownership by investment trusts and holding corporations, was considered by the Federal advisory council in 1929, and, on November 19, 1929, it recommended that "the Federal Reserve Board appoint a committee to study the merits of the branch banking system as practiced in this and other countries (conditions in Canada being apparently more comparable with our own), the group or chain banking system as developed in this country and elsewhere, and the unit banking system of this and other countries; and further, the effect of ownership of bank stocks by investment trusts and holding corporations, in order that the Federal Reserve Board may be in possession of accurate and authoritative information on this important subject."

The December, 1929, conference of Federal reserve bank governors and Federal reserve agents voted to concur in and indorse the recommendation of the Federal advisory council that a committee be appointed to study the subject of branch, chain, and group banking.

Accordingly, on February 27, 1930, the board appointed a committee for this purpose, naming as members thereof, Messrs. Goldenweiser and Smead of the board's staff, and Messrs. Rounds, Fleming, and Clerk, deputy governors of the Federal reserve banks of New York, Cleveland, and San Francisco, respectively.

#### IX. BANK FAILURES

In connection with the subject of branch, group, and chain banking, some consideration must be given to the unfortunately large number of bank suspensions and failures in the United States, especially in view of the fact that the advocates of branch banking contend that the solution of the problem of bank failures lies in the substitution of branches of strong, well-managed banks for

small-unit banks in the rural communities. Fortunately, the Federal Reserve Board has reliable statistics with regard to bank failures and has made some study of the causes of these failures.

1. *Federal Reserve Board Annual Report for the Year 1926.*—On pages 10 to 13, inclusive, of the text of this report the board called attention to the fact that during the year 1926, 956 banks, with deposits of nearly \$275,000,000, had suspended, as compared with 612 suspensions, involving deposits of about \$175,000,000 in 1925, and 777 suspensions, involving deposits of about \$215,000,000 in 1924. Certain statistics were given with reference to the number and percentage of member and nonmember bank failures and the causes of these failures were discussed briefly. One of the fundamental causes appeared to be that in many communities, and especially in small communities, there were more banks than could profitably engage in the local banking business, and many of these banks had insufficient capital. A statistical table brought out the fact that nearly two-thirds of the banks which failed during 1926 had a capital of \$25,000 or less and were situated in towns of less than 1,000 inhabitants.

The situation described in the following paragraph, appearing on page 12, undoubtedly accounts for the present tendency to build up chains of banks with strong management or supervision in view of the legal restrictions on branch banking:

"Some small banks in small communities have found it difficult to make adequate earnings by conducting their business along strictly conservative lines, and have not been able to afford the expense of engaging skillful and experienced managers. The volume of business done by small banks in rural communities, furthermore, has diminished in recent years, as the result of improvement in roads and the widespread use of automobiles, which has led many bank customers to prefer to drive to the county seat or other near-by center and to use the facilities of the larger banks in these towns."

The general economic conditions leading up to the failures during the year 1926 were discussed concisely on page 13; and, on pages 190 to 196, inclusive, there were published a series of tables containing valuable statistics on bank suspensions during the years 1921 to 1926, inclusive.

A copy of this report is attached hereto as Exhibit FF.

2. *Report on bank suspensions, 1921-1927.*—Under date of April 11, 1928, Mr. E. L. Smead, chief of the division of bank operations, submitted to the Federal Reserve Board a comprehensive report on bank suspensions in the year 1927 and during the years 1921 to 1927, inclusive. A copy of this report is attached hereto as Exhibit GG.

This report showed that, during the year 1927, there was a total of 662 bank suspensions involving total deposits of \$194,000,000, and detailed figures were given for the various classes of banks.

The report also showed that, during the 7-year period, 1921-1927, 4,513 banks with an aggregate capital of \$169,000,000 and deposits of \$1,351,000,000 had suspended operations. During the same period 559 banks with a capital of \$21,000,000 and deposits of \$200,000,000 had reopened, leaving net failures of 3,954 banks with an aggregate capital of \$148,000,000 and deposits of \$1,151,000,000. Detailed statistics are given for the various classes of banks. These statistics showed that, of the total of 4,513 banks that suspended operations during this 7-year period, 3,609 were located in places having a population of less than 2,500 and that more than 60 per cent of all suspended banks were located in places having less than 1,000 inhabitants. It also showed that nearly 40 per cent of the suspended banks had a capital of less than \$25,000 and that over 63 per cent of them had a capital of \$25,000 or less.

On page 5 of this report the principal causes of bank failures during this 7-year period were discussed as follows:

"The principal cause of bank suspensions during the 7-year period was reported as the accumulation of a large proportion of worthless, slow or past-due paper, but in quite a number of cases poor management and heavy withdrawals were assigned as largely responsible for the suspension. The causes of suspension listed in the order of importance, i. e., based on the number of times shown as having been a primary or contributory cause, are as follows:

- "1. Doubtful, slow or past-due paper.
- "2. Heavy withdrawals.
- "3. Poor management.
- "4. Depreciation of securities.
- "5. Loans to officers and directors.
- "6. Defalcation.

- "7. Loans to enterprises in which officers and directors were interested.
- "8. Failure of banking correspondent.
- "9. Failure of other large debtors."

While "doubtful, slow or past due paper" was given as the most important cause of bank failures and "loans to officers and directors" and "loans to enterprises in which officers and directors were interested" were listed as separate causes, it might well be argued that these causes could all be grouped under the head of "poor management," making that the principal cause of bank failures.

Some statistics are given with reference to the number of failures of banks operating branches and, on page 6, there is an interesting discussion of the failure of certain chain systems, notably the Witham System, with 179 banks in Georgia, and Florida and 10 in New Jersey and New York.

3. *Study of bank suspensions, 1921-1929.*—A similar report covering the 9-year period, 1921-1929, is now in course of preparation. The information pertaining to the causes of failures has not yet been completely tabulated, but it appears that the relative importance of the causes of suspensions will not be very different from that shown in the report for the years 1921-1927.

4. *Federal Reserve Board Annual Report for the Year 1929.*—While it has not yet been completed, a preliminary draft of that portion of the board's annual report for the year 1929 which discusses bank failures is attached hereto as Exhibit HH.

From this it appears that 642 banks with aggregate deposits of \$235,000,000 suspended operations during the year 1929. This was larger than any year except 1926, when both the number and deposits of suspended banks were the largest on record. Although member banks constitute only about one-third of the total number of banks in the United States, only about one-eighth of the total number of banks which suspended during the year were member banks; and although the deposits of member banks are approximately three-fifths of the aggregate deposits of all banks in the country, the deposits of the member banks that suspended during the year 1929 were only about one-fourth of the aggregate deposits of all suspended banks.

During the 9-year period, 1921-1929, a total of 5,642 banks were reported as having suspended operations either temporarily or permanently on account of financial difficulties, and of this number 657 have since been reopened, leaving 4,985 as the net number of bank failures. The deposits of the banks which suspended operations during this 9-year period aggregate about \$1,720,000,000 and the deposits of the reopened banks about \$240,000,000, leaving the net deposits of failed banks aggregating \$1,480,000,000.

A number of interesting tables are included in this draft of the report and one of them shows that over 62 per cent of all the banks which failed during this 9-year period had a capital of \$25,000 or less and that over 60 per cent of the total number were located in town with a population of 1,000 or less; 91.6 per cent of all these banks were located in towns with a population of 10,000 or less, and only 8.4 per cent were located in towns with a population exceeding 10,000 inhabitants. This clearly lends some support to the opinion that branches of strong banks are needed in small rural communities.

5. *Studies of bank failures by Professor Sprague and Doctor Burgess.*—In April, 1925, the board employed Prof. O. M. W. Sprague, professor of banking and finance at Harvard University, as a research assistant in the board's division of research and statistics, for the purpose of studying the question of needed banking legislation. During the course of Professor Sprague's employment with the board he made a study of the causes of bank failures. He published an article on this subject in the *Journal of the American Bankers' Association* for April, 1927, at pages 703 and 704; and the report of the committee on economic changes of the President's conference on unemployment, published in volume 2 of *Recent Economic Changes* (pp. 393-396), contains a discussion of bank failures, which was prepared by Professor Sprague and Dr. Randolph Burgess, assistant Federal reserve agent of the Federal Reserve Bank of New York. Quotations of certain portions of these articles discussing the causes of bank failures will be of interest.

The following is quoted from Professor Sprague's article on *The Cause of Bank Failures*, published in the *Journal of the American Bankers' Association* for April, 1927, pages 703 and 704:

"Scattered banks in other parts of the country, and particularly banks in the larger cities, also enjoy the advantage of local diversity in loans and have funds available for other employment. But thousands of banks in the West and South are in a strikingly different position. They are established in localities in which there is but slight diversity in occupation, localities also in which the local de-

mand for accommodation commonly tends to absorb all of the resources of the local banks and at higher rates than can be secured on outside investments.

"The more conservative banks, as a matter of wise policy, do not employ all resources locally, and these banks may properly resort to reserve banks or to city correspondents for accommodation to take care of seasonal or other temporary requirements. At the opposite extreme are the numerous banks that make local loans to the full extent of their own local resources, and in addition acquire outside deposits, both public and individual, by the offer of a high interest rate, and still further enlarge the supply of bank credit in the locality by securing accommodation from reserve banks and city correspondents.

"Banks which follow this course may acquire prestige in their communities and earn large profits for shareholders in years of abounding prosperity; but clearly they are in no position to withstand successfully a long period of adverse conditions. Failure is probable unless quite extraordinary care and discrimination have been exercised in the determination of the amount of credit extended to each individual borrower. It is a reasonable presumption, however, that the lack of caution manifested in the general policy of a bank will also be exhibited in the quality of the particular loans that it makes.

"When the problem of bank failures is approached with full recognition of the powerful influence unfavorable to safety in banking exerted by the absence of industrial diversity and by the intense local demand for credit, it becomes evident that policies governing the establishment of banks have not been sufficiently directed toward the maintenance and improvement of standards in the management of banks.

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"While there is no exact relationship between the size and number of banks in a locality and the strength of the banking position, it is certain that these are factors which have a decided bearing upon competence in management. A community with aggregate banking resources of, say, \$5,000,000 will be better served in every way, including safety, by two or three banks than by six or more. The excessive number of banks induces cutthroat competition for accounts, and tends to undermine conservative standards in the granting of credit. A decided increase in minimum capital requirements would do much to restrict the number of banks within more desirable limits, but whatever may be accomplished in this direction should be coupled with the specific grant of power to the appropriate authority, as in the State of New York, to decline to approve new charters where it is evident that a community is already well served by existing banking institutions, and that additional competition will serve no useful purpose.

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"No doubt bank examinations might be improved, and in some States very materially improved, but incomplete information about the condition of the banks is not the most serious defect in existing supervisory arrangements. The opinion may be ventured that, aside from a few instances of exceptionally skillful dishonesty, and the special situation created by chains of banks, successive examinations preceding failure have regularly disclosed an increasingly unsatisfactory condition. But in making effective use of this information, almost insurmountable obstacles are encountered. Governmental authorities may criticize unwise policies, but they can only take action when statutes are violated, or upon clear evidence of impairment of capital or insolvency. Moreover, even within the field of violations of statutes, effective administration is hampered by the common failure of legislation to provide penalties other than the cessation of business or a receivership."

The following is quoted from volume 2 of a book on "Recent Economic Changes" containing the report of the President's conference on unemployment (pp. 693-696):

"Dishonesty and gross mismanagement account for a small number of these failures. The suspension of a larger number was precipitated by adverse conditions of a purely local character, such as a succession of crop failures or the sudden collapse of real estate booms in particular towns and cities. But the great majority of banks failed because they were unable to withstand the stress exerted by the persistence of unprofitable prices for the products of agriculture and animal husbandry—stress that was particularly severe because it was experienced after years of a bounding prosperity and extreme appreciation in the value of farm property, and a large increase in the number of farms mortgaged and the amount of mortgage indebtedness.

"These adverse conditions alone, it can hardly be too strongly emphasized, do not furnish a complete explanation of the numerous bank failures of the last



seven years. By no means all, or even a majority, of the banks in the localities most seriously affected have been obliged to suspend operations. Financially weak and unskillfully managed banks have been weeded out; strong, well-managed banks have no doubt experienced heavy losses, but they survive.

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“There are hundreds of small banks throughout the country which are ably managed and abundantly strong, and which overcome the handicap of an absence of industrial diversity in the communities which they serve by the exercise of exceptional judgment and caution. On the other hand, while there is no exact relationship between the number and size of the entire group of banks in a locality and the strength of its banking position, it is certain that no community can hope to enjoy the benefits of safety in banking if the business is organized in units so numerous as to exceed the available supply of competent officers and responsible directors, and with insufficient earning power to be able to absorb inevitable losses.

\* \* \* \* \*

“No community can possibly provide adequate resources, competent officers, and experienced directors for one bank to every 750 of its inhabitants as in North Dakota, or to 1,400 as in Iowa. And the situation in these States was not exceptional; on the contrary, an excessive number of banks have been established throughout those sections of the country that are mainly devoted to agriculture. Banking troubles were inevitable with the advent of adverse conditions, and for the severity of these conditions the unwise use of credit administered by an inordinate multiplicity of banks was in no small degree responsible.”

The CHAIRMAN. Go ahead, now, Governor.

Governor YOUNG. That also covers all the statistical and research work that we have done in reference to the development of branch banking in the United States and recently of group and chain banking, with the statements that we have issued at various times.

It covers a short synopsis of branch banking in several foreign countries with the development and results as near as we can find out in this country.

It covers the history of banking in the United States—a very short synopsis of it.

It covers Federal legislation in the United States in reference to branch banking from the time of the first branch bank in the United States.

It covers the policy of the Federal reserve system on branch banking from the annual report in 1915 up to the passage of the McFadden Act.

It covers the policy of the Federal reserve system on chain banking since that has been a rapid development in the United States.

It covers the reports of bank failures in the United States and the causes for those failures as we or experts have seen them.

While it is a very lengthy document, we have condensed it as much as we can possibly for the benefit of the committee.

The CHAIRMAN. This is prepared under the direction of the Federal Reserve Board?

Governor YOUNG. Really it was prepared under my direction, with the research department.

The CHAIRMAN. Does that include the study that has been made by the special committee of the 12 Federal reserve banks?

Governor YOUNG. It does not. That committee was only recently organized. Our research and statistical division is so busy with many other problems that come before us that we have recently employed a man who spends all of his time on that particular subject.

The CHAIRMAN. But there will be further additional information available from this other committee, I imagine?

Governor YOUNG. At any time we get it, we will be glad to pass it on to the members of the House committee. We expect to get a great deal out of your conferences up here and in your investigations.

That is all I have to present to-day. I think the members of the committee will profit—

The CHAIRMAN. Do you desire to make a statement to the committee and give an expression of the board's view or your personal view on the subject?

Governor YOUNG. I have stated the board's view here [indicating], and I am not prepared to make a statement in reference to branch, group, or chain banking at this moment.

The CHAIRMAN. Do you, as governor, care to make a statement to the committee, or as an individual?

Governor YOUNG. I would prefer, Mr. Chairman, to get all the information that is available rather than make an impulsive statement at the moment—yes. On the other hand, I am here to answer any questions that the members of the committee care to ask me.

The CHAIRMAN. Inasmuch, then, as we have not had an opportunity to make a study of the data you have presented, I am going to suggest that the committee do now adjourn until to-morrow at 10.30.

Mr. GOLDSBOROUGH. Mr. Chairman, may we have an executive session before adjourning?

The CHAIRMAN. Very well, the committee will go into executive session.

(Whereupon, at 12 o'clock, noon, the committee went into executive session, at the conclusion of which the committee adjourned until Wednesday, March 19, 1930, at 10.30 o'clock a. m.)

## BRANCH, CHAIN, AND GROUP BANKING

WEDNESDAY, MARCH 19, 1930

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON BANKING AND CURRENCY,  
*Washington, D. C.*

The committee met, in the committee room, Capitol, at 10.50 a. m., Hon. Louis T. McFadden (chairman) presiding.

The committee will come to order.

Mr. WINGO. Mr. Chairman, I want it understood that we will waive the rule we adopted and permit those members who missed their turn this morning by reason of their being detained, to cross-examine when they come in.

### STATEMENT OF HON. ROY A. YOUNG—Resumed

The CHAIRMAN. Governor, I understand you have some additional data you want to put into the record?

Governor YOUNG. Yes, sir; Mr. Chairman. This will be ready for distribution late this evening.

The Comptroller of the Currency furnished the committee with statistics and information in reference to group and chain set-ups in the United States at the present time, showing that approximately one-sixth of the resources of the banking structure of the country was either in groups or chains. That was up to the end of the year.

Since then the board has prepared, through its statistical division, information showing group, chain, and branch banks. That will be ready, in mimeographed form, this evening and I would like to have that inserted in the record.

The CHAIRMAN. Without objection, this will be inserted in the record at this point, in these proceedings.

(The information referred to is here printed in full as follows:)

The tabulation of the data received from the Federal reserve agents on the above subject as of December 31, 1929, has been completed and there is presented herewith a summary thereof as of that date.

Experience with our branch banking record during the past three years leads us to believe that it is substantially complete and accurate, even as to non-member banks. In the case of the chain and group banking statistics, the present compilation is probably the most complete that has thus far become available, but due to the difficulty of obtaining information on this subject it is quite likely that it does not include a few small chains for which no information is available, and it may not include all the banks in some of the groups or chains. It is also possible that the management or controlling interests do not regard some of the banks that are included in our figures as constituting group or chain systems. On the whole, however, the information as submitted on chain and group banking is believed to be substantially correct.

The material is presented under three general heads. The first part relates to branch, chain, and group banking taken as a whole, the second to chain and group banking alone, and the third to branch banking.

No account is taken in this memorandum of Morris plan banks or small loan agencies which operate in a number of States.

## BRANCH, CHAIN, AND GROUP BANKING

*General summary.*—According to statistics just compiled, there were in operation in the United States at the end of 1929, 24,645<sup>1</sup> banks and 3,547 branches, or a total of 28,192 banking offices. Of this total of approximately 28,200 banking offices, there were 6,353 banks and branches that belonged to branch-bank systems, to chain or group-bank systems, or to both. This leaves 21,839 banking institutions that might be definitely termed as "independent unit banks"—having no branches and being in no way connected with other banks through chain or group affiliation.

As a measure of the banking resources of the banks falling into the different categories, we have tabulated the figures of total loans and investments. On this basis it appears that at the end of 1929 all banks in the country had total loans and investments of approximately \$58,500,000,000.<sup>1</sup> On the same date the branch, chain, and group banking systems, embracing a total of 6,353 banks and branches, had total loans and investments of approximately \$30,000,000,000. In other words, the banking resources of the branch, group, and chain systems were more than one-half the total of all banks in the country.

The branch-banking systems at the end of 1929, taken alone, embraced 822 banks and 3,547 branches with aggregate loans and investments of \$25,100,000,000, but these figures include 119 banks with 1,415 branches and loans and investments of \$6,300,000,000 that were also reported as belonging to bank groups or chains. There were 287 chain or group bank systems reported in existence at the end of 1929, embracing 2,103 banks with loans and investments of \$11,200,000,000. These figures, like those given for the branch systems, include a certain amount of duplication, that is to say, they include 119 banks with 1,415 branches and loans and investments of \$6,300,000,000, which were reported as belonging to chain or group systems. This duplication is, however, eliminated from the combined statistics given in the two preceding paragraphs.

The table following shows the number and loans and investments of branch, chain, and group banking systems at the end of 1929, in comparison with figures for all banks in the country.

*Number and loans and investments of all banks in the United States and of branch, chain, and group bank systems at the end of 1929*

	Number of banks (or branches)	Loans and investments
All banks (head offices) in United States *.....	24,645	(b)
Branches.....	3,547	(b)
Total, all banking offices.....	28,192	\$58,461,000,000
Banks that belong to chains or groups but operate no branches.....	1,984	4,913,000,000
Banks that belong to chains or groups and operate branches:		
Head offices (parent banks).....	119	* 6,264,000,000
Branches.....	1,415	(b)
Banks that do not belong to chains or groups but operate branches:		
Head offices (parent banks).....	703	* 18,839,000,000
Branches.....	2,132	(b)
Independent unit banks (banks that do not belong to chains or groups and do not operate branches).....	21,839	28,445,000,000

\* Exclusive of private banks not under State supervision. For two States the December figures were not available for State banks, and the latest available figures were therefore used.

<sup>1</sup> Separate figures not available.

<sup>2</sup> Includes branches, separate figures not being available.

<sup>3</sup> Excluding private banks not under State supervision. For two States the December figures for State banks are not available, and in these cases the latest available abstract was used.

*Branch, chain, and group banking areas.*—Taken generally and looking at the situation from the standpoint of the number of banks involved, chain and group banking exists on the widest scale on those States in which branch banking is prohibited entirely, for example, in Minnesota, North Dakota, Kansas, Iowa, Illinois, Oklahoma, and Texas. It has, however, grown to considerable proportions in so-called restricted branch banking States—where branches may be established only in the head office city, notably Michigan and New York. From the standpoint of banking resources controlled by the members of the groups and chains, chain and group banking is also found on an extensive scale in certain additional States, including particularly California, Florida, Georgia, and Montana.

As is generally known, chain and group banking has had its most rapid development in recent months in the Northwestern States, but considerable activity has been reported in some of the eastern and southern States. There are relatively few States where it does not exist to a substantial extent, but the predominant chain or group banking area may be said to comprise the Middle Western, Western and Central States. There seem to be at present very few legal restrictions on the formation of bank groups or chains, and the continued growth of this system, which might be termed indirect branch banking, is thus possible generally throughout the country.

The growth of branch banking, on the other hand, has been restricted by law in many States, and the branch banking area has not changed materially in recent years. State-wide branch banking has, of course, had its greatest development in California, but it has also developed to a considerable extent in Maryland, North Carolina, Rhode Island, South Carolina, and Virginia. The other States embraced in the principal branch banking areas are those in which the establishment of branches is restricted as to location, including New York, Michigan, Ohio, Pennsylvania, Louisiana, New Jersey, and Massachusetts. The branch banking area is, therefore, much less extensive than that in which chains or groups operate. It includes most of the Eastern States, and Michigan, Louisiana, and California, but very little of the central and middle western sections of the country.

*Member banks of Federal reserve system.*—The branch, chain, and group banking systems, which in the aggregate had approximately \$30,000,000,000 of loans and investments at the end of 1929, included 923 national banks with loans and investments of \$11,800,000,000 and 278 State bank members of the Federal reserve system with loans and investments of \$10,800,000,000, or a total of 1,201 member banks with aggregate loans and investments of \$22,700,000,000. These banks therefore controlled approximately 63 per cent of the banking resources (as measured by loans and investments) of all member banks of the Federal reserve system.

In some States the member banks that operate branch systems or belong to chains or groups control the greater part of the banking resources of all of the member banks in the State, as is brought out in Table No. 4 submitted herewith. It will be noted from this table that in the following States the loans and investments of member banks that operate branch systems or belong to chains or groups constitute more than one-half of the loans and investments of all member banks in the State:

California.	Maryland.	North Dakota.
Delaware.	Massachusetts.	Ohio.
District of Columbia.	Michigan.	Rhode Island.
Florida.	Minnesota.	South Dakota.
Georgia.	Montana.	Tennessee.
Kentucky.	New Jersey.	Washington.
Louisiana.	New York.	

*Tables.*—For reference purposes, the following tables relating to branch, chain, and group banking are attached:

Table 1: Number and loans and investments of all banks and branches in the United States and of branch, chain, and group banking systems, December 31, 1929, by classes of banks.

Table 2: Number of banks and branches and number of branch, chain, and group banking systems, by States, December 31, 1929.

Table 3: Loans and investments of all banks and of branch, chain, and group banking systems, by States, December 31, 1929.

Table 4: Number and loans and investments of all member banks in each State and of member banks that operate branches or belong to groups or chains, December 31, 1929.

More detailed information on chain and group banking and on branch banking is given in the separate sections relating to these subjects.

#### CHAIN AND GROUP BANKING

*Definition.*—When the Federal reserve agents were requested to furnish the board with reports on chain and group banking, the term “chain and group banking” was defined as comprising those systems “in which any person, group of persons, partnerships, association or corporation has actual or potential control over the operations or policies of three or more banking units, each working on its own capital and under its own personnel.” It is on this basis that the statistics submitted herewith have been prepared. It should be realized, of course, that under any definition of the term, many difficulties present themselves in endeavoring to make a comprehensive survey of the subject, particularly where nonmember banks are involved. The sources of the information obtained by the Federal reserve agents include examination reports of member banks, national-bank examiners, State banking departments, the management or controlling interest of some of the groups, and in some instances press reports or similar information.

No attempt has been made in the present tabulation to distinguish between “chain banking” and “group banking,” but it is of interest in this connection to note that the Comptroller of the Currency, in a statement made before the House Banking and Currency Committee on February 25, made a distinction between the two terms as follows:

“The term ‘chain banking’ has been in use for many years in this country to describe a condition in which a number of banks were owned or controlled by the same individual or by a group of individuals. These so-called chains were situated very largely in the rural districts and the member banks of the chain were principally small country banks. This condition was and still is quite prevalent in the agricultural regions of the West and South. Many of these chains have come to disaster through the failure of all of the banks which constituted them. During the many years this type of bank ownership has been in existence it was not considered as a trend toward a fundamental change in our banking system nor did it relate itself to the question of branch banking. On account of the failures of several of these chains the term ‘chain banking’ began to carry with it an element of disfavor.

“The term ‘group banking’ is of very recent origin and is being used to describe what appears to be a major movement in our banking system. The principal factor in group banking is that each group is centered around a city or metropolitan bank through means of a holding company which owns the majority of the stock of each bank thereby creating a system of banks more or less integrated in management with the central bank of the group. Its one common factor with the older type of chain banking is that several country banks may be owned by a single agency. In this discussion, therefore, I shall use the term ‘group banking’ to mean the ownership and some element of operating control of several banks through the medium of a bank holding company.”

*Summary for the United States.*—As has already been noted, some of the banks that belong to chains or groups also operate branches, in fact, the two largest branch systems—the Bank of Italy National Trust & Savings Association, San Francisco, and the Bank of America of California, Los Angeles, with a total of 447 branches, are included in the Transamerica Corporation group of New York. If all chain and group banks are included, whether or not they operate branches, the statistics show that at the end of 1929 there were 287 bank chains and groups in the United States embracing 2,103 banks, as compared with 275 chains and groups embracing 1,821 banks at the end of June. The 2,103 banks reported as belonging to bank chains or groups at the end of last year constituted about one-twelfth of the banks in the country, while their loans and investments were about \$11,200,000,000 or nearly one-fifth of the aggregate loans and investments of all banks in the United States.

*Summary by classes of banks.*—National banks reported as members of banking chains and groups numbered 802 at the end of December, as compared with 645 in June; State bank members 136, compared with 111 in June; and nonmember banks 1,165, compared with 1,065 in June. Loans and investments of the national banks belonging to the banking chains and groups were approximately \$5,900,000,000 or over one-fourth of the total for all national banks, while loans and investments of State bank members belonging to the groups aggregated \$3,400,000,000 and of nonmember banks \$1,900,000,000.

The following table gives a summary comparison for the country as a whole, by classes of banks, for June and December, 1929:

	Number of banks		Loans and investments (in millions of dollars)	
	Total	Members of groups and chains	Of all banks	Of members of groups and chains <sup>1</sup>
All classes of banks:				
December <sup>2</sup> .....	24,645	2,103	58,461	11,177
June.....	25,110	1,821	58,474	8,300
National banks:				
December.....	7,403	802	21,584	5,908
June.....	7,530	645	21,457	4,159
State bank members:				
December.....	1,119	136	14,350	3,397
June.....	1,177	111	14,254	2,509
Nonmember banks:				
December.....	16,123	1,165	22,527	1,872
June.....	16,403	1,065	22,763	1,632
Number of groups and chains:				
December.....		287		
June.....		275		

<sup>1</sup> Based largely on condition figures published in July, 1929.

<sup>2</sup> For 2 States the December figures for State banks are not available and the latest available abstracts were used in these cases.

*Principal chain and group banking States.*—Chain and group banking has reached its greatest development in the Northwestern States, but it embraces a considerable number of banks and a relatively large proportion of the banking resources in many other States. There were, as a matter of fact, 25 States at the end of 1929 in which chain and group banks constituted a substantial part of the number of banks or of the banking resources, as indicated in the following table:

States	Number of banks		Loans and investments (in millions of dollars)	
	Total	Members of groups and chains	Of all banks	Of members of groups and chains <sup>1</sup>
Minnesota.....	1,046	308	901	584
Michigan.....	743	135	2,021	1,262
North Dakota.....	412	114	112	58
New York.....	1,127	102	17,222	2,011
Kansas.....	1,069	88	404	46
Iowa.....	1,257	87	782	90
Illinois.....	1,765	84	3,802	1,212
Oklahoma.....	617	85	401	103
Texas.....	1,308	84	1,036	104
Washington.....	340	75	460	189
Nebraska.....	804	73	359	62
South Dakota.....	387	61	137	47
New Jersey.....	568	60	2,388	396
Wisconsin.....	960	58	917	212
Arkansas.....	415	72	198	50
California.....	437	49	3,420	1,528
Massachusetts.....	450	45	4,225	871
Montana.....	195	45	144	81
Pennsylvania.....	1,566	48	5,703	803
Florida.....	235	40	258	134
Idaho.....	137	41	81	37
Oregon.....	234	36	260	82
Missouri.....	1,277	36	1,199	168
Utah.....	104	26	162	50
Georgia.....	405	22	334	166
All other States.....	6,787	229	11,535	841
Total.....	<sup>2</sup> 24,645	2,103	<sup>2</sup> 58,461	11,177

<sup>1</sup> Based largely on condition figures published in July, 1929.

<sup>2</sup> For 2 States the December figures for State banks are not yet available and the latest available abstracts were used in those cases.

*Recent developments.*—The first survey of chain banking made by the Federal reserve agents for the Federal Reserve Board was in December, 1922, the second in June, 1926, the third in June, 1928, and the last complete survey in June, 1929. Since that time monthly supplements on changes in chain and group banking have been submitted to the board by the Federal reserve agents. The data submitted prior to June, 1929, however, are not sufficiently complete to make it possible to compare the present situation with that which existed in earlier years, in fact even the figures as reported six months ago have since had to be revised considerably. It is during the last six months, however, that group banking has been expanding so rapidly.

Increases in the number of banks belonging to chains and groups since June are confined largely to 9 States, and most of the growth is the result of the rapid expansion of a relatively small number of groups, notably the Northwest Bancorporation, of Minneapolis, which increased from 20 banks in June to 92 in December, the First Bank Stock Corporation, of Minneapolis, from 12 to 78, and the Guardian Detroit-Union group, of Detroit, which was not in existence in June but comprised 35 banks in December. The number of chain and group banks at the end of June and December in each of the 9 States in which the principal increases occurred was as follows:

	Increase June to December	Number of group or chain banks	
		December	June
Minnesota.....	47	308	261
Michigan.....	49	135	86
North Dakota.....	14	114	100
New York.....	21	102	81
Washington.....	16	75	59
Arkansas.....	117	72	55
Montana.....	13	45	32
Massachusetts.....	12	45	33
Kentucky.....	12	16	4
Total.....	201	912	711

<sup>1</sup> Some of this increase may represent simply banks that were not known to be or were not previously reported as belonging to chains and groups.

*Principal chains and groups.*—Recent months have witnessed the rapid rise of quite a number of bank groups of the type referred to by the Comptroller in his recent statement before the Committee on Banking and Currency. This type of bank group is generally centered around a city or metropolitan bank through means of a holding company which owns the majority of the stock of each bank. Examples of these newly formed groups, which are the ones in which the greatest interest centers at present, are the Northwest Bancorporation and the First Bank Stock Corporation, of Minneapolis; the Guardian Detroit-Union group, of Detroit; the First National-Peoples Wayne County group, of Detroit; the Marine Midland Corporation, of Buffalo; and the First Wisconsin National Bank group, of Milwaukee. Some of these groups have expanded their fields of operations beyond State lines and in one case beyond Federal reserve district lines. The chain systems which have been in existence for years, in most of which the control is held by one or more individuals and which generally are composed of banks in the rural communities, do not appear to have grown materially in recent months.

The principal groups and chains, with the number and loans and investments of banks included therein, are as follows:



Name and address of management or controlling interest	Number of banks in group or chain in December	Loans and investments <sup>1</sup>
<b>Principal groups:</b>		
Northwest Bancorporation, Minneapolis, Minn.....	92	\$339,754,000
First Bank Stock Corporation, Minneapolis, Minn.....	78	359,267,000
Guardian Detroit-Union group, Detroit, Mich.....	35	403,996,000
First Security Corporation, Ogden, Utah.....	25	34,723,000
Old National Corporation, Spokane, Wash.....	22	32,981,000
First National-Peoples Wayne County group, Detroit, Mich.....	21	705,632,000
Southwest Corporation, Tulsa, Okla.....	21	77,753,000
First National-Old Colony Corporation, Boston, Mass.....	20	568,312,000
Marine Midland Corporation, Buffalo, N. Y.....	19	425,436,000
Transamerica Corporation, New York, N. Y.....	18	1,418,361,000
First Wisconsin National Bank, Milwaukee, Wis.....	18	168,466,000
Anglo-National Corporation, San Francisco, Calif.....	17	146,138,000
First Securities Corporation, Syracuse, N. Y.....	14	115,559,000
First National Bank, Atlanta, Ga.....	7	104,954,000
<b>Principal chains:</b>		
Rogers Caldwell <sup>2</sup> , Nashville, Tenn.....	66	131,308,000
Otto Bremer, St. Paul, Minn.....	71	52,932,000
Foreman Family, Chicago, Ill.....	14	270,719,000
James F. Toy, Sioux City, Iowa.....	17	13,056,000
A. E. Sleeper, Bad Axe, Mich.....	16	5,612,000
Thurmond Bros., Oklahoma City, Okla.....	15	4,664,000
Geo. Wingfield, Reno, Nev.....	12	18,911,000

<sup>1</sup> Based largely on condition figures published in July, 1929.

<sup>2</sup> Includes 38 banks formerly reported in A. B. Banks chain of Arkansas.

*Size of banking chains or groups.*—In order to have the board's record of chain and group banks include all banking institutions that might reasonably be classified as constituting groups or chains, the Federal reserve agents were requested to include groups comprising as few as three banks. As shown in Table 6 submitted herewith, there were at the end of 1929 only nine chains or groups that comprised more than 20 banks, and only 26 additional groups that included from 11 to 20 banks. Following is a distribution, according to the number of banks included in the groups, of the 287 bank chains and groups reported at the end of 1929:

Number of groups with—	
3 banks.....	64
4 to 6 banks.....	127
7 to 10 banks.....	61
11 to 20 banks.....	26
21 to 30 banks.....	4
More than 30 banks.....	5
Total.....	287

*Type of chains or groups.*—While it is difficult in many instances to obtain definite information as to the degree and method of actual or potential control exercised by the management or controlling interest of the chains or groups, three rather distinct types have been reported as follows:

1. Control by a holding corporation which in the first instance is generally formed by interests connected with one or more of the principal banks belonging to the chain.

2. Control held or exercised by the principal bank in the group, either through direct ownership of stock by such principal bank or through ownership by the stockholders or directors of such principal bank.

3. Ownership of substantial or controlling interest in a number of banks by a single individual, family, or group of individuals.

At the end of 1929 there were 53 groups of the first type, 44 of the second, and 190 of the third, but this classification according to type of control is general only, because the relationship between the banks is such as to make it impossible in some cases to make a definite classification. In one case, for example, a trust company whose stock is entirely trusteeed for the benefit of the stockholders of a national bank has organized an associate company, and the latter in turn owns

a majority of the stock of a number of national and State banks. Furthermore, the method of control is sometimes changed to meet the needs of the occasion, but regardless of how control is exercised it seems to be quite evident that in most of the recently formed groups there is one particular metropolitan bank that exercises the dominating influence over the other banks in the group.

Examples of banks or groups that fall into each of the three classes above mentioned, on the basis of the information reported at the end of 1929, follow:

Name and address of management or controlling interest	Number of banks in group or chain in December	Loans and investments <sup>1</sup> (in thousands)
<b>Type 1 (control by holding corporation):</b>		
Northwest Bancorporation, Minneapolis, Minn.....	92	\$339,754
First Bank Stock Corporation, Minneapolis, Minn.....	78	339,267
Transamerica Corporation, New York, N. Y.....	18	1,418,361
Guardian-Detroit Union group, Detroit, Mich.....	35	403,996
First Nat.-Peoples Wayne group, Detroit, Mich.....	21	705,032
Marine-Midland Corporation, of Buffalo, N. Y.....	19	425,436
First Nat.-Old Colony Corporation, Boston, Mass.....	20	568,812
Southwest Corporation, Tulsa, Okla.....	21	77,733
First Security Corporation, Ogden, Utah.....	25	34,723
Old National Corporation, Spokane, Wash.....	22	32,981
<b>Type 2 (control by principal bank):</b>		
American National Bank, Nashville, Tenn.....	15	35,470
First National Bank, Chicago, Ill.....	7	512,639
Peoplas Pittsburgh Trust Co., Pittsburgh, Pa.....	7	167,180
Hartford, Conn., Trust Co., Hartford, Conn.....	7	37,186
First National Bank, Tampa, Fla.....	8	21,682
Peoples Trust & Guarantee Co., Hackensack, N. J.....	9	25,427
Fletcher Savings & Trust Co., Indianapolis, Ind.....	7	23,926
First National Bank, Dothan, Ala.....	8	8,686
First National Bank, Atlanta, Ga.....	7	104,954
Union Trust Co., Pittsburgh, Pa.....	6	458,901
<b>Type 3 (control by individual or group of individuals):</b>		
Otto Bremer, Minneapolis, Minn.....	71	52,932
Rogers Caldwell, Nashville, Tenn.....	66	131,308
James F. Toy, Sioux City, Iowa.....	17	13,056
A. E. Sleeper, Bad Axe, Mich.....	16	5,612
Thurmond Bros., Oklahoma City, Okla.....	15	4,664
Foreman family, Chicago, Ill.....	14	270,719
Geo. Wingfield, Reno, Nev.....	12	18,911
O. S. Hanson, Grand Forks, N. Dak.....	14	3,303

<sup>1</sup> Based largely on condition figures published in July, 1929.

*Investment trusts specializing in bank stocks.*—The present survey does not include any instances where a substantial amount of bank stock is owned by an investment trust purely as an investment—without any control. Such cases, through the acquisition of additional stock, may of course give rise to actual control over a group of banks in the course of time. There is one group included in the present compilation that is perhaps of this sort—that of the Goldman Sachs Trading Corporation of New York which at the end of 1929 was reported as substantially controlling 3 banks in New York, 1 in California, and 1 in Pennsylvania, with aggregate loans and investments of \$816,000,000.

*Subsidiary investment and finance companies belonging to groups or chains.*—The statistics that are here presented as to banks that belong to chains or groups do not include investment banking houses, joint stock land banks, trust companies engaged solely in trust operations, and so-called commercial credit or finance companies. The Federal reserve agents were not requested to list such investment or finance institutions in reporting on chains and groups, but in many cases some information along this line was furnished. Examination of the reports indicates that the inclusion of such institutions in the group is not at all uncommon, in fact the indications are that at least some of the groups had definitely in mind the organization of such subsidiary investment and finance companies as would make it possible for them to engage in all forms of financial operations—not only commercial banking, savings bank and trust operations, but also in the underwriting and flotation of security issues, furnishing of short-time commercial credit for financing such purchases as automobiles and household goods, etc.

An example of such affiliations are certain subsidiaries of the Transamerica Corporation, shown in the American Banker of February 20. This group, in addition to controlling one bank in New York and 17 in California with aggregate

loans and investments of over \$1,400,000,000 appears to have control over the following institutions:

National Bankitaly Co.  
 Ameritalia Corporation.  
 Banca d'America e d'Italia, Milan, Italy.  
 Bancamerica-Blair Corporation.  
 Corporation of America.  
 Pacific National Fire Insurance Co.  
 Bankitaly Mortgage Co.  
 Bankitaly Co. of America.  
 Bankitaly Agricultural Credit Co.  
 California Joint Stock Land Bank.

Another instance is the Guardian Detroit Union Group, which in addition to controlling 35 banks with loans and investments of \$400,000,000 was reported as controlling the following financial institutions:

Guardian Detroit Co., Detroit.  
 Guardian Detroit Co. of California, Detroit.  
 Guardian Safe Deposit Co., Detroit.  
 Kean Higbie Co., Detroit.  
 Union Co., Detroit.  
 Union Title & Guaranty Co., Detroit.  
 National Union Co., Jackson.  
 Peoples National Co., Jackson.  
 New Union Building Co., Detroit.  
 Guardian Holding Co., Detroit.  
 Ohio-Penna Joint-Stock Land Bank, Cleveland.  
 Union Joint-Stock Land Bank, Detroit.

*Suspension or failure of chain and group banks.*—A comparison was recently made of the board's record of all banks suspended during the period 1921-1929 with lists of bank chains and groups submitted as of December, 1922, June, 1926, June, 1928, and June, 1929, and monthly supplements since June, 1929. Due to the difficulty of obtaining definite information on chain or group banking, particularly for the earlier years, such a comparison may not show all of the suspended banks that were members of so-called groups or chains, and on the other hand, it may include some suspended banks which were reported as belonging to chains or groups, though the management may have operated them entirely independently of the other banks under the same control.

On the basis of the best information available, however, it appears that a total of 226 banks with deposits of \$102,000,000, reported as belonging to 50 different chains, suspended operations during the 9-year period. Of this number, 61 banks with deposits of \$35,000,000 were reported as having subsequently reopened. This compares with a total of 5,642 banks suspended during the 9-year period with deposits of \$1,720,000,000. In other words the chain banks that were reported as having suspended operations represented about 4 per cent of the total number of suspensions and about 6 per cent of the total deposits of all suspended banks.

*State laws bearing on chain or group banking.*—The board's general counsel, with the assistance of the counsel of the various Federal reserve banks, recently prepared an analysis (X-6392) of State laws affecting the ownership of bank stock by holding corporations. No attempt has been made, however, to classify the States so as to show in which States the growth of chain or group banking is likely to be retarded as a consequence of the provisions of State laws, in fact the analysis covers 19 States only, the remaining States apparently not having adopted any laws on this subject.

*Tables on chain or group banking.*—The following tables are submitted to supplement the above discussion on chain or group banking, in addition to the general tables previously referred to which relate to both branch banking and to chain and group banking:

Table 5: Number and loans and investments of banks reported as belonging to chains and groups, by classes of banks and by States, December 31 and June 30, 1929.

Table 6: Number of bank chains and groups distributed according to size of systems and according to type of control, by States, December 31, 1929.

A complete list of bank chains and groups, showing the number and loans and investments of chain and group banks, by classes for both December 31 and June 30, 1929, has also been prepared. A copy of this list is printed as part of the statement by the Comptroller of the Currency in Part II of Volume I of the Hearings on Branch, Chain, and Group Banking before the Committee on Banking and Currency of the House of Representatives.

## BRANCH BANKING

*Summary for United States and by classes of banks.*—At the end of 1929 there were 822 banks in the United States that were operating branches. The total number of branches operated by these banks at the end of the year was 3,547, and the aggregate loans and investments of the banks and their branches was \$25,100,000,000 or over 40 per cent of the total loans and investments of all banks in the country. Adding the total number of branches, 3,547, to the total number of banks in operation in the country, 24,645, gives a total of approximately 28,200 banking offices in the United States. About one-eighth of all the banking offices were, therefore, branches. As stated in the first part of this memorandum, 119 of the branch systems with 1,415 branches and loans and investments of \$6,300,000,000 were also reported at the end of the year as belonging to bank chains or groups.

There were 166 national banks that were operating 1,027 branches at the end of the year, and the loans and investments of these national bank branch systems aggregated \$9,000,000,000, or more than 40 per cent of the total for all national banks in the country. State bank members operating branches at the end of 1929 numbered 180, their branches 1,299, and their loans and investments \$9,900,000,000. There were 476 nonmember banks (including mutual savings and private banks), with loans and investments of \$6,200,000,000, operating 1,221 branches, at the end of 1929.

*Developments during last six months of 1929.*—Since the last report was submitted on branch banking as of the end of June, 1929, there has been a net increase of 107 in the total number of branches in operation and a net increase of 4 in the number of branch systems. This net increase in the number of branches is at about the same annual rate as during the last three years. Some of the large branch banking States, however, show but little increase in the number of branches in operation for the 6-month period; for example, California, and Michigan. The principal increases for the period were in New York, Ohio, Pennsylvania, and Massachusetts.

Although there was a net increase of only 4 in the number of branch systems during the last half of 1929, there were actually 36 banks operating branches at the end of 1929 that had no branches whatever in June, this gross addition to the list of branch systems being offset partly by the fact that 25 branch systems went out of existence through merger with other banks, 6 banks suspended operations, and 1 bank abolished its branches.

The net increase of 107 in the total number of branches in operation in the 6-month period is the result of the establishment of 82 de novo branches and the conversion of 81 banks into branches, partly offset by the discontinuance of 49 branches through merger with other branches or otherwise and the closing of 7 branches following the suspension of the parent banks. In other words, there were 163 new branches in operation at the end of 1929, as compared with June of the same year, while 56 of the branches that were in operation six months earlier went out of existence.

*Branch banking since passage of McFadden Act.*—At the time that the McFadden Act was passed, on February 25, 1927, there were 779 banks in the United States that were operating 1,929 branches in the head-office cities and 971 branches located outside such cities, or a total of 2,900 branches. Since that time there has been a net increase of 43 in the number of branch bank systems and a net increase of 647 in the number of branches in operation. Most of the increase represents branches located in head-office cities, the number of which increased from 1,929 to 2,432, or by 503. The number of branches located outside of head-office cities increased from 971 to 1,115, or by 144. The annual increase in the number of branches has averaged over 200, and this rate has been maintained in the last six months.

Although there were 206 banks operating branches at the end of 1929 that had no branches whatever when the McFadden bill became a law, there has been a net increase of only 43 in the number of branch systems since the passage of that act. This is due to the fact that 120 branch systems went out of existence through merger with other banks, 15 suspended operations, and 28 abolished their branches. Of the 28 banks that have abolished their branches since February 25, 1927, 26 had only 1 branch each and 2 had 2 branches each.

It is also found that of the 2,900 branches that were in operation on February 25, 1927, 224 have since gone out of existence—194 having been discontinued or merged with other branches and 30 going out of existence following the suspension of the parent bank. There was a gross increase of 871 in the number

of branches, of which 511 were established de novo and 360 were independent banks that were purchased and converted into branches. Since the passage of the McFadden Act there have been a number of mergers of some rather large size branch bank systems, thus bringing to existence even larger systems, the principal ones being as follows:

Pacific Southwest Trust & Savings Bank, Los Angeles, with 100 branches consolidated with First National Bank and its 1 branch to form the Los Angeles-First National Trust & Savings Bank.

Security Trust & Savings Bank, Los Angeles, with 54 branches, consolidated with Los Angeles-First National Trust & Savings Bank and its 95 branches to form the Security-First National Bank.

Peoples State Bank, Detroit, Mich., with 46 branches, consolidated with the Wayne County & Home Savings Bank and its 47 branches to form Peoples-Wayne County Bank.

The number of branches operated by national banks and by State bank members of the Federal Reserve System has been materially affected by the nationalization of a number of large bank branch systems in California, either directly or by merger with existing national banks. These include the Bank of Italy of San Francisco, the Pacific Southwest Trust & Savings Bank of Los Angeles, and the Security Trust & Savings Bank of Los Angeles, which had a total of 425 branches when the McFadden bill became a law. Therefore, it is found that partly because of this fact the number of branches of national banks increased from 390 on February 25, 1927, to 1,027 at the end of 1929, while the number of branches of State bank members declined from 1,560 on February 25, 1927, to 1,299 at the end of last year. There has also been a considerable increase in the number of branches of nonmember banks, of which there were 950 on February 25, 1927, and 1,221 at the end of 1929.

Following is a summary showing the number of branch systems and the number of branches in operation on February 25, 1927, and December 31, 1929, by classes of banks:

Class of bank	Number of banks operating branches		Number of branches	
	Dec. 31, 1929	Feb. 25, 1927	Dec. 31, 1929	Feb. 25, 1927
Total.....	822	779	3,547	2,900
National banks.....	166	145	1,027	390
State bank members.....	180	189	1,299	1,560
State bank nonmembers.....	407	387	1,115	863
Mutual savings banks.....	65	50	99	76
Private banks.....	4	8	7	11

*Developments since June, 1924.*—The first complete statistics gathered by the board on branches of both member and nonmember banks were for June, 1924, at which time 714 banks were reported as operating a total of 2,293 branches. There was, therefore, an increase of approximately 600 branches in the three years preceding the McFadden Act, about the same rate of growth as has taken place since that act was passed. National banks at the end of June, 1924, were operating 248 branches, State bank members 1,137 branches and nonmember banks (including mutual savings and private banks) 908 branches. Of the total number of branches in operation in June, 1924, 785 were located outside the head-office cities and 1,508 in the head-office cities.

In the five and one-half years ending with December, 1929, there was an increase of 330 in the number of branches located outside head-office cities and an increase of 924 in the number of branches located in head-office cities, or a total increase of 1,254 branches. This comparison is shown in more detail in accompanying tables.

*Principal branch banking States and cities.*—The 3,547 branches in operation at the end of 1929 were located in 30 States, 1,286 being located in 10 States in which State-wide branch banking is permitted by law or implication, 2,207 in the 12 States in which the operation of branches is permitted but restricted as to location, and 54 in 8 States in which the further extension of branch banking is prohibited by law. There are, therefore, branches in operation in three-fifths of the States, but the great majority of the branches are located in a relatively

few States, in fact two-thirds of the total number are in 5 States—California, New York, Michigan, Ohio, and Pennsylvania. Four other States, however, also had more than 100 branches in operation at the end of 1929—Massachusetts, New Jersey, Louisiana, and Maryland.

What might be termed as "local" branches, i. e., branches located in the same city as the parent banks, are largely confined to a few of the principal cities of the country, in fact 10 cities account for 1,659 of 68 per cent of the total 2,432 local branches. The number of branches in operation in each of these cities at the end of 1929 was as follows:

New York.....	580	Cleveland.....	85
San Francisco.....	<sup>a</sup> 97	Buffalo.....	73
Los Angeles.....	<sup>a</sup> 201	Baltimore.....	65
Detroit.....	<sup>a</sup> 309	Boston.....	66
Philadelphia.....	133	Cincinnati.....	<sup>a</sup> 50

*Size of branch bank systems.*—At the end of 1929 there were 18 banks that were operating more than 30 branches, the two largest being the Bank of Italy National Trust & Savings Association, San Francisco, and the Bank of America of California, Los Angeles, both of which are controlled by the Transamerica Corporation group. Three of the other large systems also belong to a single group, viz., the Peoples-Wayne County Bank, the First National Bank and the Peninsular State Bank of Detroit, Mich., which had a total of 158 branches at the end of 1929 and which are all part of the First National-Peoples Wayne County group. In addition to the 18 branch systems that were operating 30 or more branches at the end of 1929, there were 41 banks operating 11 to 30 branches and 41 other banks operating 6 to 10 branches. More than half of the branch systems, however (448 out of 822) had only 1 branch each, 150 had only 2 branches, and 124 had 3 to 5 branches.

On February 25, 1927, when the McFadden bill became a law, there were 12 branch systems with 30 or more branches.

The following list shows the large branch systems in operation both on February 25, 1927 and December 31, 1929, and the disposition made of those systems which were in operation when the McFadden Act was passed but have since merged with other systems:

Location and name of parent bank	Number of branches	
	Feb. 25, 1927	Dec. 31, 1929
Bank of Italy National Trust & Savings Association, San Francisco.....	<sup>1</sup> 278	287
Bank of America of California, Los Angeles <sup>2</sup> .....	( <sup>3</sup> )	160
Security-First National Bank, Los Angeles.....	( <sup>3</sup> )	139
Pacific Southwest Trust & Security Bank, Los Angeles.....	98	( <sup>4</sup> )
Security Trust & Savings Bank, Los Angeles.....	49	( <sup>4</sup> )
California Bank, Los Angeles <sup>2</sup> .....	45	56
Merchants National Trust & Savings Bank, Los Angeles.....	34	( <sup>5</sup> )
Citizens National Trust & Savings Bank, Los Angeles.....	<sup>6</sup> 24	31
American Trust Co., San Francisco.....	92	94
Peoples-Wayne County Bank, Detroit.....	( <sup>7</sup> )	94
Peoples State Bank, Detroit.....	46	( <sup>7</sup> )
Wayne County & Home Savings Bank, Detroit.....	45	( <sup>7</sup> )
First National Bank, Detroit.....	2	<sup>8</sup> 33
Peninsular State Bank, Detroit.....	29	31
Corn Exchange Bank, New York City.....	62	67
Bank of Manhattan Trust Co., New York City.....	40	64
Bank of United States, New York City.....	6	<sup>8</sup> 57
Manufacturers Trust Co., New York City.....	14	<sup>8</sup> 45
National City Bank, New York City.....	18	37
Public National Bank, New York City.....	27	33
Bank of America, N. A., New York City.....	7	<sup>8</sup> 34
Cleveland Trust Co., Cleveland.....	52	57
Marine Trust Co., Buffalo.....	32	33

<sup>1</sup> This was a State bank member on Feb. 25, 1927.

<sup>2</sup> Not members of the Federal reserve system.

<sup>3</sup> This branch system is the result largely of mergers of smaller branch systems and the purchase and conversion into branches of a number of independent banks.

<sup>4</sup> The Security-First National Bank is the successor of the First National Bank, the Pacific Southwest Trust and Savings Bank and the Security Trust and Savings Bank.

<sup>5</sup> Absorbed by the Bank of America of California.

<sup>6</sup> This was a nonmember bank on Feb. 25, 1927.

<sup>7</sup> The Peoples-Wayne County Bank resulted from the conversion of the Peoples State Bank and the Wayne County and Home Savings Bank.

<sup>8</sup> Increase in the number of branches due largely to the absorption of other branch systems.

• Exclusive of those branches whose head offices are located in other cities.

*Branches located in small cities.*—In connection with the branches located outside the head office, numbering 1,115, or nearly one-third of all branches in operation at the end of 1929, it is interesting to find that by far the greater number of these "outside" branches are located in small towns and cities. Of the 1,115 outside branches, 612 were in fact located in places that had less than 2,500 population in 1920, including 208 in California, 54 in Louisiana, 44 in Maine, 52 in Maryland, 46 in North Carolina, 34 in South Carolina, 32 in Tennessee, 28 in Virginia, 21 in Mississippi, and 93 in 15 other States. Besides these 612 branches located in places of less than 2,500 population, there were 136 branches in places that had a population of 2,500 to 5,000 and 86 in places with population of 5,000 to 10,000. There were 281 "outside" branches reported as being located in cities with a population of 10,000 or more, but this figure represents largely branches of the state-wide branch systems in California whose headquarters are in San Francisco and Los Angeles but which have branches in such other large cities as Oakland, Sacramento, San Diego, Long Beach, and Pasadena.

The first tabulation made of branch banking according to size of towns in which the branches are located was for June, 1928, at which time there were 572 branches in places having a population (in 1920) of 2,500 or less. During the ensuing year and a half, therefore, there has been an increase of 40 in the number of branches located in such small places.

*Method of establishment of branches.*—More than two-thirds of the branches that were in operation at the time that the McFadden bill became a law were so-called de novo branches, i. e., established as branches in the first instance. Most of the remaining branches had at one time been in operation as independent banks, having been purchased and converted into branches, but in a number of instances the method of establishment was not ascertained. The number of de novo branches has increased by 383—from 1,996 to 2,379—since the passage of the McFadden bill, while the number of independent banks purchased and converted into branches (including branches for which the method of establishment was not reported) has increased by 264.

De novo branches of national banks numbered 635 at the end of 1929 out of a total of 1,027 branches; State bank members operated 967 de novo branches out of a total of 1,299; and nonmember banks (including mutual savings and private banks) 777 out of a total of 1,221. National banks show a considerable increase, since the passage of the McFadden Act, in the number of branches resulting from the conversion of independent banks, but this is due largely to the fact that some of the large State bank branch systems nationalized or were consolidated with national banks after the passage of the McFadden Act.

The following table gives a classification of the number of branches in operation on February 25, 1927, and December 31, 1929, according to method of establishment:

	Total branches	De novo branches	Independent banks converted into branches	Method of establish- ment not reported
<b>All classes of banks:</b>				
Feb. 25, 1927.....	2,900	1,996	735	169
Dec. 31, 1929.....	3,547	2,379	1,017	151
<b>National banks:</b>				
Feb. 25, 1927.....	390	279	88	23
Dec. 31, 1929.....	1,027	635	368	24
<b>State-bank members:</b>				
Feb. 25, 1927.....	1,560	1,034	471	55
Dec. 31, 1929.....	1,299	967	296	36
<b>State-bank nonmembers:</b>				
Feb. 25, 1927.....	863	627	174	62
Dec. 31, 1929.....	1,115	697	351	67
<b>Mutual savings banks:</b>				
Feb. 25, 1927.....	76	53	2	21
Dec. 31, 1929.....	99	77	2	20
<b>Private banks:</b>				
Feb. 25, 1927.....	11	3	-----	8
Dec. 31, 1929.....	7	3	-----	4

*Interstate branch banking.*—There are two instances of banks operating branches in States other than those in which the parent banks are situated. The Bank of California, N. A., San Francisco, a conversion of the Bank of California into a national bank in 1910, operates 1 branch in Portland, Oreg.; 1 in Seattle, Wash.; and 1 in Tacoma, Wash., all of which became branches of the Bank of California in 1905. Prior to 1905 they were branches of the London and San Francisco Bank (Ltd.), which was succeeded by the Bank of California. The other case is that of the First Camden National Bank & Trust Co., New Jersey, which operates a branch in Philadelphia. This branch originally came into existence in 1813.

*Suspension or failure of branch bank systems.*—On the basis of reports submitted to the Federal Reserve Board on bank failures or suspensions and on branch banking, it appears that during the 9-year period 1921–1929, a total of 41 branch bank systems suspended operations. These branch systems were operating 9 branches in head office cities and 71 branches outside such cities. The total deposits of the 41 banks and their branches were \$49,000,000. Five of the branch systems, 4 of which were operating 1 branch each and 1 operating 2 branches, subsequently reopened. Later one of the systems again closed.

Of the 41 branch systems that were reported as having suspended during the period 1921–1929, 29 had only 1 branch each, 6 had 2 branches, 2 had 3 branches, 2 had 4 branches, 1 had 5 branches, and 1 had 20 branches. The latter bank and its branches at the time of suspension were reported to have had deposits of \$2,805,000.

Following is a summary covering the suspension of branch bank systems during the 9-year period.

Year	Number of branch bank systems suspended	Total deposits	Number of branches in operation		Branch systems reopened		
			In head office city	Outside head office city	Number	Deposits	Number of branches
1921	5	\$10,917,000		5			
1922	1	1,151,000		1			
1923	1	28,000		1			
1924	4	1,365,000		5	1	\$46,000	1
1925	2	2,209,000	1	1			
1926	11	7,448,000		33	2	814,000	2
1927	3	2,851,000		7			
1928	4	2,895,000	1	7			
1929	10	19,955,000	7	11	1	5,882,000	2
Total	41	48,819,000	9	71	4	6,742,000	5

<sup>1</sup> This bank reopened but closed again and is not therefore included with the reopened banks.

*State laws relating to branch banking.*—The board's counsel, with the assistance of the counsel to the various Federal reserve banks, recently prepared an up-to-date digest (X-6528) of State laws relating to branch banking. The summary statement that accompanied this digest, in which the States are classified into four groups, is shown below. It will be noted that under the provisions of State laws, state-wide branch banking is permitted in 9 States; it is permitted within limited areas in 10 States; and in 22 States it is prohibited entirely (except as to branches in operation at the time the prohibitory legislation was enacted). Seven States have no legislation regarding branch banking, but this includes Kentucky, in which the establishment of additional offices or agencies is permitted under court decisions, and Michigan, where the State banking department has raised no objection to the establishment of branches in cities in which the parent banks are located. There were 28 branches in operation in Kentucky at the end of 1929 and 439 in Michigan, as compared with 13 and 401, respectively, on February 25, 1927, when the McFadden bill became a law. The District of Columbia is not included in this summary, but banks in Washington may establish branches anywhere in the district.

According to information which has come to our attention, four States—Montana, Nebraska, Iowa, and West Virginia—have enacted legislation prohibiting the establishment of branches since the passage of the McFadden Act. The State of Georgia passed similar legislation in 1927, but in 1929 the law was again



amended to permit the establishment of branches in head-office cities, provided such cities have a population of not less than 200,000. In New Jersey the State law was amended in 1927 to permit the establishment of branches under the same conditions as govern national banks. In Pennsylvania, legislation was enacted in 1927 permitting the establishment of branches within the corporate limits of those cities in which national banks were operating branches on March 1, 1927. In Vermont legislation was recently enacted permitting the establishment of agencies, which for all practical purposes seem to be the same as branches.

*Summary of State laws*

States permitting state-wide branch banking (9)	States permitting branch banking within limited areas (10)	States prohibiting branch banking (22)	States having no legislation regarding branch banking (7)
Arizona. California. Delaware. Maryland. North Carolina. Rhode Island. South Carolina. Vermont. <sup>1</sup> Virginia.	Georgia. <sup>2</sup> Louisiana. <sup>3</sup> Maine. <sup>4</sup> Massachusetts. <sup>5</sup> Mississippi. <sup>6</sup> New Jersey. <sup>7</sup> New York. <sup>8</sup> Ohio. <sup>9</sup> Pennsylvania. <sup>10</sup> Tennessee. <sup>11</sup>	Alabama. Arkansas. Colorado. Connecticut. Florida. Idaho. Illinois. Indiana. Iowa. Kansas. Minnesota. Missouri. Montana. Nebraska. Nevada. New Mexico. Oregon. Texas. Utah. Washington. West Virginia. Wisconsin.	Kentucky. <sup>12</sup> Michigan. <sup>13</sup> New Hampshire. North Dakota. Oklahoma. South Dakota. Wyoming.

<sup>1</sup> No provisions regarding branches, but state-wide establishment of "agencies" permitted.

<sup>2</sup> City or municipality.

<sup>3</sup> Municipality or parish.

<sup>4</sup> County or adjoining county.

<sup>5</sup> Same town.

<sup>6</sup> Same city.

<sup>7</sup> Same city, town, township, borough, or village.

<sup>8</sup> City limits.

<sup>9</sup> Same city or city or village contiguous thereto.

<sup>10</sup> Corporate limits of same place.

<sup>11</sup> County.

<sup>12</sup> No provisions regarding branches, but court decisions permit establishment of additional offices or agencies to receive deposits and pay checks.

<sup>13</sup> Industrial banks may establish branches in city or village of head office, but no provisions covering establishment of branches by other banking institutions.

TABLE 1.—Number and loans and investments of all banks and branches in the United States and of branch and chain or group banking systems, December 31, 1929, by classes of banks

[Loans and investments in millions of dollars]

	Total, all classes of banks		National banks		State-bank members		Nonmember banks, including mutual savings and private banks	
	Number of banks or branches	Loans and investments	Number of banks or branches	Loans and investments	Number of banks or branches	Loans and investments	Number of banks or branches	Loans and investments
All banks (head offices) in United States <sup>1</sup> .....	24,645	(?)	7,403	-----	1,119	-----	16,123	-----
Branches.....	3,547	(?)	1,027	-----	1,299	-----	1,221	-----
Total, all banking offices.....	28,192	58,461	8,430	21,584	2,418	14,350	17,344	22,527
Banks belonging to chains or groups but operating no branches.....	1,984	4,913	757	2,825	98	901	1,129	1,186
Banks belonging to chains or groups and operating branches: Head offices (parent banks).....	119	6,264	45	3,083	38	2,496	36	686
Branches.....	1,415	(?)	550	-----	600	-----	265	-----
Banks that do not belong to chains or groups, but operate branches: Head offices.....	703	18,839	121	5,906	142	7,448	440	5,484
Branches.....	2,132	(?)	477	-----	699	-----	956	-----
Independent unit banks (banks that do not belong to chains or groups and do not operate branches).....	21,839	28,445	6,480	9,770	841	3,505	14,518	15,171

<sup>1</sup> Excluding private banks not under State supervision. For 2 States the December figures for State banks are not available, and in these cases the latest available abstract was used.

<sup>2</sup> Separate figures not available.

TABLE 2.—Number of banks and branches and number of branch and chain or group banking systems, by States, December 31, 1929

State	Total number of banks (head offices)	Total number of branches	Total number of banking offices	Number of banks that belong to chains or groups			Banks that do not belong to chains or groups, but operate branches		Independent unit banks
				Operating no branches	Operating branches	Number of branches operated	Number of banks	Number of branches	
United States.....	24,645	3,547	28,192	1,984	119	1,415	703	2,132	21,839
Alabama.....	350	19	369	22	-----	-----	5	19	323
Arizona.....	46	22	68	6	-----	-----	7	22	33
Arkansas.....	415	3	418	72	-----	-----	2	3	341
California.....	437	863	1,300	41	8	547	45	310	343
Colorado.....	274	-----	274	16	-----	-----	-----	-----	258
Connecticut.....	237	-----	237	8	-----	-----	-----	-----	229
Delaware.....	47	13	60	3	-----	-----	7	13	37
District of Columbia.....	41	24	65	-----	-----	-----	12	24	29
Florida.....	235	-----	235	40	-----	-----	-----	-----	195
Georgia.....	405	39	444	19	3	20	13	19	370
Idaho.....	137	-----	137	41	-----	-----	-----	-----	96
Illinois.....	1,765	-----	1,765	84	-----	-----	-----	-----	1,681
Indiana.....	1,981	9	990	16	1	5	3	4	961
Iowa.....	1,257	-----	1,257	87	-----	-----	-----	-----	1,170
Kansas.....	1,069	-----	1,069	88	-----	-----	-----	-----	981
Kentucky.....	572	28	600	13	3	13	7	15	549
Louisiana.....	225	106	331	8	2	9	40	97	175

<sup>1</sup> Includes June 30, 1929, figures for State banks.

TABLE 2.—Number of banks and branches and number of branch and chain or group banking systems, by States, December 31, 1929—Continued

State	Total number of banks (head offices)	Total number of branches	Total number of banking offices	Number of banks that belong to chains or groups			Banks that do not belong to chains or groups, but operate branches		Independent unit banks
				Operating branches	Operating branches	Number of branches operated	Number of banks	Number of branches	
Maine.....	133	63	196	7	5	21	10	42	102
Maryland.....	230	124	354	.....	.....	.....	30	124	200
Massachusetts.....	450	161	611	32	13	53	75	108	330
Michigan.....	743	439	1,182	109	26	353	36	86	572
Minnesota.....	1,046	6	1,052	306	2	6	.....	.....	738
Mississippi <sup>1</sup> .....	311	25	336	20	1	2	10	23	280
Missouri.....	1,277	.....	1,277	36	.....	.....	.....	.....	1,241
Montana.....	195	.....	195	45	.....	.....	.....	.....	150
Nebraska.....	804	2	806	73	.....	.....	2	2	729
Nevada.....	35	.....	35	13	.....	.....	.....	.....	22
New Hampshire.....	123	.....	123	47	13	27	42	76	123
New Jersey.....	568	103	671	.....	.....	.....	.....	.....	466
New Mexico.....	56	.....	56	9	.....	.....	.....	.....	47
New York.....	1,127	722	1,849	84	18	271	88	451	937
North Carolina.....	416	77	493	.....	.....	.....	39	77	377
North Dakota.....	412	.....	412	114	.....	.....	.....	.....	298
Ohio.....	1,015	268	1,283	3	3	18	52	250	957
Oklahoma.....	617	.....	617	85	.....	.....	.....	.....	532
Oregon.....	234	1	235	36	.....	.....	1	1	197
Pennsylvania.....	1,566	185	1,751	41	7	13	73	172	1,445
Rhode Island.....	33	35	68	2	1	14	10	21	20
South Carolina.....	217	57	274	2	.....	.....	11	57	204
South Dakota.....	387	.....	387	61	.....	.....	.....	.....	326
Tennessee.....	484	68	552	21	11	37	21	31	431
Texas.....	1,308	.....	1,308	84	.....	.....	.....	.....	1,224
Utah.....	104	.....	104	26	.....	.....	.....	.....	78
Vermont.....	104	10	114	1	.....	.....	7	10	96
Virginia.....	474	61	535	.....	.....	.....	39	61	435
Washington.....	340	5	345	74	1	2	2	3	263
West Virginia.....	297	.....	297	.....	.....	.....	.....	.....	297
Wisconsin.....	609	9	609	57	1	4	5	5	897
Wyoming.....	86	.....	86	32	.....	.....	.....	.....	54

<sup>1</sup> Includes Oct. 4, 1929, figures for State banks.

TABLE 3.—*Loans and investments of all banks and of branch and chain or group banking systems, by States, December 31, 1929*

[Amounts in millions of dollars]

State	All banks in United States (including branches)	Banks that belong to chains or groups		Banks that do not belong to chains or groups but operate branches	Independent unit banks
		Operating no branches	Operating branches		
United States.....	58,461	4,913	6,264	18,839	28,445
Alabama.....	282	32	.....	13	237
Arizona.....	198	18	.....	25	155
Arkansas.....	81	59	.....	2	20
California.....	3,420	178	1,350	1,339	553
Colorado.....	262	30	.....	.....	232
Connecticut.....	1,336	37	.....	.....	1,299
Delaware.....	167	1	.....	106	60
District of Columbia.....	245	.....	.....	147	98
Florida.....	258	134	.....	.....	124
Georgia.....	334	31	135	28	140
Idaho.....	81	37	.....	.....	44
Illinois.....	3,802	1,212	.....	.....	2,590
Indiana.....	1,897	19	22	26	830
Iowa.....	782	90	.....	.....	692
Kansas.....	404	46	.....	.....	358
Kentucky.....	554	37	87	79	399
Louisiana.....	429	17	16	234	165
Maine.....	433	21	49	31	282
Maryland.....	837	.....	.....	416	521
Massachusetts.....	4,225	91	780	1,043	2,311
Michigan.....	2,021	302	960	225	534
Minnesota.....	901	402	181	.....	318
Mississippi.....	222	12	3	27	180
Missouri.....	1,199	158	.....	.....	1,041
Montana.....	144	81	.....	.....	63
Nebraska.....	359	62	.....	.....	289
Nevada.....	38	29	.....	.....	18
New Hampshire.....	311	.....	.....	.....	311
New Jersey.....	2,338	160	236	829	1,163
New Mexico.....	41	3	.....	.....	38
New York.....	17,222	226	4,785	10,362	4,849
North Carolina.....	370	.....	.....	151	219
North Dakota.....	112	58	.....	.....	54
Ohio.....	2,691	32	54	1,379	1,225
Oklahoma.....	401	103	.....	.....	298
Oregon.....	269	82	.....	1	177
Pennsylvania.....	5,703	608	135	1,897	3,033
Rhode Island.....	533	11	142	233	147
South Carolina.....	169	8	.....	57	104
South Dakota.....	137	47	.....	.....	90
Tennessee.....	439	23	126	70	211
Texas.....	1,036	164	.....	.....	932
Utah.....	162	39	.....	.....	112
Vermont.....	250	1	.....	27	222
Virginia.....	551	.....	.....	191	360
Washington.....	460	120	68	3	269
West Virginia.....	345	.....	.....	.....	345
Wisconsin.....	917	77	135	40	665
Wyoming.....	58	22	.....	.....	36

1 Includes June 30, 1929, figures for State banks.

2 Includes October 4, 1929, figures for State banks.

TABLE 4.—Number and loans and investments of all member banks in each State, and of member banks that operate branches or belong to groups or chains, by States, December 31, 1929

State	Loans and investments in millions of dollars <sup>1</sup>											
	All member banks		Total member banks that belong to chains or groups but operate branches		Member banks that belong to chains or groups but operate branches		Member banks that do not belong to chains or groups but operate branches		Independent member banks			
	Number	Loans and investments	Number	Loans and investments	Number	Loans and investments	Number	Loans and investments	Number	Loans and investments		
United States.....	8,522	35,934	1,201	23,659	855	3,726	83	5,579	263	13,354	7,321	13,275
Alabama.....	119	211	14	31	13	31	—	—	1	(1)	105	180
Arizona.....	17	42	3	21	1	6	—	—	2	15	14	21
Arkansas.....	125	33	17	33	57	153	—	—	13	947	174	350
California.....	123	213	43	2,153	31	23	4	1,015	—	—	112	195
Colorado.....	67	306	4	4	4	4	—	—	—	—	63	302
Connecticut.....	20	80	2	47	—	—	—	—	2	47	18	33
Delaware.....	12	127	6	82	—	—	—	—	6	6	18	45
District of Columbia.....	61	164	19	120	19	120	—	—	—	—	47	60
Florida.....	159	245	15	96	15	26	3	135	4	12	45	64
Georgia.....	169	315	11	156	15	26	—	—	—	—	45	28
Illinois.....	544	2,575	29	919	29	919	—	—	—	—	45	28
Indiana.....	291	436	5	39	3	5	—	—	1	12	229	387
Iowa.....	284	350	34	69	34	69	—	—	—	—	257	381
Kansas.....	252	203	25	26	25	26	—	—	3	63	227	176
Kentucky.....	145	328	15	180	3	17	—	—	—	—	130	175
Louisiana.....	105	180	3	37	3	37	—	—	1	166	30	87
Maine.....	55	145	16	18	5	15	—	—	—	—	49	127
Maryland.....	85	322	5	164	—	—	—	—	5	164	80	158
Massachusetts.....	177	1,691	57	1,310	24	71	10	764	23	475	120	381
Michigan.....	273	1,460	73	1,236	32	143	21	931	20	162	400	224
Minnesota.....	655	1,334	469	469	132	288	2	181	—	—	152	206
Mississippi.....	38	77	3	9	2	8	—	—	1	1	35	68

<sup>1</sup> Less than \$500,000.

TABLE 4.—Number and investments of all member banks in each State, and of member banks that operate branches or belong to groups or chains, by States, December 31, 1929.—Continued

State	All member banks		Total number and investments of member banks that belong to chains or groups or operate branches		Member banks that belong to chains or groups but operate no branches		Member banks that belong to chains or groups and operate branches		Member banks that do not belong to chains or groups but operate branches		Independent member banks	
	Number	Loans and investments	Number	Loans and investments	Number	Loans and investments	Number	Loans and investments	Number	Loans and investments	Number	Loans and investments
Missouri.....	187	856	14	137	14	137					173	719
Montana.....	88	113	21	69	21	69					67	44
Nebraska.....	160	190	24	54	22	46			2	8	136	136
Nevada.....	10	8	3	8							7	7
New Hampshire.....	17	75									57	73
New Jersey.....	364	1,525	69	816	32	98	8	100	29	600	295	709
New Mexico.....	20	30	5	2	5	2					600	600
New York.....	666	11,005	124	9,788	55	170	15	1,692	54	7,936	542	1,207
North Carolina.....	172	174	6	57					6	57	66	117
North Dakota.....	122	167	44	144	2	32					358	358
Ohio.....	204	838	50	1,247	45	97	3	54	20	1,163	238	234
Oklahoma.....	120	214	24	75	23	74					96	139
Oregon.....	948	3,705	54	1,700	21	589	4	128	29	983	894	2,005
Pennsylvania.....	14	828	7	303	1	7					7	25
Rhode Island.....	14	98	6	45	1	3			5	42	49	53
South Carolina.....	101	89	34	162	6	36					67	123
South Dakota.....	114	269	28	92	28	92			4	67	89	123
Tennessee.....	689	865	10	32	10	32					661	769
Texas.....	46	70	1	1	1	1					32	54
Vermont.....	172	391	11	166					11	166	45	69
Virginia.....	146	317	32	171	30	100	1	69	1	2	161	235
Washington.....	131	432	21	219	20	46					114	249
West Virginia.....	17	46	21	219	20	46	1	133	3	88	148	202
Wisconsin.....	172	384	10	15	10	15					18	261
Wyoming.....	28	84	10	15	10	15					18	19

[Loans and investments in millions of dollars]

TABLE 5.—Chain or group banking at the end of December and June, 1929: Summary by States and classes of banks, showing number and loans and investments of banks belonging to chains or groups

[Figures of loans and investments for both December and June are based largely on June, 1929, Bankers' Directory, and are in millions of dollars]

State	Number of banks												Loans and investments											
	Total		National		State member		Nonmember		Total		National		State member		Nonmember									
	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December	June								
United States.....	2,103	1,821	802	645	136	111	1,065	1,177	8,300	5,908	4,159	3,397	2,509	1,872	1,632									
Alabama.....	22	19	13	10			9	32	7	31	7			1	1									
Arizona.....	3	1	1	1			2	1	1	1				12	14									
Arkansas.....	72	55	15	10	2		5	50	45	22	15	11	011	17	14									
California.....	49	51	29	30	1	3	19	1,528	1,476	952	848	225	226	350	402									
Colorado.....	16	16	11	11			5	30	30	23	23			7	7									
Connecticut.....	8		4				4	37	4					33										
Delaware.....	3	3					3	1	1					1	1									
District of Columbia.....																								
Florida.....	43	19	14				21	134	129	120	94			14	35									
Georgia.....	22	20	9	8	5	4	8	166	157	144	143	21	14	2	2									
Igaho.....	41	41	11	11	4	4	26	37	37	17	17	9	9	11	11									
Illinois.....	84	79	20	19	9	8	55	52	663	729	663	190	61	293	271									
Indiana.....	17	10	3	2	1	1	13	41	30	4	4	22	22	14	3									
Iowa.....	87	83	33	31	1	1	63	61	40	33	33	1	1	31	31									
Kansas.....	15	15	10	10			6	44	44	39	39	1	1	20	20									
Kentucky.....	15	4	10	4	2		4	62	124	8	78	28	40	7	5									
Louisiana.....	10	10	6	6			4	33	33	30	30			3	3									
Maine.....	12	5	5	2			7	70	53	15	10	10		55	43									
Maryland.....																								
Massachusetts.....	45	33	27	19	7	6	11	530	602	530	281	53	225	36	25									
Michigan.....	135	80	38	35	2	2	32	1,873	325	325	325	708	188	56	56									
Minnesota.....	308	297	132	103	2	12	174	1,584	266	497	104	2	2	115	74									
Mississippi.....	21	21	2	2			19	19	15	15	8			8	8									
Missouri.....	36	34	9	9	5	5	22	158	157	26	26	111	111	20	20									
Montana.....	45	32	16	8	5	3	24	21	81	45	41	13	23	12	9									
Nebraska.....	73	68	22	18			51	50	62	27	46	14		16	13									
Nevada.....	13	15	3	4			10	12	20	23	8			12	14									
New Hampshire.....																								
New Jersey.....	60	56	26	25	14	14	20	17	396	358	97	68	100	76	190									
New Mexico.....	9	8	5	5			4	3	3	3	2			1	1									

TABLE 5.—Chain or group banking at the end of December and June, 1929: Summary by States and classes of banks, showing number and loans and investments of banks belonging to chains or groups—Continued

[Figures of loans and investments for both December and June are based largely on June, 1929, Bankers' Directory, and are in millions of dollars]

State	Number of banks												Loans and investments					
	Total		National		State member		Nonmember		Total		National		State member		Nonmember			
	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December	June		
New York.....	102	81	52	45	18	16	32	20	2,011	1,571	624	576	1,238	801	149	134		
North Carolina.....	116	100	44	30	3	1	70	70	58	44	44	30	54	.....	14	14		
Ohio.....	85	82	54	45	1	1	30	36	103	95	91	80	54	.....	2	7		
Oklahoma.....	36	33	18	16	5	5	13	12	82	82	71	69	3	3	8	10		
Oregon.....	48	48	15	15	10	10	23	23	803	782	344	344	374	352	86	86		
Pennsylvania.....	3	3	1	1	1	1	1	1	153	153	7	7	142	142	4	4		
Rhode Island.....	2	2	1	1	3	3	27	27	8	8	3	3	2	2	4	4		
South Carolina.....	6	6	2	2	1	1	17	17	140	140	39	39	28	28	9	9		
South Dakota.....	32	23	31	24	3	3	21	17	150	89	106	82	14	14	12	12		
Tennessee.....	84	79	25	21	3	3	56	55	104	89	78	62	14	14	12	12		
Texas.....	26	27	6	6	4	4	16	17	50	50	29	29	3	3	18	18		
Utah.....	1	1	1	1	.....	.....	1	1	1	1	1	1	.....	.....	.....	.....		
Vermont.....	75	59	28	22	3	1	44	36	189	79	154	63	15	1	20	15		
Virginia.....	58	55	21	10	.....	.....	37	34	205	181	115	115	.....	.....	31	30		
West Virginia.....	32	32	9	9	1	1	22	22	22	22	15	15	.....	.....	6	6		
Wisconsin.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....		
Wyoming.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....		



TABLE 6.—Chain or group banking at the end of December, 1929; number of groups in each State, distributed according to size and according to type of group

State	Total number of groups <sup>1</sup>	Number of groups controlling					Number of groups controlled by--		
		3 banks	4 to 6 banks	7 to 10 banks	11 to 20 banks	Over 20 banks	Holding companies	Banks	Individuals
United States.....	287	64	127	61	26	9	53	44	190
Alabama.....	4	1	1	2			1	2	1
Arizona.....	1		1						1
Arkansas.....	3	1	1	1	1				3
California.....	5	1	3		1		3		2
Colorado.....	3	1	1	1					3
Connecticut.....	1		1						
Delaware.....	1	1							1
Florida.....	6		3	3			1	5	
Georgia.....	5	2	1	2			1	1	3
Idaho.....	3	1					1		3
Illinois.....	12	1	5	4	2			3	9
Indiana.....	3	1		2			1	1	1
Iowa.....	12	2	5	1	4				12
Kansas.....	19	4	13	2			2		19
Kentucky.....	3		2	1			2	1	
Louisiana.....	2		2				1	2	
Maine.....	2	1		1			1		2
Massachusetts.....	5		3	1	1		3	1	1
Michigan.....	11	1	4	1	3	2	3		8
Minnesota.....	37	1	20	9	4	3	3		34
Mississippi.....	3		1	2				1	2
Missouri.....	7	1	3	3			1		6
Montana.....	2		1	1					2
Nebraska.....	10		6	4					10
Nevada.....	1				1				1
New Hampshire.....									
New Jersey.....	15	10	3	2			1	10	4
New Mexico.....	2	1	1				1		1
New York.....	20	7	8	2	3		12	2	6
North Carolina.....									
North Dakota.....	6	1	2	1	2				6
Ohio.....	2		2				1		1
Oklahoma.....	8	1	3	2	1	1	1		7
Oregon.....	7	4	1	2			5		2
Pennsylvania.....	12	7	4	1			1	7	4
Rhode Island.....	1	1					1	1	
South Carolina.....									
South Dakota.....	5		4	1					5
Tennessee.....	4	2			1	1		3	1
Texas.....	16	4	8	3	1		1	1	14
Utah.....	5		2	2		1	1	1	3
Vermont.....									
Virginia.....									
Washington.....	12	5	4	2		1	7		5
West Virginia.....									
Wisconsin.....	6	1	4		1		1		5
Wyoming.....	5	1	4						5

<sup>1</sup> Represents number of groups whose headquarters are located in the State, and not the number operating in the State, as some of the groups operate in several States.

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TABLE 7.—Summary of branch banking in the United States, 1924-1929

	Dec. 31, 1929	June 30, 1929	June 30, 1928	Feb. 25, 1927	June 30, 1924
<b>Number of banks:</b>					
Total.....	24, 645	25, 115	25, 950	26, 973	28, 996
Operating branches.....	822	818	835	779	714
By classes of banks—					
National banks.....	166	164	169	145	108
State bank members.....	180	190	186	189	191
State bank nonmembers.....	407	398	416	387	387
Mutual savings banks.....	65	62	58	50	28
Private banks.....	4	4	7	8	( <sup>1</sup> )
By location of branches—					
Only in head office city.....	517	518	526	476	391
Only outside office city.....	257	252	262	261	283
Both in and outside head office city.....	48	48	47	42	40
By population (in 1920) of cities in which parent banks are located—					
100,000 or more.....	351	359	372	353	-----
50,000 to 100,000.....	81	84	81	65	-----
25,000 to 50,000.....	75	70	66	61	-----
Less than 25,000.....	315	305	316	300	-----
By size of branch systems—					
1 branch.....	448	443	469	446	-----
2 branches.....	150	153	150	127	-----
3 to 5 branches.....	124	130	126	124	-----
6 to 10 branches.....	41	37	35	35	-----
11 to 30 branches.....	41	38	41	35	-----
Over 30 branches.....	18	17	14	12	-----
<b>Number of branches:</b>					
Total.....	3, 547	3, 440	3, 230	2, 900	2, 293
In head office city.....	2, 432	2, 362	2, 214	1, 929	1, 508
Outside head office city.....	1, 115	1, 078	1, 016	971	785
Location of "outside" branches in places with population of—					
Less than 2,500.....	612	591	572	( <sup>2</sup> )	( <sup>2</sup> )
2,500-5,000.....	136	133	128	( <sup>2</sup> )	( <sup>2</sup> )
5,000-10,000.....	86	84	79	( <sup>2</sup> )	( <sup>2</sup> )
10,000 or over.....	281	270	237	( <sup>2</sup> )	( <sup>2</sup> )
By classes of banks—					
National banks.....	1, 027	993	941	390	248
State bank members.....	1, 299	1, 298	1, 220	1, 560	1, 137
State bank nonmembers.....	1, 115	1, 046	973	863	908
Mutual savings banks.....	99	96	86	76	( <sup>3</sup> )
Private banks.....	7	7	10	11	( <sup>3</sup> )
Method of establishment—					
De novo (as branches).....	2, 379	2, 329	2, 214	1, 996	-----
Independent banks purchased and converted into branches.....	1, 017	958	853	735	-----
Not reported.....	151	153	163	169	-----

<sup>1</sup> March, 1927.<sup>2</sup> Not available.<sup>3</sup> Not separately tabulated; included with "State bank nonmembers."

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TABLE 8.—Number of banks operating branches and number of branches in operation, June, 1924, to December, 1929, by States

	Number of banks operating branches				Number of branches			
	Dec. 31, 1929	June 30, 1929	Feb. 25, 1927	June 30, 1924	Dec. 31, 1929	June 30, 1929	Feb. 25, 1927	June 30, 1924
<b>Total, United States</b> .....	822	818	779	714	3,547	3,440	2,900	2,293
National.....	166	164	145	108	1,027	993	390	248
State member.....	180	190	189	191	1,299	1,298	1,560	1,137
State nonmember.....	407	398	387	387	1,115	1,046	863	908
Mutual savings.....	65	62	50	28	99	96	76	(1)
Private.....	4	4	8	(1)	7	7	11	(1)
<i>State-wide branch banking permitted</i>								
<b>Total</b> .....	216	215	226	237	1,286	1,265	1,120	835
Arizona.....	7	7	8	6	22	22	23	20
California.....	53	54	72	99	863	861	762	538
Delaware.....	7	7	5	5	13	12	14	18
District of Columbia.....	12	11	10	11	24	23	20	19
Maryland.....	30	33	35	27	124	125	113	88
North Carolina.....	39	42	40	40	77	77	74	66
Rhode Island.....	11	11	11	9	35	35	29	21
South Carolina.....	11	12	8	9	57	50	25	20
Vermont.....	7	7	7	7	10	10	10	10
Virginia.....	39	38	37	31	61	60	60	45
<i>Branches restricted as to location</i>								
<b>Total</b> .....	581	578	526	447	2,207	2,121	1,726	1,397
Georgia.....	16	16	21	21	39	34	39	53
Kentucky.....	10	9	5	4	28	26	13	12
Louisiana.....	42	42	41	34	106	108	106	93
Maine.....	24	24	24	23	63	61	54	47
Massachusetts.....	88	86	79	61	161	154	133	98
Michigan.....	62	61	68	63	439	433	401	332
Mississippi.....	11	11	11	11	25	25	25	25
New Jersey.....	55	53	14	14	103	103	21	21
New York.....	106	106	106	77	722	682	517	362
Ohio.....	55	58	53	51	268	269	231	203
Pennsylvania.....	80	81	82	67	185	169	131	98
Tennessee.....	32	31	22	21	68	67	55	53
<i>Branch banking prohibited by law<sup>1</sup></i>								
<b>Total</b> .....	25	25	27	30	54	54	54	61
Alabama.....	5	5	5	5	19	19	19	19
Arkansas.....	2	2	2	2	3	3	3	3
Florida.....	4	4	4	4	9	9	8	8
Indiana.....	2	2	2	3	6	6	6	11
Minnesota.....	2	2	2	2	2	2	2	2
Nebraska.....	1	1	1	1	1	1	1	1
Oregon.....	3	3	4	5	5	5	6	7
Washington.....	6	6	7	7	9	9	9	9
Wisconsin.....	6	6	7	7	9	9	9	9

<sup>1</sup> Not separately tabulated.

<sup>2</sup> Branches reported were established prior to prohibitory legislation.

No branches in operation: Colorado, Connecticut, Idaho, Illinois, Iowa, Kansas, Missouri, Montana, Nevada, New Mexico, Texas, Utah, West Virginia.

No provision in State law regarding branch banking: New Hampshire, North Dakota, Oklahoma, South Dakota, Wyoming.

TABLE 9.—Banks operating domestic branches on December 31, 1929, by States

States	Number of banks operating branches				Number of branches					
	Total	National	State members	Non-members	Total	Operated by			Location	
						National banks	State bank members	Non-member banks	In head office city	Outside head office city
United States.....	822	166	180	476	3,547	1,027	1,299	1,221	2,432	1,115
State-wide branch banking permitted:										
Total.....	216	37	23	156	1,286	526	189	571	475	811
Arizona.....	7		2	5	22		12	10		22
California.....	53	12	5	36	893	480	105	278	318	545
Delaware.....	7		2	3	13		2	11	3	19
District of Columbia.....	12	6		6	24	12		12	24	
Maryland.....	30	3	2	25	124	8	24	92	68	56
North Carolina.....	39	3	3	33	77	4	7	66	11	66
Rhode Island.....	11	2	4	45	35	2	26	7	16	19
South Carolina.....	11	3	2	6	57	8	2	47	8	49
Vermont.....	7			7	10			10		10
Virginia.....	39	8	3	28	61	12	11	38	27	34
Branches restricted as to location:										
Total.....	581	121	151	309	2,207	484	1,099	624	1,930	277
Georgia.....	16	4	3	9	39	21	4	14	16	23
Kentucky.....	10	4	2	4	28	10	14	4	25	3
Louisiana.....	42	1	6	35	106	8	35	63	49	57
Maine.....	24		1	23	63		3	60	6	57
Massachusetts.....	88	17	16	55	161	63	27	71	142	19
Michigan.....	62	11	30	21	439	72	309	58	436	3
Mississippi.....	11	1		10	25	1		24	1	24
New Jersey.....	55	18	19	18	103	33	39	31	93	10
New York.....	106	32	37	37	722	189	463	70	721	1
Ohio.....	55	8	20	27	268	19	167	82	235	33
Pennsylvania.....	80	16	17	47	185	43	38	104	176	9
Tennessee.....	32	9		23	68	25		43	30	38
Branch banking prohibited by law:										
Total.....	25	8	6	11	54	17	11	26	27	27
Alabama.....	5		1	4	19		1	18		19
Arkansas.....	2			2	3			3		3
Indiana.....	4	1	1	2	9	2	5	2		1
Minnesota.....	2	2			6	6			6	
Nebraska.....	2	2			2				2	
Oregon.....	1	1			1	1				1
Washington.....	3	1	1	1	5	2	2	1	3	2
Wisconsin.....	6	1	3	2	9	4	3	2	8	1

<sup>1</sup> Branches reported were established prior to prohibitory legislation.

No branches in operation: Colorado, Connecticut, Florida, Idaho, Illinois, Iowa, Kansas, Missouri, Montana, Nevada, New Mexico, Texas, Utah, West Virginia.

No provision in State law regarding branch banking: New Hampshire, North Dakota, Oklahoma, South Dakota, Wyoming.

NOTE.—Of the 2,432 branches located in head-office cities, 687 were operated by national banks, 1,163 by State bank members, and 582 by nonmember banks. Of the 1,115 branches located outside head-office cities, 340 were operated by national banks, 136 by State bank members, and 639 by nonmember banks.

Mr. WINGO. Will the governor, just at this point, give us some totals? It seems that some of the information that he has supplied here, and which I have hastily glanced over, is so contradictory of the information we have had before, I think it ought to be pointed out at this time.

The CHAIRMAN. You can furnish that, Governor?

Mr. WINGO. Let him read it now. It is so contrary to what we have been told before, I am startled by it.

Governor YOUNG. According to the statistics just compiled, there were in operation in the United States, at the end of 1929, 24,645 banks and 3,547 branches, or a total of 28,192 banking offices.

Of this total of approximately 28,200 banking offices, there were 6,353 banks and branches that belonged to branch banking systems, to chain or group banking systems or to both. This leaves 21,839 banking institutions that might be definitely termed as independent unit banks, having no branches and being in no wise connected with other banks, through chain or group affiliation.

As a measure of the banking resources of the banks falling into the different categories, we have tabulated the figures of total loans and investments.

On this basis, it appears that, at the end of 1929, all the banks in the country had loans and investments of approximately \$58,500,000,000.

On the same date, the branch, chain, and group banking systems, embracing a total of 6,353 banks and branches, had total loans and investments of approximately \$30,000,000,000 in other words, the banking resources of the branch, group and chain systems were more than one-half of the total of all banks in the country.

The branch banking systems, at the end of 1929, taken alone, embraced 822 banks and 3,547 branches, with aggregate loans and investments of \$25,100,000,000, but these figures include 119 banks with 1,415 branches with loans and investments of \$6,300,000,000 that were also reported as belonging to banking groups or chains.

There were 287 chains or group banking systems reported in existence at the end of 1929, embracing 2,103 banks, with loans and investments of \$11,200,000,000. These figures, like those given for the branch systems, include a certain amount of duplications; that is to say, they include 119 with 1,415 branches and loans and investments of \$6,300,000,000 which were reported as belonging to the chain or group systems. This duplication is, however, eliminated from the combined statistics given in the two preceding paragraphs.

Following is a table comparing them.

I might say, of course, those figures include the banks in the large metropolitan areas, such as New York City, that have branches. That is quite a lengthy report.

Mr. WINGO. In other words, includes all the banks?

Governor YOUNG. Includes all the banks; yes, sir. That is quite a lengthy report, but I am sure that the committee will get much information out of it.

The CHAIRMAN. Before we start general questions, that is a very important statement, indicating development in regard to chain and group banking, particularly, as well as branch banking. I am sure

we will be glad to have your views on what this development means to the Federal reserve system.

Governor YOUNG. Well, in so far as the Federal reserve system is concerned, we have lost very little in the way of member banks through the group, chain, and branch development. That is not true of the national banking system.

The national banking system has lost quite heavily over the past two or three years, but most of these large set-ups, groups or chains, continue their membership in the Federal reserve system, and it has been my belief that the larger the set-up the more necessary the membership is to that set-up.

The first indication that the board has received of any loss of members through group and chain set-ups—and really branch set-ups—came in a letter this morning from one of the reserve banks, citing the members that they had lost because those banks had gone into a branch system. That was in the States where branches are permitted.

The CHAIRMAN. That were not members of the Federal reserve system?

Governor YOUNG. They were members of the Federal reserve system and many of them national banks. They have since gone into a branch banking set-up.

The CHAIRMAN. That was not a member of the Federal reserve system?

Governor YOUNG. That was not a member of the Federal reserve system, and of course under the terms of the Federal reserve act it could not be a member of the Federal reserve system now.

The CHAIRMAN. Do you find, Governor, that in the operation of the Federal reserve system, the forms of these large groups, taking over independent banks, interferes in any manner with the operation of the Federal reserve system? In other words, does it permit as easy a cooperation as previously, or more so?

Governor YOUNG. I would say just as much.

The CHAIRMAN. So far as the operation of the Federal reserve system is concerned, you do not note any particular change?

Governor YOUNG. Except this one particular case I have cited this morning.

The CHAIRMAN. Where you have lost some members?

Governor YOUNG. Yes, sir.

The CHAIRMAN. That was because members of the Federal reserve system were leaving the system and joining a system not operated under the Federal reserve law?

Governor YOUNG. A branch system; yes. Had they gone into a chain or group system they would have remained. There are advantages, apparently, that the group and chain system do not give.

Mr. FORT. And the branch system overrunning the city limit does give?

Governor YOUNG. Yes, sir.

The CHAIRMAN. The only reason, then, that such institutions are not members of the Federal reserve system is because of the limitation now in the law confining branches to the cities in which the parent bank is located?

Governor YOUNG. Correct.

Mr. WINGO. I did not catch that.

The CHAIRMAN. The reason they are leaving is to join in a State system where they can carry on branches beyond the city limits in which the parent bank is located.

Mr. WINGO. I got the impression that you made the point that that was the exclusive reason. I happen to know better in one instance. Is that the exclusive reason for it?

Governor YOUNG. It was so reported to me, Mr. Congressman. I will correct that. It was reported to me, and I will give the exact language of the letter. It says:

There is reason to believe that all of these banks would have remained in the system but for the law prohibiting branches in their cases.

The CHAIRMAN. How many banks left the system on account of that one particular reason?

Governor YOUNG. I will have to check that, Mr. Chairman. I got that letter just before I came up to the committee.

Mr. WINGO. In order to follow the statement you put in a moment ago, I am correct in assuming that mere numbers of banks is not the thing you are looking to? You look more to strength in assets? Is that the main thing?

Governor YOUNG. Yes, sir; but we look to both, of course.

The CHAIRMAN. I am going to suggest that we proceed in the regular order.

The first on the list is Mr. Strong.

Mr. WINGO. Is not the governor going to make a general statement, first?

The CHAIRMAN. The governor filed his statement yesterday. Mr. Fenn.

Mr. FENN. I have not had an opportunity, Mr. Chairman—although that is probably my own fault—of going entirely through this statement. I just received it this morning. However, I have a few questions I should like to ask at this time.

Is there a general desire, as far as you know, in the country that the present banking system should be changed, radically changed; in other words, is there enough desire for that to warrant a change?

Governor YOUNG. Well, Mr. Congressman—

Mr. FENN. Or is there really a desire on the part of the great banking institutions to absorb the banking facilities of this country and wipe out of existence the unit banking system?

Perhaps my question is a long one, but I think you will understand it. In other words, is there a general desire—a public desire—that there should be a centralization of banking to the exclusion—which would be a practical exclusion from the statements that have been made here—of the unit banking system? I do not say that is my position. I simply ask for information.

Governor YOUNG. That question is debatable. There are two factions. There is the unit banker that wants to continue; there are the group, chain, or branch bankers that want to expand.

Mr. FENN. I am not speaking of the financial position of these representative groups—of these two groups—but take the individual; that is, in the aggregate. Of course, I presume that the unit banks want to continue as unit banks. I take that as a presumption.

Governor YOUNG. Correct.

Mr. FENN. And also I take it as a presumption that the great banks, so to characterize them, desire to do as much of the unit banking business as possible by absorption of the unit banks.

The CHAIRMAN. Your question is whether there is a public demand for this or whether it emanates from the operating banks?

Mr. FENN. That is what I wanted to get at—so far as you know, Governor?

Governor YOUNG. I doubt whether there is a popular public demand for group, chain, or branch banking. Traditionally we are a unit people.

As I see the whole situation, Mr. Congressman, the group and chain banks have developed because of necessity, even though the law has not encouraged it to any great extent. It therefore seems to me a natural development and certainly these figures that I have given to the committee this morning must convince the members of the committee that this is a tremendous growth in the country that must come from some reason.

Mr. FENN. Take, for instance, the great amalgamation in New York. I believe it has gone through. Take this amalgamation of the Chase National Bank and the trust company and the Interstate Bank. In its aggregate, the great amount of assets, capital, etc., would far exceed probably a thousand unit banks?

Governor YOUNG. Far exceed the entire ninth Federal reserve district.

Mr. FENN. Now, what I want to know is should we consider the desire of this combination of capital, assets, and so forth to be the wish of the public of New York City, for instance?

Governor YOUNG. I do not know, Mr. Congressman.

Mr. FENN. I did not suppose you did. I presume that before the hearing is over that will be presented to us.

Now, I notice here in just casually glancing at this statement, in relation to the history of branch banking in this country, it refers to branch banking, I believe, in Mr. Platt's address previous to 1860. Has anybody considered that a successful system?

Governor YOUNG. If I remember correctly, the national banking act—

Mr. FENN (interposing). That was passed in 1860.

Governor YOUNG (continuing). Was passed in 1863 and gave some very decided advantages to the unit system, under a national charter.

Mr. FENN. In other words, they rather took away the branch banking system and encouraged the unit banking system?

Governor YOUNG. I think that is correct.

Mr. FENN. Was not that due to the sad experience that the country had gone through in connection with the branch banking system, before the Civil War? It seems to me there was a natural inference from it.

Governor YOUNG. It was either that or a war measure.

Mr. FENN. Of course I think you are quite correct in saying that the national banking system was induced by the war, in order to stabilize the money of the country?

Governor YOUNG. I think so.



MR. FENN. What I have to ask, Governor, is simply for information and not because of any position I have taken in the matter.

The CHAIRMAN. Mr. Beedy.

MR. BEEDY. This material has just come to my office, and I am not prepared, at this time, to ask any questions.

The CHAIRMAN. Mr. Hooper?

MR. HOOPER. I have not had an opportunity yet to read the statement of the governor.

The CHAIRMAN. Mr. Letts?

MR. LETTS. Mr. Chairman, I have just one question to ask at this time. It is twofold.

Governor Young, would it be desirable, if a way can be found to accomplish the result, to separate banking activities from all other activities that are now indulged in by banking groups?

My thought is this: I have noticed a tendency on the part of banking institutions to go into many lines of business—the handling of securities; the handling of mortgage business; agencies for the sale of real estate—to the point that I understand the Transamerica Corporation has announced that it has the necessary funds to put over any enterprise that they wish to take hold of.

They have included in their enterprises, insurance, which I think embraces every branch of insurance. It seems to me that this evidences the tendencies of the time and I am wondering whether it would be desirable, if possible, to separate these activities, so that banking activities will stand alone, and if it is desirable, whether you have any suggestion as to how that result might be accomplished.

Governor YOUNG. That is an extremely difficult question to answer, Mr. Congressman, because it is very hard to unscramble. The national law has permitted many things in the way of fiduciary powers, in handling securities, and so forth. It has been in operation a great many years.

Many of the banks have learned that they can operate those to advantage with independent corporations. They have developed and they are here with us. There are many things in the group and chain banking that must necessarily be in the experimental stage. I think that is one of the reasons that there has been hesitancy on the part of the Federal Reserve Board to commit itself one way or the other.

In reply to the second part of your inquiry, I say that I have nothing at the moment to suggest to correct that situation, if it needs correction.

MR. LETTS. Is there danger that a policy of this kind will lead to the point where financial institutions will serve themselves and their affiliates and not the public?

Governor YOUNG. I doubt that very much. These large groups—

MR. LETTS. In other words, will they compel men in business as individuals or in corporate capacity, to play hand in hand with the financial groups, in order to get necessary accommodations?

Governor YOUNG. I doubt that very much. It seems to me that that would be a very short-sighted policy on the part of large groups and others, and if business and commerce and agriculture are not served in a credit way by the large corporations and set-ups, some-

thing else will be developed to take their places, because those industries have got to be served, and it seems to me it would be a very short sighted and disastrous policy on the part of those large groups to do anything along those lines.

Mr. LETTS. My concern is in regard to the powers that may be acquired through the policies of holding companies that sit back of the screen and control the activities of the banking institutions in a community and many other lines of industry. It is conceivable it may even go to the point of involving the control of companies that are engaged in the distribution of our foods and other necessities of life.

Governor YOUNG. That is a possibility, but, in my opinion, highly improbable.

Mr. LETTS. That is all I have at this time, Mr. Chairman.

The CHAIRMAN. Mr. Wingo.

Mr. FORT. Mr. Chairman, I should like to know whether we are to come along with our questions later. I notice that you have skipped us on this side.

Mr. WINGO. Mr. Fort, for your information, I asked for unanimous consent to waive the rule in behalf of you gentlemen who have been detained. However, I shall be pleased to have you go ahead now.

Mr. FORT. No; I should like to have you go ahead. I would prefer that. I just wanted to know the practice.

Mr. WINGO. Governor, I notice in the table that you have inserted in the record, giving the number of banks or branches and also the loans and investments, that the total number of banks is given as 24,645. The total number of branches is 3,547.

Now, of that number, there are 1,984 group or chain banks that do not have any branches. Those chains and groups are located principally in what States, Governor?

Governor YOUNG. Michigan, Wisconsin, Minnesota, North and South Dakota, Montana, Wyoming, Nebraska, Iowa, Utah, Oklahoma, and the New England States.

The CHAIRMAN. And the State of Georgia?

Governor YOUNG. I will have to check that. My answer to that would not be correct.

Mr. WINGO. The table will show that?

Governor YOUNG. Yes, sir.

Mr. WINGO. Now, there are chain and group banks operating in the State of New York that do not have branches, are there not?

Governor YOUNG. I will ask Mr. Smeed to correct me if I am wrong. I will say yes, there are groups in the State of New York that do not operate branches.

Mr. WINGO. The State of New York authorizes branches of State institutions, does it not?

Governor YOUNG. It does.

Mr. WINGO. Now, some of these chains and groups are not confined in their operations to one State, are they?

Governor YOUNG. That is correct.

Mr. WINGO. In other words, for illustration, there is one group whose headquarters are at Nashville, Tenn., that has chains and groups covering more than one State—Tennessee, Arkansas, and possibly some other States. That is true, is it not?

Governor YOUNG. And Kentucky—that is true; yes sir.

Mr. WINGO. And those chains and groups are among those that have no branches.

Now, I notice that the banks that belong to chains or groups that operate no branches have loans and investments of \$4,913,000,000.

Now, I notice that you also have 119 banks that belong to chains or groups and also these 119 banks operate 1,415 branches. Some of the larger of these banks—these 119 banks—are located in New York, are they not?

Governor YOUNG. In New York City?

Mr. WINGO. New York State, which would include, of course, the city of New York.

Governor YOUNG. I am not sure.

Mr. WINGO. Now, I am asking for information, Governor, and if you are not sure—

Governor YOUNG. I am not sure. I do not think that would apply to New York City.

Mr. WINGO. You do not think there is any bank in New York City that has both a chain or group controlled by it or by the same group and also has branches either of the parent bank or of some of the banks that belong to the group or chain?

Governor YOUNG. I do not think so, but I am not sure of that.

Mr. WINGO. Now, Governor, do not think that I have taken any definite position in this matter. I am simply trying to get information in every question I ask. Will you undertake to ascertain and furnish, for the record, at the close of your testimony here, this information—those States which have the larger or the most important ones of these groups and chains which also authorize branch banks by their State laws, if any. Do you catch the question?

Governor YOUNG. I do.

The CHAIRMAN. Might I suggest if that is already covered in the papers submitted, you make reference to the part where that appears. I think that will save duplication.

Mr. WINGO. If it is covered, why it is not necessary to duplicate it.

Governor YOUNG. It is covered in there.

Mr. WINGO. In other words, this statement you are going to perfect and put in, will show the States, whose State laws authorize branch banks that have located in them banks which are group and chain banks but which have no branches, and will also show those States which authorize branches and in which these 119 banks, which are chain and group banks and also operate branches, are located?

Governor YOUNG. Yes.

Mr. WINGO. Will it undertake to show, though, the larger ones of these banks measured by assets or loans and investments?

Governor YOUNG. I think your entire inquiry is covered by that report. But, if it is not, we will supplement it and give you all the information.

Mr. WINGO. I doubt if your tabulation will show the last item, which possibly you did not catch, and that is this: In what States are located the outstanding groups, measured by loans and investments, and in what States, naming the principal outstanding groups and chain banking systems and giving their loans and investments—

Governor YOUNG. I think that is all in there.

Mr. WINGO. I do not think it will give the individual chains and groups.

Governor YOUNG. I think it will.

Mr. WINGO. Mr. Chairman, suppose I devote no more time to that until I get a chance to examine the data. Possibly it will save some duplication. I will go on now with something else.

Governor YOUNG. Does not this show that [exhibiting]?

Mr. WINGO. Will it indicate which of these groups or chains in these States—indicate which States authorize branches?

Governor YOUNG. That exhibit is a complete digest of all the States of the Union.

Mr. WINGO. But you have to wade through that to make a tabulation. If it is already tabulated in there, all right. However, suppose I lay off of that, because possibly all those things may be disclosed there.

I caught, from the statement you made awhile ago, that you feel that the fact that there has been a development of branches—branch banking and chain banking and group banking in this country—that that indicates there is a sound banking reason for such development.

Governor YOUNG. I think so.

Mr. WINGO. The outstanding fact in your tabulation, according to the first page of it, is that over one half of the resources of banking in the United States is now in banks that are either group, chain, or branch banks. That shows the growth of those three types of banking as contradistinguished from the independent unit bank?

Governor YOUNG. Correct.

Mr. WINGO. The independent unit banks are only superior in point of number of individual banks?

Governor YOUNG. Correct.

Mr. WINGO. Measured by assets, power, and influence, the chain, group, and branch systems have already taken over the banking business of the United States?

Governor YOUNG. Yes, sir; taken over over half of it.

Mr. WINGO. And you also suggested, in response to a question—

Governor YOUNG. May I correct that answer?

Mr. WINGO. Yes.

Governor YOUNG. You may have a bank in New York City with total resources of \$500,000,000, classified as a unit bank. Up to the moment it establishes a branch, which it has authority of law to do—while that still has all the earmarks of a unit bank, independently operated, the fact that it has 1, 2, 3, or 4, or 5 branches, involving three, four, or five million dollars, it comes within this classification of one-half of the assets of the United States.

Mr. WINGO. Of course, the old law of relativity covers everything when you come to measuring influence, power, and assets; and it is true that the largest part of the banking assets of the country are to be found, naturally, in the large business and commercial centers of the country?

Governor YOUNG. Yes, sir.

Mr. WINGO. New York, Chicago, Kansas City, St. Louis—these large industrial centers where there is large business, which naturally and legitimately demands large credits. Naturally the large banking facilities will be congregated there?

Governor YOUNG. Yes, sir.

Mr. WINGO. Because the credit facilities have to be close to the business it serves?

Governor YOUNG. Yes, sir.

Mr. WINGO. Is there anything in this contention that has been made that as the business of the country proceeds along the line of its apparent present tendency to be gathered into the hands of larger units—for illustration, in the automobile industry, such a concern as General Motors and in the steel industry, such concerns as the United States Steel Corporation and the Bethlehem—that they are forced to do that by what the proponents of such development contend is the economic necessity to have mass production and the economies that flow from large units and all such things as that—I say, is there anything to the contention that, as the natural development in the business and industrial world takes place, that that carries with it a corresponding demand for greater capacity of the individual credit agency to meet the needs of these larger business units?

Governor YOUNG. There seems to be very strong evidence of that, Mr. Congressman.

Mr. WINGO. In other words, where a business is done by larger units on larger scales, their credit demands come in what you might call larger blocks, which a small bank, by reason of its proper limitations, could not meet and serve?

Governor YOUNG. That is true; but, on the other hand, the large unit can not neglect the small borrower. It has got to serve that small borrower as that small borrower has been served in the past.

Mr. WINGO. Do you think it is correct, as contended, that even though these larger units will naturally better serve the public, the larger units of banking will better serve the larger units of commerce and industry and will also be in a better position to serve the needs of the smaller business man and smaller corporation?

Governor YOUNG. I think it would be a very short-sighted policy on their part if they do not do it.

Mr. WINGO. I am talking about their capacity now?

Governor YOUNG. I think they have the capacity to serve the small borrower.

Mr. WINGO. It is contended by men whose capacity and character command respect, that the natural tendency of our industrial organizations will necessarily compel the grouping or rather the vesting of banking capital and banking activities in larger units in the 25 or 30 large industrial centers of the country and they in turn—these larger units in these different industrial centers, in those particular industrial centers—will furnish the necessary competition to insure service aside from the natural desire to profit by the service extended; that also these larger units of banks, through the branches that they will establish in the smaller cities and towns in their particular trade area, zone or whatever you may call it—that the furnishing of these branches by these different large units in these centers, the competition between those larger units in establishing branches, will also protect the small cities and towns against the evils of monopoly.

What is your opinion about that?

Governor YOUNG. I believe that is correct and, in addition to that, we must remember that there are many unit banks left in the United States. They are large in number and cover a wide area, and particularly in the territory that I am familiar with, the Northwest, embracing some 2,700 banks. There are still 2,500 individual unit banks in this territory.

Mr. WINGO. Will not those large unit banks be compelled, by necessity, to meet competition by establishing branches in their territory?

Governor YOUNG. You mean county-wide?

Mr. WINGO. Whatever area you may have. Candidly, I think the development with reference to geographical lines will be one that will be determined by necessity and the development of our economic structure, rather than any arbitrary rule of statute; in other words, the statute will be made to conform to the necessities.

Do you not think the large unit banks, when they are face to face with this competition of the branches of the larger systems, will be compelled, in order to meet the needs of their clientele, to establish branches?

To give you a concrete illustration, we will take two banks in the city of Chicago. One of them is a large independent unit bank, to which you referred. The other is a large bank that has branches. They are competitors. Each one is going after the business, say, of an industrial concern located in a small outlying city or town. The bank that has branches will say to these business men over there, the owners of the factories or whatever they are:

We can give you better service than our competitor because we have a branch bank in your own town.

Will not the independent unit bank, in order to meet that competition, have to establish a branch in that town?

Governor YOUNG. That has happened in many cases, but in many cases it has not. The territory that has had branch banking longer than any other section is probably California. The unit banker there is still able to operate profitably and has not been forced into any competitive group.

It is very hard to say what the future will bring forth.

Mr. WINGO. Have there not been complaints from some unit bankers, or suggested by some independent unit bankers in California, that they have lost some of their good customers in outlying towns where a branch bank was established in that outlying town and that they had to choose between the necessity of establishing branches or losing the business? Has not that been the contention of at least one independent unit banker in California?

Governor YOUNG. Not that I know of.

Mr. WINGO. Is there not a general rule, applicable to banking, as well as other activities that, in competition, the giving of the thing that the customer wants, either in quality of quantity—but measured in the banking business mostly by service—is not that the thing that controls the flow of the business?

Governor YOUNG. Absolutely.

Mr. WINGO. I mean the general thing. Of course, in that community, you may have some outstanding man that, by reason of his character and integrity, will maintain a small shop beside a large

department store; yet, as a general rule, the business concern that gives the greater amount of service, either of quality or quantity, gets the business?

Governor YOUNG. That is correct.

Mr. WINGO. That is a natural tendency in the present competitive field, is it not?

Governor YOUNG. Yes, sir.

Mr. WINGO. Now Gresham's law operates just inversely in the business field—the good service drives out the bad?

Governor YOUNG. Yes, sir; correct.

Mr. WINGO. And so far as money is concerned, bad money drives out the good?

Governor YOUNG. Yes, sir.

Mr. WINGO. In the business competitive field, Gresham's law is reversed, and that business concern, whether an automobile factory or a steel business or a department store or a bank, that gives the greatest measure of service, either quality or quantity, naturally outstrips its competitor that does not match that service? Is not that true?

Governor YOUNG. Yes, sir.

Mr. WINGO. There are exceptions, of course.

Governor YOUNG. Yes, sir.

Mr. WINGO. You suggested awhile ago that there are some States where you lost banks from the system because they could not establish branches and you indicated or said that there were some advantages in branch banking that did not obtain in group or chain banking. I have had urged on me by group and chain bankers two major reasons why they would like to change from chains or groups into branches. Those two major reasons are that it requires less capital. That is one—that it requires less capital for the same volume of business; and secondly, they could have a more efficient control of the business by reason of the elimination of the cumbersome local directorate that now dominates their local banks which are members of the chain or group, and substitute for it more efficient centralized management that would give the public quicker and more efficient service.

Now, those are their two contentions. Can you name any other advantages that you conceive, and which the advocates of branch banking conceive, to be an advantage of branch banking over chain and group banking?

Governor YOUNG. Economy of operation.

Mr. WINGO. Well, that is included in the first or in the latter, rather.

Governor YOUNG. Yes.

Mr. WINGO. Suppose you just name the advantages you think branch banking has over chain and group banking.

Governor YOUNG. I will repeat those two that you cited, and add economy of operation, and in so far as the local loans are concerned, in a local community, the local directors can handle those very nicely, perhaps much better than the parent officers can handle them; that is, assuming that the local directors are conservative business men. With the surplus funds that the branch has, obviously the man in the center is more familiar with the bond market and more familiar

with the bill market, and he can invest much more advantageously than the small local man.

Another reason that I can give is that the national banking act has permitted national banks to exercise fiduciary powers. In my opinion, there is a tremendous field in the United States for that work. It may take a long time for it to develop. It is a highly specialized work. Many of the smaller banks are not thoroughly equipped to handle it the way they should handle it.

A large branch set-up can afford to employ the proper kind of men to handle that, and it seems to me, with a branch banking set-up in the United States, with the assurance of proper administration of fiduciary trusts, there is a tremendous opportunity for branch banks to develop a business that will be profitable for many years to come, a business that the small local bank can not always get. That procedure has already been adopted by both the large groups in the Northwest.

Mr. WINGO. Then I presume also, along the line you have just suggested, that a smaller bank attempting to act in a fiduciary capacity, not only would be limited in its activities—it could not undertake to act in such capacity except on a smaller scale—but you also would include the element of greater safety that is to be found in the larger capitalized institutions?

Governor YOUNG. In making that statement, there is no reflection on the small country banker. My sympathy is with him, but a highly-trained man could render greater service than the small country banker could afford to employ.

Mr. WINGO. I am trying to get your judgment on the contention of those who come to me, and say, "Now, Wingo, you are opposed to chain, group, and branch banking. I agree with you in theory, but we are facing a condition and not a theory." He points to the facts disclosed by your table here, that the great bulk of the assets of the banking institutions has already gone into that type of banking, which is other than the old individual unit type of bank; that there are good, sound reasons why that is done. "Now, why not legislate," he contends, "in the face of this situation, regardless of theory, recognizing existing facts and trying to arrive at what is best, by way of legislation, in shaping this trend, so as to protect the public and the depositors, and insure that banks, which are credit merchants, which render the fundamental duty of credit merchants, render the greatest possible service to the business world?"

Now, in connection with that fiduciary capacity, is it true that, as contended by some, there is less danger of a larger bank being permitted to fail than there is of a small bank?

I do not know whether you grasp what I mean or not. Here is a large bank where it would be represented to the comptroller and the Federal reserve bank that if you permitted this large bank to fail, serious consequences would follow, that it numbers among its correspondents, say, 80 banks. I remember a case in Topeka, Kans., I believe, a few years ago, where the Federal reserve bank was urged to save one bank that there was a run on, because they said that it had a large number of correspondents and if the bank was permitted to go down there was no telling where the crash would lead to. It was like a row of 10 pins; if you knocked down one pin, you knocked



down the whole thing, and it was argued that that was a different situation from that of a small unit bank, whose failure would be confined in its evil effects to a very small area.

Is it true that that is a reason why it is less probable that a larger bank would be permitted to fail than a smaller one?

Governor YOUNG. I would not want to give that as a reason, Mr. Congressman, as a public official and the operator of a reserve bank. I would want to believe that I gave just as much consideration to the small as to the large bank, and I thoroughly recognize the seriousness of the failure of a large bank. Of course, I will have to admit that a large bank, with a number of correspondents, going down not only carries down that bank but seriously cripples the correspondents and perhaps brings some of them down. Whether unconsciously we give more consideration to a large bank or not, I am not prepared to say.

Mr. WINGO. I am talking about the fact that unconsciously men naturally will treat with greater concern and will take greater risk in a situation where there is greater welfare involved or greater evil threatened than they will in connection with smaller things. That is human nature.

Governor YOUNG. That is human nature; yes.

The CHAIRMAN. Mr. Fort.

Mr. FORT. Governor Young, I want to ask you one or two general questions preliminarily.

Is the function of the Federal Reserve Board, as you view it, that of controlling the policy of banking generally and the forms of codes of banking, or is it simply to administer definite, prescribed duties?

Governor YOUNG. I would describe the board, Mr. Congressman, as a central body with certain supervisory powers and many regulatory powers, that functions more and more in accordance with the intent of the act and the traditions of our country when it operates as a coordinating supervisory body rather than an administrative body.

Mr. FORT. Then that implies really a function to advise Congress as well as to advise banks, does it not, as to what is proper banking?

Governor YOUNG. I think the function of advising banks as to what is proper banking is a function that comes under the supervisory powers of the Comptroller of the Currency rather than the Federal Reserve Board.

Mr. FORT. But you have State banks also as members of your system.

Governor YOUNG. Generally speaking, that is left to the supervisory authorities in the many States.

Mr. FORT. But you have not answered whether you feel you have a function to advise Congress as to what, if any, changes should be made in the code of law governing national banks and the Federal reserve system in its power over State banks.

Governor YOUNG. I think we not only have the function, but we have a duty.

Mr. FORT. Is there any concurrence of opinion in the board at the present time toward recommending to Congress any changes in the banking code, either as it relates to national banks or as it relates to State member banks of the system, or as to the powers of the board over either of those types of banks?

Governor YOUNG. The board has sent, both to the Senate and the House, during the past two or three years, recommendations for changes in legislation, largely technical, in connection with—I am going to say offhand—14 or 15 amendments since Christmas of this year. The board is not prepared to make any recommendation to the Congress of the United States in reference to this question of branch, group, or chain banking, as was stated in my letter the other day.

Mr. FORT. Yes; I understood that.

Governor YOUNG. My colleagues preferred to see the results of this investigation, and they preferred to make a further study with their own committee before making any recommendations, and I would like to have it understood by the committee here this morning that any statement I made was as an individual and not an expression on behalf of my colleagues or an expression of the titular head of the Federal Reserve Board, known as the governor.

Mr. FORT. You not only have no recommendation as a board on matters of the general code of banking, but you have no recommendations as to any change in the powers of the board itself dealing with changed conditions?

Governor YOUNG. The board, if I remember correctly, and you will find that in the brief submitted, recommended several years ago that it be given certain regulatory powers in reference to development of group and chain banking.

Mr. FORT. Are those now renewed?

Governor YOUNG. No, they are not; not at this time.

Mr. FORT. I notice——

Governor YOUNG. If I may just go ahead and finish this——

Mr. FORT. Certainly; go ahead.

Governor YOUNG. The Federal Reserve Board, under the Federal reserve act, if we read it correctly and interpret it correctly, has almost unlimited powers in dealing with reserve banks which, fortunately, the board has very seldom exercised.

I think that completes the answer to your original question.

Mr. FORT. I notice on page 56 of your memorandum a reference to a condition which the board had prescribed in its 1924 regulations relating to State banks, which provided that they should not consolidate without the permission of the board, nor absorb nor purchase the assets of other banks, nor directly or indirectly, through affiliated corporations or otherwise, acquire an interest in any other bank in excess of 20 per cent of the stock; and I notice further that on the same page you say that as a result of the amendment of section 9 of the McFadden Act, there is some doubt whether the board now has authority to prescribe this condition and therefore it has been unable to exercise the same degree of control over chain banking, and yet the regulation which I have quoted from has now been changed, as set out on page 57, so as to eliminate all reference to the acquisition of control indirectly by any State bank or trust company.

I take it from the occurrence of that language in the memorandum that you now feel powerless to deal with the acquisition of control through affiliate corporations?

Governor YOUNG. Correct.

Mr. FORT. Do you feel that you should have that power conferred upon you?

Governor YOUNG. I think that my colleagues would prefer to see the conclusions of this investigation and their own investigation before asking for it again.

Mr. FORT. Even as to the grant of power? That does not require its exercise.

Governor YOUNG. On the theory, Mr. Congressman, that it is hard to unscramble. Earlier this might have worked to our advantage, but this has all taken place.

Mr. FORT. It is not a complete process yet, is it? I mean that there are still further possible absorptions through affiliates or otherwise, are there not?

Governor YOUNG. That is true.

Mr. FORT. I am not now asking you whether you feel we should directly legislate to enact the particular thing that was your old regulation, but I am simply asking you whether you feel we should redodge the power in your body to make such a regulation if in your judgment such regulation was desirable?

Governor YOUNG. Under the present conditions and what has developed, individually I would say no.

Mr. FORT. In other words, you would feel that it was wiser to leave no power anywhere except in Congress to interfere with it?

Governor YOUNG. Correct.

Mr. FORT. If Congress, as a matter of policy, however, felt that it was undesirable to permit this further extension of acquisition of control, would you feel that we should directly legislate upon it and make it always illegal, or that we should confer upon you the power to determine whether it should be allowed or not be allowed?

Governor YOUNG. In other words, that would make it mandatory with the board, or discretionary? I would like more time to think that over, Mr. Congressman.

Mr. FORT. All right, sir.

Governor YOUNG. I am not trying to be evasive on these things.

Mr. FORT. I understand that. I appreciate that in your official position you should be very slow to express opinions.

We have had some indications, some of us, that a condition is possibly arising in some—perhaps only one at the present time—of the Federal reserve districts where control of the elections of the directors of the Federal reserve banks is being in effect vested in one or two holding companies. Would you feel that it was desirable that such a condition should be permitted by law?

Governor YOUNG. Could you state the district you are referring to?

Mr. FORT. I have refrained from injecting names into this discussion where possible, but I can do so very easily.

Governor YOUNG. I think I can answer that without having any specific district.

I think the combination of certain groups, with what they now have, could elect two of the nine directors of the Federal reserve bank, theoretically. Through their influence, they might go beyond that, but I do not see how those groups could elect and maintain a control of the Federal reserve bank.

Mr. FORT. Is it or is it not possible under the law and the method of the selection of the directors that a group or two groups—and, of course, if two could, one could—could acquire sufficient control in a district to enable them to directly influence the election of a majority of the directors of the Federal reserve bank of that district?

Governor YOUNG. If they owned and controlled more than half of the member banks of that district, they could do it; otherwise not.

Mr. FORT. Is that a condition that we should permit to happen?

Governor YOUNG. I think that the supervisory and regulatory powers of the Federal Reserve Board are such that if there should be any abuse whatever of the powers of those directors, the board would be in position to correct it very quickly.

Mr. FORT. Is it a sound practice to permit, even though the evils resulting from it might thereafter be corrected?

Governor YOUNG. I do not think it is possible, Mr. Congressman.

Mr. FORT. For one group to acquire such control?

Governor YOUNG. No.

Mr. FORT. Why not?

Governor YOUNG. They would have to own half of the banks in the district in the first place, member banks.

Mr. FORT. You just said that a single bank in New York City is to-day larger than the entire resources of one whole Federal reserve district. Why is it not possible for a single holding company to acquire complete control in a district?

Governor YOUNG. It is possible.

Mr. FORT. If they thought it desirable?

Governor YOUNG. Yes.

Mr. FORT. And were willing to pay the necessary price?

Governor YOUNG. Correct.

Mr. FORT. Would you feel that that was a condition that we should leave as a possibility?

Governor YOUNG. That is possible, but highly improbable, in my opinion. If it should develop, legislation could correct that very quickly. I see no necessity for it at the moment.

Mr. FORT. Except that it is more difficult to unscramble than to let it be set up, as you very properly said?

Governor YOUNG. Well, not in a case of six directors that are elected.

Mr. FORT. But I mean that the ownership and control of the banks that do the electing, once acquired, is very difficult to—

Governor YOUNG. Oh, yes; it is hard to unscramble.

Mr. FORT. You have said that there is no fear of the large banking systems leaving the Federal reserve, have you not?

Governor YOUNG. Yes; that is my opinion.

Mr. FORT. You think that we are in a fairly favorable position to stiffen up any regulation that we may think needs stiffening without the fear that by so doing we will weaken the Federal reserve system's membership, substantially?

Governor YOUNG. It might be so drastic that it would force some of them to move out. For instance, if legislation forcing the unscrambling of some of these groups should develop, it might result in serious loss to the Federal reserve banks in the way of members.

Mr. FORT. Which it seems might be a further reason for legislation before the scrambling went so far as to make the unscrambling impossible.

Has the Federal Reserve Board as a board given any consideration to the very rapid entry of banks into the investment business, either directly or through affiliates?

Governor YOUNG. It has given consideration to it.

Mr. FORT. But it has no definite policy to recommend?

Governor YOUNG. Correct. It has felt that it is one of those things that the board is powerless in, the same as the comptroller's office.

Mr. FORT. Does the board, or do you, individually, have any opinion as to the soundness as a banking function of the purchasing and selling of bank stocks by banks, for the account of the bank, which is permitted now by some States in connection with their banks?

Governor YOUNG. That is confined, is it not, Mr. Congressman, to preferred stocks?

Mr. FORT. No; not in all States.

Governor YOUNG. Are there not some restrictions?

Mr. FORT. The laws of the different States, as I understand it, differ on that point. I would be very glad if, as a part of your testimony you could give us a digest from your records of the State laws on that question.

Governor YOUNG. We have State laws regarding the ownership of bank stocks by holding corporations.

Mr. FORT. I am not speaking of stocks held by holding corporations. In my own State, for example, one State bank or trust company can own stock of another bank, State or national, in its own name; it can own the stock of an industrial corporation or a railroad, and I would like to have a digest of the laws on that throughout the United States, if I can have it.

Mr. WINGO. Would it not be wise if you not only had a digest which would show the laws of the States separately with reference to ownership of other bank stocks, but also a separate digest which would show the different laws of the States with reference to owning stock generally?

Governor YOUNG. That will be prepared for you, Mr. Congressman.

Mr. FORT. I will be very glad to have it.

Governor YOUNG. In reply to the other part of your inquiry, Mr. Congressman, I will report that the Federal Reserve Board in the past, when it has admitted a State bank to membership, in exercising its statutory authority has usually laid down a condition of membership which prohibits that bank from acquiring stock in another bank except with the permission of the Federal Reserve Board.

Mr. FORT. That is, as to future acquisition.

Governor YOUNG. The board, however, has never issued any regulation or requirements in reference to acquiring stocks in other corporations.

Mr. FORT. What I am trying to get at is whether, in your judgment—for which I have a very high respect—the dealing in stocks is a proper banking function.

Governor YOUNG. I would say, Mr. Congressman, that the buying and selling of stocks for a profit and turning them over is not a proper function for a bank. The investment of all surplus funds in seasoned stocks and bonds solely for the income might be a proper function for a bank.

Mr. FORT. Along with that, then, if the buying and selling for the purpose of profit is not a proper function, is the underwriting of large issues and the merchandising of them a proper banking function?

Governor YOUNG. National banks are not permitted to do that.

Mr. FORT. No, sir.

Governor YOUNG. Some State banks are.

These inquiries come to me out of a clear sky, Mr. Congressman, and I would like a little more time to think that over.

Mr. FORT. And, while you are thinking that over, because I am going to ask you some more questions on that, or I will ask them of some other member of the board, would you also consider the propriety and wisdom of it being done indirectly through the security affiliate which is in the public mind tied in with the bank, if it is not a proper function for the bank itself to do, because that is being done by national banks as well as State banks?

Governor YOUNG. Well, I am going to ask for a little more time on that.

Mr. FORT. I will gladly concede it, as I have been thinking about it for several years and have not reached a final decision in my own mind.

We have had some testimony from Comptroller Pole on the need of branch banking in country districts because of a lack in part of the difficulty of maintaining a bank with adequate capital in small towns because of the lack of profit possibilities in these small towns. That is perfectly sound, I think. I wonder if there is in the record yet, or in any of the exhibits you have given us, any statement of the profits actually made by banks by any classification as to size, of the percentage of profit on invested capital—or if such a thing could be gotten up for us?

Governor YOUNG. Not in anything that has been submitted by me. Did the comptroller's office furnish anything along those lines?

Mr. AWALT. We have some information in regard to their earnings, classified by States.

Mr. FORT. But not by size of banks?

Mr. AWALT. Not by size of banks, I am sure.

Mr. FORT. I wonder if it would be too difficult to get for us some information as to the banks in the various capital classes, with some range—I do not mean each size, but the smaller banks and the banks of over half a million dollars, and the banks of over \$5,000,000, as to their percentage of profit on invested capital?

Governor YOUNG. Doctor Goldenweiser informs me we have published that from time to time.

Mr. FORT. We would be glad if it could be put in the record.

The CHAIRMAN. Without objection, it will be put in the record at this point.

(There was no objection, and the information referred to will be printed at the conclusion of Mr. Young's testimony.)

Mr. AWALT. The comptroller has some confidential information on earnings, I think, that he wants to lay before the committee in executive session some time, but I do not believe that he wants the information he has along that line to go into the public record.

Mr. FORT. The Federal reserve figures would show State banks as well as national banks, and they would be more useful than the comptroller's figures alone.

There has been a complete transformation in banking practice in the larger towns, has there not, Governor Young, in the last few years, with respect to the shift from loans on name paper to loans on secured paper?

Governor YOUNG. Yes; there has been a very large change in the assets of the banks.

Mr. FORT. And that shift necessarily requires the banker to be a man who has some understanding of securities and of their fundamental values, does it not?

Governor YOUNG. Yes, sir.

Mr. FORT. And in contrast to the old-fashioned banker, who could rely entirely on his Dun and Bradstreet and his judgment of character?

Governor YOUNG. That is correct.

Mr. FORT. That may furnish some sound reason, may it not, for larger institutions having a contact with the investment and securities phases of modern banking spreading out into the districts where that type of information is not so readily accessible?

Governor YOUNG. That is correct.

Mr. FORT. And also perhaps furnishes us some basis for branch banking. The better information that a large institution is able to get on securities and security values would be a possible reason in sound banking for the larger institution itself to exist.

Governor YOUNG. I believe that is an accurate statement. It is like all of those statements, however; there are some exceptions to it, Mr. Congressman.

The CHAIRMAN. Would you permit a question at that point?

Mr. FORT. Yes.

The CHAIRMAN. I was interested in the colloquy that has just taken place, and I ask you how much of that change from eligible paper to notes secured by investment securities was caused by the banks themselves, or has it been caused by a more intense development of investment banking and distribution of securities?

Governor YOUNG. I would say it is caused by more intensive development of the securities business.

The CHAIRMAN. In other words, industry has changed its method of financing itself from the old method of borrowing on its own notes to that of securing its financing through investment houses, which results in the issuance of securities, but which ultimately gets back into the banks?

Governor YOUNG. That is the way I see it, Mr. Congressman.

The CHAIRMAN. That, of course, then is a changed situation which confronts the operation of the Federal reserve system, is it not, in getting more investment securities into the system rather than

commercial paper and eligible paper that was issued as a direct result of settlements of trade transactions?

Governor YOUNG. When you say in the system, do you mean the members of the system?

The CHAIRMAN. Yes.

Governor YOUNG. That is correct.

Mr. WINGO. Mr. Fort, in connection with that underwriting question, may I ask a question?

Mr. FORT. Let me develop it and see if I do not cover it.

Governor Young, you have spoken also of the tremendous growth of the fiduciary powers and operations of banks. Is there any statement now in the record, or could one be put in, showing the amount of assets now in the control of the members of the Federal reserve system in their fiduciary capacity, apart from their own resources?

Governor YOUNG. I think that that can be furnished, Mr. Congressman, in so far as the national banks are concerned. I think we experienced some difficulty in securing that information from the State member banks.

Mr. FORT. And the State member banks, of course, constitute the old trust companies?

Governor YOUNG. They are the old trust companies.

Mr. FORT. And, therefore, there is far more of it likely to be in their hands than in the hands of the national banks?

Governor YOUNG. That is correct.

Mr. FORT. And you have no such figures for the State banks, or none that you feel are complete?

Governor YOUNG. They are not complete.

Mr. FORT. Will you put such as you have into the record, both with respect to National banks and State banks?

Governor YOUNG. I will be glad to.

Mr. Smead tells me there is very little in reference to State member banks that is of value.

Mr. FORT. Do you or do you not feel that that is something you should have complete information on in regard to your member banks?

Governor YOUNG. We thought so, Mr. Congressman, but, as you say, the old trust companies that have been in operation in this country for a great number of years did not accumulate these statistics as the national banks have accumulated them, because the national banks have been more recent in that connection, and that information has been asked for.

Mr. FORT. Would you not be able to get it if you put into effect a regulation of the Federal Reserve Board requiring it to be given?

Governor YOUNG. We made a very courteous request at one time that they give us that information, with such a reaction that we abandoned the idea of attempting to get it. There was a very strong complaint from many of the State member banks that they had already furnished us so much information and that the compilation of what we wanted would be so expensive to them that they asked us not to require it.

Mr. FORT. It seems to me, as a member of this committee, that it is one of the very vital things that we should know in considering this whole question of the aggregation of economic power in chain,



group, or branch banking, that we should get those figures somehow. If you can not get them, I think we ought to.

Governor YOUNG. Mr. Smead informs me that it would take weeks to get that information, even though there was a willingness on the part of the State member banks to furnish it.

Mr. FORT. If it is difficult for the Federal Reserve Board to get it, I assume that this committee, under its powers, can get it if it thinks it wants it from any bank, and perhaps they might be more willing to have it furnished to us by you in lump form than they would to furnish it in the shape of individual reports.

The reason I asked that question is that it has a bearing directly on this whole question of chain banking and of investment banking. The modern banker, certainly in the larger cities, is operating generally either directly or through affiliated organizations as a house of issue of investment securities and as a seller and purchaser of securities for his own account. He also is operating as a fiduciary charged with the duty of considering the investment of trust funds solely from the interest of the cestui que trust. In private enterprise there has grown up the class of house known as investment counsel, who advise as to investments, but who exercise no purchasing or selling functions in connection with them and make no profit whatever out of any dealings in securities, but simply advise.

Governor YOUNG. And charge a commission.

Mr. FORT. Charge a commission for advice based on principal or income. The trustee is compensated legally by a commission, either on principal or on income. It has seemed to me that the growth of the investment counsel idea was based upon the theory that human psychology was such that the man who did the advising as to the nature of the investment ought not to have any interest in or possible profit out of the making of the investment.

I wondered if you had given any thought as to the propriety of the exercise of fiduciary powers by banks, including the undisturbed right to sell or purchase securities for profit for their own account or that of an affiliate?

Governor YOUNG. Yes; I have given some thought to that.

Mr. FORT. What is your judgment on it?

Governor YOUNG. Well, the national bank law permits banks to buy bonds, permits banks to exercise fiduciary powers, and I am inclined to agree with you that human nature is the same one place as it is in another. It has prompted the development of these investment counsels, and what the future of those will be will depend, I expect, entirely upon what the public thinks about them.

That is not answering your question directly, and I do not want to be evasive, but could I answer in in this way: Is there any great harm, or have any great losses developed, through the set-up that we have in our banking systems to date, or is it too early to determine?

Mr. FORT. If you are asking me that question, I think I would answer "yes" both times.

Governor YOUNG. Well, that is information that I have not got, Mr. Congressman.

Mr. FORT. It all leads, however, to the general consideration—and I had wondered just how much consideration you had given to it and whether you had reached any final conclusion in your own mind—as to whether the psychology of men is such that it is wise to

mix the traditional functions of a banker, as a receiver of deposits and a lender of funds, with the function of the dealer in securities, particularly in a time when the great bulk of the investments and loans of the banks is based on securities.

Governor YOUNG. I am going to answer that, Mr. Congressman, by saying that I have given some thought to it, but not sufficient thought to it.

Mr. FORT. Do you not feel that perhaps it is one of the lines of thought to which this committee ought to direct its attention and to which perhaps the Federal Reserve Board ought to direct its attention in any revamping of our law, if we are going to revamp it at all?

Governor YOUNG. I think so, but, Mr. Congressman, we have to keep in mind all the time that the Federal reserve system is a very important credit structure in this country. Drastic legislation is liable to cripple that system. The competition of State banks and State laws and State trust companies has always been a hard one to overcome, and perhaps always will be. I think it is safe to say that much of our Federal legislation has been enacted in an attempt to meet that competition. In other words, there is always a liberalization of the national law.

Mr. FORT. Mr. Luce of this committee, described the situation very aptly, I thought, the other day, when he spoke of the finer and the baser systems of banking, using the State system with its greater freedom and flexibility, as the baser system, and speaking of the danger of the flow from the finer to the baser, which is somewhat, I think, what you have in mind. But, assuming that we had the power to control the major systems, at least the larger banks, through the Federal reserve, whether they be State or national, is it not wiser perhaps for us to consider legislation which is not necessarily drastic at this time and place all banking upon a somewhat sounder basis than it would be perhaps to let ourselves five years from now be thrown into a situation where we might have to adopt some very drastic legislation?

Governor YOUNG. If that could be done, I should think it would be much better.

Mr. FORT. Do you favor the locking up of the stock control of a bank in voting trusts, as a matter of policy?

Governor YOUNG. I would rather see branch banking.

Mr. FORT. If you had a large branch banking system, would you favor a proviso by law that that stock could be put either in a voting trust or consolidated into a holding corporation, either one, or would you prefer legislation that would compel its being left free?

Governor YOUNG. I would prefer the legislation that it be left free.

Mr. FORT. That reaches right to the whole question of chain and group banking, does it not?

Governor YOUNG. Correct.

Mr. FORT. There is some power at present in the board, is there not, to control the number of banks of which a man can be a director?

Governor YOUNG. Under the Clayton Act; yes, sir.

Mr. FORT. But there is some discretion in the Federal Reserve Board to allow a man to be a director in more than one bank, is there not?

Governor YOUNG. In not more than three banks, any one of which has combined resources in excess of \$5,000,000.

Mr. FORT. But as long as it is a large chain of small banks, there would be no interference with it under the present law, would there, and no supervisory power?

Governor YOUNG. It would not even be referred to the Federal Reserve Board. The law would permit them to serve.

Mr. FORT. One of the forms of legislation that we could use if we desired to control the chain and group banking would be further limitation of the right of a director to serve in more than one institution, would it not?

Governor YOUNG. That would be some control.

Mr. FORT. And a requirement that the majority of a board must be local men?

Governor YOUNG. That is a requirement under the national banking act now, is it not, Mr. Awalt?

Mr. AWALT. Yes.

Mr. FORT. Is that an absolute requirement?

Mr. AWALT. I am not sure. May I look it up for you?

Mr. FORT. While that is being looked up, I only have one or two other questions.

Mr. Wingo asked you some questions about the tendency to protect a larger bank from failure rather than a smaller. As I take it, it is not so much that the Federal Reserve Board would exert its powers in that direction as that other large banks would step into the situation and rescue the bank—is not that a fact?

Governor YOUNG. That is correct.

Mr. FORT. Where they would not feel the same obligation to protect a small one.

Mr. WINGO. If you will pardon me, that is what I really had in mind. I was not limiting it simply to his organization, but to the banking world generally.

Mr. FORT. There have been some notable illustrations of that in recent years, have there not? I do not want to go into names, but is not that a fact?

Governor YOUNG. I have been trying to think of the Northwest, the territory that I am familiar with, and I think every effort was exerted by the Federal reserve system and the Comptroller of the Currency and the State banking authorities and the larger banks in the large centers, including Chicago, New York, Minneapolis, St. Paul, to save every bank in the Northwest that possibly could be saved.

Mr. FORT. I am not disputing that; do not misunderstand me; I am not trying to argue that everything has not been done that could have been done, but it is a psychological fact, as I think you admitted, that a tremendous effort would be made, even at the chance of considerable loss, on the part of those cooperating, to protect any of the major banks of the country from failure in a time of stress?

Governor YOUNG. Yes; I think that that would be just human nature—not for that particular bank, but for the number of banks that may be involved.

Mr. FORT. That is what I was coming to. Is not that effort, where a bank has a large number of small correspondent banks, quite as

much in the interest of the small correspondent bank as it is in the interest of the major bank itself?

Governor YOUNG. More so.

Mr. FORT. So that where the banks and the Federal Reserve Board are making a particular effort to save a large structure, it is not solely for the benefit of the stockholders of the large structure, but it is for the preservation of all of the correspondent banks and all others having dealings with them?

Governor YOUNG. That is correct.

Mr. FORT. As well as the maintenance of public confidence. I just wanted to get that view of the matter into the record.

Mr. AWALT. I now have this information for you.

Section 5146 of the Revised Statutes, as amended by the act of February 25, 1927, known as the McFadden Act, provides in part that three-fourths of the directors of a national bank must be residents of the State in which the bank is located or within 50 miles of the location of the bank.

Mr. FORT. But there is nothing limiting them to the immediate locality of the bank, to the corporate limits?

Mr. AWALT. No; and that only applies to three-fourths of the directors.

Mr. WINGO. Three-fourths of them shall live either within the city or within 50 miles of it. There is a peculiar reason why that was put in there.

Mr. FORT. I think that is all. I am sorry to have taken so much of your time, Governor.

Governor YOUNG. Mr. Chairman, some reference was made to eligible paper. Anticipating that some inquiries might be made about it, I have had prepared some information in reference to eligible paper, which shows the total amount held by all member banks in the United States, subdivided into central reserve cities, reserve cities, and country banks, showing the percentage of their assets that is in eligible paper at the present moment. It further divides it by Federal reserve districts, and one Federal reserve district divides it by banks.

I do not know that that would be of any benefit to the committee?

Mr. FORT. I think it would be very good to have it in the record.

Let me ask one additional question on that subject.

Mr. WINGO (presiding). In the absence of objection, we will put that statement in the record right here.

(There was no objection, and the statement referred to is reproduced below.)

FEDERAL RESERVE BOARD,  
March 17, 1930.

To Governor Young.  
From Mr. Smead.

Mr. Wyatt gave me a copy of his memorandum to you to-day on "Questions which you will probably be asked during hearings on branch banking," and in this connection I am handing you herewith Table No. 79 taken from the galley proof of the board's 1929 annual report which shows the gross and net earnings and disposition made of net earnings of each Federal reserve bank and of all the banks combined, by years from 1914 to 1929. I have also compiled certain data relating to eligible paper held by member banks which you may find helpful in case this subject is brought up.

The following table shows, by classes of banks, the amount of eligible paper and of United States securities—net, i. e., after deduction of United States securities pledged to secure national bank notes outstanding; and the ratios of

eligible paper to total loans and of eligible paper plus United States securities—net to total loans and investments:

December 31, 1929

[In millions of dollars]

	All member banks	Central reserve city banks	Reserve city banks	Country banks
Eligible paper.....	4,397	1,310	1,403	1,684
United States securities—net.....	3,218	1,189	1,215	814
Total.....	7,615	2,499	2,618	2,498
Ratio of eligible paper to total loans (per cent).....	17	16	15	19
Ratio of eligible paper plus United States securities—net, to total loans and investment (per cent).....	21	24	22	19

We have also compiled the following table to show this information by Federal reserve districts:

[In millions of dollars]

Federal reserve district	Eligible paper	Government securities, net	Total	Ratio of eligible paper to total loans	Ratio of eligible paper plus United States securities, net, to total loans and investments
				<i>Per cent</i>	<i>Per cent</i>
Boston.....	252	172	424	13.2	16.6
New York.....	1,382	1,258	2,640	15.2	21.4
Philadelphia.....	271	138	409	14.6	15.2
Cleveland.....	272	327	599	11.3	17.3
Richmond.....	194	72	266	20.0	20.9
Atlanta.....	205	70	275	24.1	24.7
Chicago.....	621	321	942	16.5	19.1
St. Louis.....	202	82	284	21.1	21.3
Minneapolis.....	180	108	288	32.0	31.6
Kansas City.....	268	149	417	33.4	34.4
Dallas.....	235	85	320	32.9	34.2
San Francisco.....	315	455	770	14.0	23.5
Total.....	4,397	3,217	7,614	16.8	21.1

We have just completed the tabulation for one district—Richmond—of the data recently requested by the board as to the distribution of eligible paper among individual member banks. The figures for the Richmond district are as follows:

	Number of member banks	Eligible paper	Loans
Number eligible paper.....	25		\$18,000,000
Eligible paper equal to following percentage of total loans:			
Less than 5 per cent.....	31	\$1,000,000	42,000,000
5 to 10 per cent.....	53	9,000,000	127,000,000
10 to 20 per cent.....	128	62,000,000	412,000,000
20 to 30 per cent.....	102	53,000,000	215,000,000
30 to 40 per cent.....	69	36,000,000	75,000,000
40 to 50 per cent.....	51	22,000,000	50,000,000
50 to 60 per cent.....	29	11,000,000	19,000,000
60 to 80 per cent.....	22	10,000,000	16,000,000
80 per cent and over.....	4	1,000,000	1,000,000
Total.....	514	194,000,000	974,000,000

Mr. FORT. Is there any view on the part of the Federal Reserve Board as to whether the growth of loans upon security in contradistinction to loans on name paper should be followed by any modification of the rules as to what constitutes eligible paper in the Federal reserve system?

Governor YOUNG. The board has made one recommendation to both the House and the Senate, and that is that debentures of the intermediate credit banks which we are now permitted to buy under the law be made eligible as collateral for 15-day notes, provided that they do not have a maturity to exceed six months.

Mr. FORT. That is the limit of the recommendation?

Governor YOUNG. That is the limit of the recommendation of the board.

Mr. FORT. There is no feeling on the part of the board that this condition which Mr. McFadden so clearly described, where corporations, instead of being borrowers, are financing themselves by the sale of securities and trusting to individuals to find that money by borrowing on the securities, justifies extending the eligible paper rules of the Federal reserve system so as to embrace collateral loans for rediscount?

Governor YOUNG. I can not answer for the board; I can answer for myself. These figures will show that the member banks of the United States now have \$7,615,000,000 of eligible paper. That represents 17 per cent of the total investments.

I believe that the eligibility regulations are sufficiently broad at present. I think that the restrictions no doubt contributed in a large way toward enabling business to get money at a reasonable rate for the last two years. Eligible paper was preferred by the banks; they paid a premium for it by keeping the rate down.

I do not know how to illustrate it, but if that entire \$7,615,000,000 were under rediscount at the Federal reserve banks, we would think that there was sufficient eligible paper in America.

Now, the time may come in the future when we will have to liberalize the eligibility requirements, but I do not think that time is here at the moment. If it does come, I am inclined to agree with Governor Harding, of the Federal Reserve Bank of Boston, who has had a great deal of experience in the operation of the Federal reserve system, that we should resort to the Lombard loan rather than pick out any particular kind of paper.

Mr. FORT. Just what is the Lombard loan?

Governor YOUNG. The foreign banks of issue have a straight collateral note where they loan on most any kind of collateral that is acceptable to them. That Lombard loan usually carries a higher rate than the prevailing rate for bills, but that would have to be approached very carefully in this country, in my opinion. If the Lombard loan were ever adopted, I think it should be used only in an emergency, and then only with the approval of the Federal Reserve Board.

Mr. WINGO. You may have covered this when I was not listening, but have you stated your personal views with reference to the branch banking proposal of the Comptroller of the Currency? Do you favor that proposal or not?

Governor YOUNG. I do. I think there should be a liberalization of the national banking law in reference to the establishment of branches.

Mr. WINGO. Would you make that extend to a particular area, or make it nation-wide or state-wide or a trade area?

Governor YOUNG. I have given a good deal of consideration to that. I have thought of it from the county-wide standpoint, and that does not permit proper diversification, in my opinion. I have considered it from the standpoint of state-wide, and there have been some difficulties with that. I have considered it from the standpoint of being district-wide, and that would work out very nicely in some districts, but in others it would not. I have considered it from the standpoint of being state-wide or district-wide, together with a radius of 100 miles, and there are some difficulties with that.

So I have come down to the same conclusions that the Comptroller of the Currency has, that a trade area is the proper thing at the moment. To describe a definite trade area is extremely difficult. If the Federal reserve act intended to have the Federal reserve system do it, I might say that they did it as well as they could with 12 regional banks, and we have since extended that by the establishment of 25 branches, and even that is not 100 per cent perfect.

Mr. WINGO. Would you have that trade area defined by legislative enactment, or by some administrative authority?

Governor YOUNG. Do you mean in the future?

Mr. WINGO. Yes. If we amended the law, liberalizing as you say the branch banking operations of national banks, would you have that legislative enactment define the trade areas which you say in your judgment are preferable, or would you leave the definition of a trade area and the division of the country into trade areas to an administrative authority?

Governor YOUNG. I would leave it to an administrative authority or authorities, because trade areas are changing continuously.

Mr. WINGO. You would make it flexible, then?

Governor YOUNG. I would.

Mr. WINGO. Mr. Seiberling is next.

Mr. SEIBERLING. I have not had a chance to read the governor's statement at all. I would very much prefer to question him tomorrow morning.

Mr. WINGO. Mr. Busby.

Mr. BUSBY. Not this morning.

Mr. WINGO. Is there any member of this committee that wishes to question Governor Young at this session, or do all of you prefer to wait until you have read this statement of his before you question him further? Our time is about up, anyway; we only have just about 12 minutes.

If there are no further questions, then we will adjourn until Friday morning.

Mrs. Pratt, I beg your pardon; did you have any questions you wanted to ask the governor this morning?

Mrs. PRATT. No; I would rather wait.

Mr. WINGO. I thought you had indicated that before.

Mr. SEIBERLING. I would like to have Mr. Young put into the record the branches of the Federal reserve banks and where they are located.

Mr. WINGO. Yes; that can be done.

(The information referred to will be printed at the conclusion of Mr. Young's testimony.)

Mr. WINGO. Then, Governor, I presume there will be some members of the committee Friday morning who will be prepared to question you further. Will that suit your convenience?

Governor YOUNG. At 10.30?

Mr. WINGO. At 10.30.

Governor YOUNG. Yes.

Mr. WINGO. In the absence of objection, we will now adjourn until 10.30 o'clock Friday morning to resume the questioning of Governor Young.

(Thereupon, at 12.45 o'clock p. m., the committee adjourned to meet at 10 o'clock a. m. on Friday, March 21, 1930.)



## BRANCH, CHAIN, AND GROUP BANKING

FRIDAY MARCH 21, 1930

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON BANKING AND CURRENCY,  
*Washington, D. C.*

The committee met in the committee room, Capitol, at 10.30 o'clock a. m., Hon. James G. Strong presiding.

Mr. STRONG. The committee will come to order.

I understand that Mr. Seiberling is ready to continue the examination of Governor Young. You will proceed, Mr. Seiberling.

### STATEMENT OF HON. ROY A. YOUNG—Resumed

Mr. SEIBERLING. Mr. Young, you stated in the record that some of the information which you placed on the table is confidential. Will you tell us why this information is confidential?

Governor YOUNG. Mr. Congressman, when we furnished that information originally, we had listed many of these groups by name. That was information that was collected by the Federal reserve agents, and it was a question in our mind as to whether that should be a public document.

However, that same information has been introduced by the Comptroller of the Currency in the record, so that it is no longer confidential information, and therefore I think I am safe in saying that there would be nothing else that would be of a confidential nature.

Mr. SEIBERLING. My purpose in making that inquiry was that the record showed that the information put on the table here in open meeting was considered confidential, and unless some reason was given why it should be confidential it might be very misleading.

Governor YOUNG. Yes.

Mr. SEIBERLING. Now, under a branch bank plan with trade areas, the number of members of the Federal reserve system would decrease, would it not?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. That is, if a main branch bank took over a member bank and made it a branch, the branch would cease to be a member of the Federal reserve system, would it not?

Governor YOUNG. It would be a member.

Mr. SEIBERLING. It would be a member through the main bank—is that what you mean?

Governor YOUNG. Yes.

Mr. SEIBERLING. In other words, there is no point in having any bank in a group a member bank except the main bank?

Governor YOUNG. That is correct.

Mr. SEIBERLING. Because all the branches would have the facilities of the Federal reserve system through the main bank?

Governor YOUNG. That is right.

Mr. SEIBERLING. Now, in the great number of researches that you have made, as shown by your reports, you seem to have taken into consideration only the number, location, and assets of the various forms of banking organizations—is that correct?

Governor YOUNG. I think that covers the things we did take into consideration.

Mr. SEIBERLING. And from my reading of your report, I take it that the logical conclusion to be derived from your statistics would be that the Comptroller of the Currency was correct in his advocating of branch banking, instead of chain and group banking?

Governor YOUNG. Answering personally for myself and not for the board, I would say yes.

Mr. SEIBERLING. How many individuals out of our 120,000,000 people do you think are directly interested in banking as stockholders?

Governor YOUNG. I have not any idea.

Mr. SEIBERLING. Do you think there would be a million people interested in banks as stockholders?

Governor YOUNG. That would be an average of 40 stockholders per bank. I would say yes, that there are a million people interested in banks as stockholders.

Mr. SEIBERLING. The number of stockholders in the present progress or evolution of the banking system is constantly decreasing, is it not?

Governor YOUNG. If you eliminate the holding company, yes. If you include the holding company, I would say that they are increasing very rapidly.

Mr. SEIBERLING. That is more or less of an indirect interest, however, is it not?

Governor YOUNG. From a practical standpoint, it is a pretty direct interest.

Mr. SEIBERLING. If all the banks of the country were taken into chain, branch, or group organizations, you do not think the increase in stockholders would be as great as the decrease, do you?

Governor YOUNG. If you include the group and chain organizations, I would say that there would be an increase. I am guessing a good deal at this.

Mr. SEIBERLING. I am just asking you for your judgment.

Now, in the researches that you have made of branch, chain, and group banking, I do not find that you have made any researches as to which form of banking renders the best public service.

Governor YOUNG. I think that is what we will go into with our committee that we now have.

Mr. SEIBERLING. Do you not think that that would be the most important research that could be made and that it would bring forth the most valuable information on which this committee could base legislation?

Governor YOUNG. It would.

Mr. SEIBERLING. Since the estimate is that only one out of every 120 people in our country is interested in the financial side of bank-

ing, what would be the chief interest of the 119,000,000 people in reference to our banking system?

Governor YOUNG. They would have two interests; one as depositors and another as borrowers.

Mr. SEIBERLING. I wonder if we could agree on these fundamental principles: I have listed here, first, safety of deposit as the prime interest. Would you say that that was the prime interest?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. I have listed as second, availability of necessary funds for legitimate business at all times.

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. And, third, rate of interest paid by banks on deposits.

Governor YOUNG. I do not get just what you mean by that, Mr. Congressman.

Mr. SEIBERLING. I am speaking of the public interest of the 119,000,000 people who are not interested in the banks as stockholders.

Governor YOUNG. I see. I think as a rule that depositors are more interested in safety.

Mr. SEIBERLING. But I am putting this third. Safety I put first.

Governor YOUNG. That is a consideration on the part of the public, of course. Competition controls that a good deal, though.

Mr. SEIBERLING. I know, but do you not think that the public, that has invested in deposits fifty-eight billions of money, is interested in the rate of interest that it receives on those deposits—vitaly interested?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. I have put as fourth the rates of interest charged for loans by banks. I am speaking now of public service.

Governor YOUNG. Yes, sir; I would include that.

Mr. SEIBERLING. Again having the public interest in mind, would you say that I had listed these in substantially the order of their importance?

Governor YOUNG. Yes; I will agree with that order.

Mr. SEIBERLING. Now, I have looked over your reports quite carefully, and I find that the word "interest," in its application to the rate paid on money, appears only once in all the material that you have furnished, and that is on page 46, where you quote from the report of the joint commission on agriculture, where the report says:

Branch banking has lowered the rate of interest in some of the leading agricultural sections of California and at the same time provided an additional security for depositors.

I am assuming that the reason that you have not gone into that subject is because you have not yet made your research?

Governor YOUNG. That is correct.

Mr. SEIBERLING. When do you expect to complete that kind of a research?

Governor YOUNG. We have employed a man for not to exceed a year. It will take three or four months, at least, Mr. Congressman, unless the material that this committee gets can help us.

Mr. SEIBERLING. It is apparent that these agriculturists were quick to discover the reduction of the rate of interest on loans.

Governor YOUNG. Yes, sir.

Mr. STRONG. Will you ask him whether or not it will be desirable to give us the name of the gentleman that they have employed to make this investigation?

Mr. SEIBERLING. Yes; I will be very glad to.

Governor YOUNG. The board has authorized me to negotiate with a man by the name of John Riddle.

Mr. SEIBERLING. What is to be the scope of his research?

Governor YOUNG. Well, Mr. Congressman, I have not that before me. I can furnish that to the committee.

Mr. SEIBERLING. Is it to cover this other line of what kind of a banking organization renders the best service to the people?

Governor YOUNG. That will be covered. Everything we can think of will be covered.

Mr. STRONG. Do you not think it would be well to put into the record who Mr. Riddle is, and what his connections are?

Mr. SEIBERLING. You just ask him the question.

Mr. STRONG. No; you go right ahead.

Mr. SEIBERLING. Will you tell us who Mr. Riddle is, and what his connections are?

Governor YOUNG. May I have Doctor Parry answer that?

Mr. SEIBERLING. Surely.

Doctor PARRY. Mr. Riddle was formerly chief of the Division of Financial and Economic Research of the United States Treasury, and subsequently he served on the staff of the transfer committee of the reparations commissions in Berlin, and more recently has been connected with a financial house in New York.

Mr. WINGO. What financial house?

Mr. SEIBERLING. Yes; what financial house?

Doctor PARRY. I can not give you the name of that.

Mr. WINGO. Mr. Seiberling, have you ascertained the character of his work?

Mr. SEIBERLING. Can you find out what financial house he is with, and insert that information in the record?

Doctor PARRY. Yes.

Mr. SEIBERLING. And the character of work he has been doing.

Mr. STRONG. And all the connections he has had in the last 10 years.

Doctor PARRY. I can put that in the record.

Mr. SEIBERLING. Have you had anything to do with the employing of this man?

Doctor PARRY. I have been consulted.

Mr. SEIBERLING. Who has to do with the employing of that man?

Doctor PARRY. The board has a committee for the study of this subject, consisting of Mr. Goldenweiser and Mr. Smead of the board's staff, Mr. Rounds, of the Federal Reserve Bank of New York, Mr. Fleming, of the Federal Reserve Bank of Cleveland, and Mr. Clark, of the Federal Reserve Bank of San Francisco; and, by authorization of the board, this committee, under the chairmanship of Mr. Goldenweiser, has negotiated with Mr. Riddle. This committee has general charge of the direction of the investigation.

Mr. SEIBERLING. Have they employed Mr. Riddle?

Doctor PARRY. Yes.

Mr. SEIBERLING. You have had something to do with it, but you do not know what banking connections he had in New York?

Doctor PARRY. I have forgotten the name of the house.

Mr. SEIBERLING. Do you know, Mr. Goldenweiser?

Doctor GOLDENWEISER. I have forgotten the name of the firm for the moment.

Mr. SEIBERLING. Can you telephone and find out?

Doctor GOLDENWEISER. Yes.

Mr. SEIBERLING. I wish you would.

(The information called for with respect to Mr. Riddle appears later.)

Mr. SEIBERLING. Mr. Young, a business man or any other borrower would show poor management if he placed himself in a position where he had to dispose of the principal of his estate to pay interest, would he not?

Governor YOUNG. There might be circumstances that would force him to do that.

Mr. SEIBERLING. But he would be a poor business manager if he did that, would he not?

Governor YOUNG. It would weaken his position; yes.

Mr. SEIBERLING. Not many men do get themselves into that kind of a position.

Governor YOUNG. Maybe I misunderstood your question.

Mr. SEIBERLING. It was only a general question.

I will ask you another question. Interest is always paid, if possible, out of net earnings, wages, or sale of farm products. Would you say that that is a correct statement?

Governor YOUNG. I will have to ask you to repeat it again.

Mr. SEIBERLING. We will go into more detail. An industry pays its interest, if possible, out of net earnings, does it not?

Governor YOUNG. You mean on its borrowing?

Mr. SEIBERLING. Yes; interest is paid out of net earnings?

Governor YOUNG. Yes.

Mr. SEIBERLING. And industry does not expect to sell a part of its capital to pay interest, does it?

Governor YOUNG. Not as a rule.

Mr. SEIBERLING. And railroads do not do that?

Governor YOUNG. No, sir.

Mr. SEIBERLING. A laboring man who borrows money has to pay interest out of his earnings. He can not sell his home to pay interest, can he?

Governor YOUNG. That is correct.

Mr. SEIBERLING. And a farmer has to sell his product to pay the interest on the money he borrows?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. He can not sell his farm in order to pay the interest?

Governor YOUNG. No, sir.

Mr. SEIBERLING. Now, interest received on deposits and interest paid on borrowed money are therefore the chief factors of concern to the public at large that needs banking facilities, and the public at large is not interested in banking profits. Is that statement correct?

Governor YOUNG. Correct.

Mr. SEIBERLING. I believe you stated that the total deposits in the banks in this country are about fifty-eight billions?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. If a monopoly of banking could secure by such monopoly, an additional 1 per cent per annum upon the total deposits by the reduction of the rate of interest paid on deposits and by an increase in the rate of interest charged on borrowed money, such additional earnings, if that were possible, would amount to \$580,000,000 per year, would they not?

Governor YOUNG. That is correct.

Mr. SEIBERLING. Do you think that if there were a monopoly of banking, and all banks were either in a chain or group or branch banking system with a great metropolitan institution and with billions of assets, that it would be possible to increase the earnings to the extent of 1 per cent per annum on deposits?

Governor YOUNG. It might be.

Mr. SEIBERLING. As a matter of fact, the Government securities are sold now and have been for two or three years past at approximately what rate of interest?

Governor YOUNG. I will have to correct this, but I think 3 was the minimum and 5½ the maximum over the last three years, i. e., 1927 to 1929, inclusive.

Mr. SEIBERLING. You may correct it; it is the fact that I am after, and I do not want you to put in something the record that is not correct.

The Government secures money at this low rate of interest, first on account of the nontaxability of its securities—is that one of the features?

Governor YOUNG. One of the features.

Mr. SEIBERLING. And another feature is because the money is apparently safe?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. Now, if we had a monopoly of the banking business and deposits backed up by the vast billions of the great metropolitan centers, then it would be an easy matter for the banks to reduce interest that they paid on deposits because of the safety of the depositor's money. Would not that be a good, logical argument?

Governor YOUNG. Not in competition with the many other forms of investment that there are in the country. Banks are compelled to follow the market to a certain degree, and if the banks are out of line with what other forms of investment offer, the depositor goes where he thinks he can get the best for his money.

Mr. SEIBERLING. Yes; Mr. Young, but do you not appreciate the fact that there are millions of people who deposit their money in the banks and who do not know how to buy a bond or a share of stock?

Governor YOUNG. There is a great number.

Mr. SEIBERLING. Millions of them.

Governor YOUNG. Well, they are being educated from day to day and from year to year.

Mr. SEIBERLING. They were educated last fall, a good many of them.

Governor YOUNG. I think they were educated during all the liberty loan campaigns into the purchase of securities.

Mr. SEIBERLING. Yes; but there is still a vast number of people in the class I have referred to?

Governor YOUNG. Yes.

Mr. SEIBERLING. And they have to take just what they can get from their deposits in the banks.

Governor YOUNG. Not from the complaints that I have heard from the banks at different times. I know that when the Government bond rate got above the bank rate, there was very serious complaint because depositors were investing in Government bonds.

Mr. SEIBERLING. I am talking about the monopoly of the banking business.

Governor YOUNG. Is not that an improbable thing? You do not expect that to develop, do you?

Mr. SEIBERLING. I think there are rapid strides in that direction.

Governor YOUNG. Will there not always be competition, even though these large groups do develop? There will be more than one of them and competition, in my opinion, will be just as keen as it is to-day, and maybe more so.

Mr. SEIBERLING. Well, now, if this 1 per cent could be made of additional earnings, that would pay 6 per cent dividends annually on \$9,666,000,000 of banking capital, would it not?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. Do you know what the total banking capital of the country is to-day?

Governor YOUNG. Capital and surplus and undivided profits?

Mr. SEIBERLING. Just capital.

Governor YOUNG. Roughly, I would say, \$5,000,000,000. It is usually 10 for 1.

Mr. SEIBERLING. A very small margin of additional profit on the deposits would therefore mean a tremendous thing as far as earnings are concerned, would it not?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. On page 59 of your report you speak of a dangerous situation developing in connection with investment companies acquiring bank stock. Would you care to explain to us what constitutes that dangerous condition?

Governor YOUNG. You will observe on page 59 that it quotes the Federal reserve agents, that the Federal reserve agents were of the opinion that a dangerous situation is developing which should be brought to the attention of the Federal Reserve Board and the banking authorities with the view that some legislation should be obtained placing such companies under the jurisdiction of the banking departments.

I can not speak for the agents, but I suspect that what they have in mind are holding companies.

Mr. SEIBERLING. Why are they dangerous?

Governor YOUNG. I think that the thought they had in mind was that they might be dangerous.

Mr. SEIBERLING. Why?

Governor YOUNG. Lack of supervision, first, and, second, some of the holding companies might not be financially strong and in event

of difficulty with the bank there would be difficulty in collecting the double assessment.

Mr. SEIBERLING. You do not think that the danger referred to was danger to the public at large by reason of the concentration of banking power and money?

Governor YOUNG. It may have been in their minds at that time.

Mr. SEIBERLING. That does not occur to you as being a danger, I take it?

Governor YOUNG. No, I do not think so, Mr. Congressman.

Mr. SEIBERLING. You have spoken about human nature two or three times in your testimony. Do you think from your knowledge of human nature that it is perfectly safe to permit banking to approach a State where there is a monopoly of the business?

Governor YOUNG. I do not think there is going to be a monopoly.

Mr. SEIBERLING. No; but we are going that way, are we not?

Governor YOUNG. I do not think so, Mr. Congressman. If there is a monopoly in anything, and it becomes tremendously profitable, that just induces other people to go into it; that is all. I do not think this country is going to end up with one large bank or two large banks or three large banks; I think it will end up with a number of large groups and, furthermore, I think that the unit bank will continue.

Mr. SEIBERLING. I want to put into the record here a paragraph from an editorial in the Washington Post of March 20. The editorial is headed, "Biggest Bank in the World." It is in connection with the consolidation of the Chase National Bank, the Equitable Trust Co., and the Interstate Trust Co. I will read the last paragraph:

If the merger movement continues a money monopoly ultimately may be created. The new Chase National will have 52 branch offices; National City has that many or more. As the consolidation movement proceeds, branch banking promises to play a more and more important part in the financial life of the nation. Somewhere a halt must be called.

What do you think the editor who wrote that editorial in the Washington Post had in mind in reference to that admonition?

Governor YOUNG. I think he had a fear of monopoly.

Mr. SEIBERLING. Do you know, as a matter of fact, that there is restricted competition now in large financial operations in New York that, as a matter of ethics, the bank that contacts with the customer first is to have a preference and that the other banks will lay off of that customer?

Governor YOUNG. No, sir; I do not.

Mr. SEIBERLING. You do not know that?

Governor YOUNG. No, sir. It has not been the ethics of banking.

Mr. SEIBERLING. That has been the ethics for 10 years in New York, as far as back as 1920, has it not?

Governor YOUNG. I never worked in New York City, so I do not know, Mr. Congressman. Banking business is solicited continuously, and the customer at any time is free to go where he wants to go.

Mr. SEIBERLING. That is true, but he can not get any accommodations. Let us assume that he is in financial difficulty and he takes up his matter with one group of banks in New York; do you mean to tell me that the other group will take up his situation until he gets through with the first one?



Governor YOUNG. I do not know, Mr. Congressman. There might be conditions when they would, and there might be other conditions when they would not. In my banking experience I have frequently had men come to me that were refused by my competitor and I did business with them, and I repeatedly refused customers where they did business with my competitor afterwards. That is a matter of judgment, as to whether you want to take the business or whether you do not.

Mr. SEIBERLING. Do you not know that there is very strong suspicion that sometimes a banking group will pay another banking group a consideration to lay off and to let them handle that situation?

Governor YOUNG. No, sir; I do not know that.

Mr. SEIBERLING. You do not believe that is so?

Governor YOUNG. I should not think so.

Mr. SEIBERLING. I want to ask you a few questions about the call money rate. Do you know who fixes the call money rate in New York from day to day, and how it is fixed?

Governor YOUNG. I have been informed that it has been fixed by the stock clearing committee—I think that is the name of it—in the Stock Exchange. They meet every morning at 10 o'clock, and information is furnished to them through banking and other sources as to the condition of the money market. I think it is fixed by three men, and it is announced, if I remember correctly, at 10.30, the renewal rate.

Mr. SEIBERLING. Who appoints the three men?

Governor YOUNG. One of them is the president of the New York Stock Exchange; the other is the president of the Stock Clearing Corporation, and the third man I do not know.

Mr. SEIBERLING. Then the fixing of the call money rate is purely a New York Stock Exchange proposition, is it?

Governor YOUNG. No, sir.

Mr. SEIBERLING. Who else is connected with it?

Governor YOUNG. If that rate is not near the market and not accurate, the banks are still permitted to go into the market themselves and make loans, and you frequently see the outside market quoted sometimes above the official rate and, more often, below the official rate. Competition fixes that rate.

Mr. SEIBERLING. If a bank needed money badly, they could pay more for money?

Governor YOUNG. The banks would be the lenders.

Mr. SEIBERLING. But sometimes a bank needs money, too?

Governor YOUNG. They go to the Federal to borrow.

Mr. SEIBERLING. I would like to get this call money situation straight, because I think the public is very much interested in it.

You say that the rate of call money is fixed every morning at 10 o'clock on the New York Stock Exchange by a committee of three men selected by the New York Stock Exchange?

Governor YOUNG. I think I am correct about that, Mr. Congressman.

Mr. SEIBERLING. Is there any question about it, Mr. Young? You certainly ought to know who fixes the call money rate.

Governor YOUNG. I know that those three men fix the call renewal rate, yes.

Mr. SEIBERLING. The renewal rate?

Governor YOUNG. The original rate in the morning. The rate is fixed at 10.30 in the morning, and is known as the renewal rate. Then the rate is fixed during the day at various intervals. That is fixed by those three men in the New York Stock Exchange.

Mr. SEIBERLING. How do they determine whether the rate shall be 5 per cent, 10 per cent, or 22 per cent, the high point it went to last year?

Governor YOUNG. Why, they take a number of factors into consideration, Mr. Congressman, in arriving at what the rate should be. I regret that I am unable to give the details at the moment. I think that the stock exchange, however, has issued a pamphlet in reference to that explaining it in detail, and I will attempt to get it and furnish it for the record here.

(The information requested will be inserted at the conclusion of Governor Young's testimony.)

Mr. SEIBERLING. I understood you to say that the banks themselves had something to do with the fixing of that rate.

Governor YOUNG. If the banks are not satisfied with the call rate and they can do better in the outside market, of course, they lend their money that way. I am informed, however, that it has been the experience of the banks in New York that over a long period they get better returns by lending at the call-loan post.

Mr. SEIBERLING. The man who is lending the money would be interested in putting the call rate just as high as he could, would he not?

Governor YOUNG. In so far as return is concerned; yes.

Mr. SEIBERLING. And a bull on the market would want to keep the rate down, would he not?

Governor YOUNG. Yes.

Mr. SEIBERLING. And a bear would want to put it up?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. So that right in the heart of the New York Stock Exchange, where they have the bulls and the bears, this call money rate is fixed, is it not?

Governor YOUNG. Well, there are many other factors besides those two that you mentioned, Mr. Congressman. In fact, the bull and the bear have not very much to do with the call rate. They are the borrowers in the market; they are the customers.

Mr. SEIBERLING. Of course, there is no shortage of money, since we have the Federal reserve bank, is there, Mr. Young?

Governor YOUNG. There has been repeatedly a shortage of credit for certain forms of investment.

Mr. SEIBERLING. That is because the Federal Reserve Board issued an order to that effect. It was not because the Federal reserve system did not have ample money and resources?

Governor YOUNG. That is correct.

Mr. STRONG. Mr. Seiberling, will you develop for whom and in whose interest this board acts?

Mr. SEIBERLING. Yes. Going back to the call money board—

Mr. BEEDY. Would you mind, Mr. Seiberling, getting an answer to your question? I understood you to ask if the call money rate is

fixed in the heart of the New York Stock Exchange, where the bulls and bears operate?

Mr. SEIBERLING. Yes.

Mr. BEEDY. Would you like to have an answer to that?

Mr. SEIBERLING. Yes.

Governor YOUNG. It is fixed there. Many factors, however, outside of the stock exchange fix the rate.

Mr. BEEDY. What are they?

Mr. SEIBERLING. What are those factors? I understood you were going to give them to us.

Governor YOUNG. The demand for call money, the supply the banks have to lend, the gold movements in and out of the country, the currency requirements, the seasonal requirements, the business requirements, and many other factors have to be taken into consideration in connection with what that rate is going to be.

Mr. SEIBERLING. In whose interest is the rate fixed, the public interest or private interest?

Governor YOUNG. I would say it is a combination of both. It is fixed in the interest of the borrower and in the interest of the lender.

Mr. SEIBERLING. In New York?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. Is any consideration paid to the citizen who lives way out in the Middle West or the West?

Governor YOUNG. There was for the past two years, when that call rate in New York was disturbing the entire credit structure of the world. Every banker and every business man and everybody associated with the Federal reserve system were using everything they had at their command to attempt to give interest rates to business at a lower rate, and, in fact, that call rate did disturb the situation, and we know and everybody knows that the call rate did disturb the situation.

Mr. SEIBERLING. Then do you mean to say that these three men sitting in the New York Stock Exchange at 10 o'clock in the morning take action which disturbs the financial equilibrium of the world?

Governor YOUNG. No, sir; I did not say that.

Mr. SEIBERLING. That is the import I got from what you said.

Governor YOUNG. They fix the rate, Mr. Congressman, but conditions and many factors force them to fix the rate at a certain figure.

Mr. SEIBERLING. What the rate shall be each morning at 10 o'clock, considering these factors, is a matter of human judgment, is it not?

Governor YOUNG. Somewhat, yes.

Mr. SEIBERLING. Might it not be possible that sometimes they would put the rate too high?

Governor YOUNG. Sometimes.

Mr. SEIBERLING. They might not know that the Federal reserve banks were willing to release a lot of credit and money, and put it too high?

Governor YOUNG. They might.

Mr. SEIBERLING. Do they have to cooperate closely with your board to know what you are going to do?

Governor YOUNG. No, sir; they do not. They can change their rate every half hour.

Mr. SEIBERLING. But if you released credit, then they have to put the rate down?

Governor YOUNG. Provided that there were no other counteracting forces.

Mr. SEIBERLING. Your rate, that you fix from day to day, has a lot to do with the call-money rate, does it not?

Governor YOUNG. I would not say so. The call rate is fixed every day, whereas discount rates are fixed only about once a month.

Mr. SEIBERLING. Does not the call-money rate go up and down as the Federal reserve rate goes up and down? Do they not practically parallel?

Governor YOUNG. Not always. Call rates were averaging around 10 per cent and in August of last year the New York bank raised its discount rate from 5 to 6 per cent and the call rate came down to an average of around 6 per cent—just the opposite direction.

Mr. SEIBERLING. What was the effect of this high call-money rate? It went to 22 per cent, did it not, at the highest point?

Governor YOUNG. I was going to say 25.

Mr. SEIBERLING. That means at the rate of 25 per cent per annum?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. Of course, no borrower could afford to pay such a rate as that very long, could he?

Governor YOUNG. I do not think he could.

Mr. SEIBERLING. What was the effect of that high call money rate on the circulating medium of this country?

Governor YOUNG. Bad.

Mr. SEIBERLING. To what extent do you think it affected the present industrial condition of the country?

Governor YOUNG. It was a contributing factor.

Mr. SEIBERLING. To what extent do you think it was a contributing factor?

Governor YOUNG. Well, it is hard, Mr. Congressman, to measure that.

Mr. SEIBERLING. Was it to a considerable extent a contributing factor?

Governor YOUNG. I think so.

Mr. SEIBERLING. Then we are driven to this conclusion, that three men sitting at 10 o'clock in the morning in the New York Stock Exchange can take action which affects to a material extent the industrial and business conditions of this country, are we not?

Governor YOUNG. No, sir. The work of those men, Mr. Congressman, is largely mechanical. For instance, to-morrow they could not put in a 25 per cent rate, they could not put in a 15 per cent rate or a 10 per cent rate; they could not put in a 5 per cent rate and make it stand, with the conditions we have in the country to-day.

Mr. SEIBERLING. No; because the Federal reserve bank is now liberalizing credits and is endeavoring to assist in the rehabilitation of the industrial situation of the country. That is correct, is it not?

Governor YOUNG. That is correct, and I think another factor is that the tremendous demand for speculative credit has subsided.

Mr. SEIBERLING. There had to be a limit to the height to which call money went in New York.

Governor YOUNG. There always is a limit to anything of an inflationary nature.

Mr. SEIBERLING. Suppose that the limit would have been 8 per cent, fixed by law. What effect would that have had on the situation?

Governor YOUNG. I do not know. The probabilities are, Mr. Congressman, that had there been an 8 per cent limit for call money this speculative hysteria would have extended much further than it did go, and the crash would have been that much more severe when the inevitable crash did come.

Mr. SEIBERLING. Is it not possible that you would not have had this big bull movement in New York if the rate had been limited to 8 per cent? You would not have had the money to operate with to start with.

Governor YOUNG. Well, I can not agree with you there.

Mr. SEIBERLING. Did not the call money rate bring millions of dollars into New York?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. And the higher they put the call money rate, the more millions came in?

Governor YOUNG. Yes.

Mr. SEIBERLING. And the more millions that came in, the higher they could put the stock market?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. If they had been limited to 8 per cent, they could not have gotten the money to speculate with.

Governor YOUNG. I think they could.

Mr. SEIBERLING. Where? From the Federal reserve bank?

Governor YOUNG. No, sir. I think you overlook the fact that the demand for that type of credit was far in excess of what the banks were willing to lend, and that is what attracted the nonlenders into that market.

Mr. SEIBERLING. This stock market collapse has been a very serious thing for this country, has it not?

Governor YOUNG. Very.

Mr. SEIBERLING. And if they had had this rate fixed by law so that they could not have had this great boom in the stock market, we would have been saved this disastrous condition?

Governor YOUNG. Yes. If the boom could have been stopped by such action.

Mr. SEIBERLING. If they could not have put the call-money rate up, they would not have had the money to operate with.

Governor YOUNG. I think they would have.

Mr. SEIBERLING. Where would they have gotten it?

Governor YOUNG. Eight per cent will attract a lot of money; 6 per cent will.

Mr. SEIBERLING. Let us make the rate six. Suppose it had been put at 6 per cent?

Governor YOUNG. If you had done that, Mr. Congressman, it would not have had the restraining influence of a higher rate.

Mr. SEIBERLING. You remember, Mr. Young, that we started with the proposition that there had to be a limit somewhere, and the limit was 25 per cent. Now, if there has got to be a limit, why can we not have a lower rate just as well as a higher one?

Governor YOUNG. If I stated that that was the limit, I misstated it. I stated, I thought, that that was the highest point it had gone to as well as I could remember. Now, call rates have gone to 100 per cent.

Mr. SEIBERLING. And 150.

Governor YOUNG. Ten or 15 years ago.

Mr. SEIBERLING. In past panics, 150. As a matter of fact, it went to 1 per cent a day one time in New York, did it not?

Governor YOUNG. I do not know about that.

Mr. SEIBERLING. I think I can show you the authority for that.

Since there is no limit to which this committee can put call money, do you not think, in the interests of the country, Congress should put a limit on it?

Governor YOUNG. I am not going to agree with you, Mr. Congressman, that that committee has any such power to put that rate where they want to put it. They put it where conditions force them to put it.

Mr. SEIBERLING. It does not make any difference who is responsible for it; is it not in the interests of the country that there be a limit to the call money rate that can be fixed in New York?

Governor YOUNG. Well, that is a question that has been debated for years. I can not help but feel that those things control themselves eventually, Mr. Congressman.

Mr. SEIBERLING. They do not control themselves, Mr. Young, because you have stated here, if I remember correctly, that the Federal Reserve Board took a hand in this stock speculation and put the brakes on—is that correct?

Governor YOUNG. It attempted to.

Mr. SEIBERLING. Then they do not control themselves, do they?

Governor YOUNG. I think they eventually do control themselves.

Mr. SEIBERLING. Did you put the whole power of the Federal Reserve Board into this stock market situation, to stop this high, sky-rocketing of stocks?

Governor YOUNG. Not a drastic power into it, no. And for the purpose of controlling credit not the price of stocks.

Mr. SEIBERLING. No, because you could not put a drastic power into it, but you put such power on as you thought would be effective.

Governor YOUNG. We attempted that.

Mr. SEIBERLING. Then things do not take care of themselves after all, do they?

Governor YOUNG. They did.

Mr. SEIBERLING. After you put on the brakes.

Governor YOUNG. It was a long time after we put on the brakes.

Mr. SEIBERLING. You know, Mr. Young, that if you let things take care of themselves, it is a question whether we would not be better off than we are now, because it is a fact that if economic conditions are permitted to run their course, that may cause us less difficulty than putting on the brakes; but, since we are going to have brakes somewhere, should not the brakes be put on by Congress?

Governor YOUNG. I do not want to be evasive, Mr. Congressman, but in what way?

Mr. SEIBERLING. By limiting the rate they can charge on call money.

Governor YOUNG. Throughout the United States? That is debatable, Mr. Congressman, as to whether Congress should fix the maximum rate.

Mr. SEIBERLING. I can see that you have not made up your mind about that.

Governor YOUNG. Did you say that I have or have not?

Mr. SEIBERLING. That you have not. You think it is debatable; you have not arrived at any conclusion, I assume.

Governor YOUNG. That is correct.

Mr. SEIBERLING. You would not be for or against it?

Governor YOUNG. After I have studied it more, I would be one way or the other.

Mr. SEIBERLING. Do you not think that when fifty-eight billions of value has been swept out in this country in the stock market collapse, that people who have a hand in the responsibility should study the situation?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. When do you expect to make that study?

Governor YOUNG. From day to day.

Mr. SEIBERLING. I noticed this morning in the Federal Reserve Bulletin for March, on pages 99 and 100, a schedule of distribution of member-bank credit, exclusive of loans to banks, by classes of banks during 1929. Why do you exclude from that statement loans to banks?

Governor YOUNG. May I look at the statement?

I am going to answer that, and, Doctor Goldenweiser, correct me if I am not correct in my answer. Loans to banks may be on securities; they may be on agricultural paper; they may be on commercial paper; they may be on United States Government bonds; and they may be on municipal warrants or what not. We do not get the detailed classification of that, and therefore we exclude it.

Mr. SEIBERLING. You have the aggregate amount, do you not?

Governor YOUNG. We have, and, in addition, that is a duplication, Mr. Congressman. If it is reported in what the bank has loaned, and then reported the second time where the second bank lends to the first bank, that would be a duplication.

Mr. SEIBERLING. Have you a schedule showing how much money was loaned by the Federal reserve to member banks during the latter part of the year 1929, during this peak of stock market prices, and the subsequent collapse?

Governor YOUNG. Have I answered this other question correctly, Mr. Goldenweiser?

Mr. GOLDENWEISER. Yes; I think you have.

Governor YOUNG. Now, to your pending question, that would be in October, November, and December?

Mr. SEIBERLING. Could you give it to us by months during the year 1929?

Governor YOUNG. That is, on rediscounts?

Mr. SEIBERLING. Yes.

Governor YOUNG. I am going to say that in September, the rediscounts in the system—

Mr. SEIBERLING. Mr. Chairman, I hope I am not taking up too much time.

Mr. STRONG. That is what we are here for.

Mr. STEAGALL. You may have some of my time, if necessary.

Governor YOUNG. I have the figures right here.

September 4 the rediscounts in the system were \$1,046,000,000. On September 25 they were \$944,000,000. The average for the month of September was, I would say, about \$960,000,000. The average in October was about \$850,000,000; average in November about \$950,000,000; average in December approximately \$800,000,000.

Mr. SEIBERLING. You were pulling down your loans during those months?

Governor YOUNG. No; during that period we were buying bills very freely.

Mr. SEIBERLING. But you were pulling down your loans to member banks?

Governor YOUNG. No.

Mr. SEIBERLING. Does not the amount show that?

Governor YOUNG. The amount went down, but simultaneously we increased our bill portfolio from \$183,000,000 to \$392,000,000. We increased our Government bond holdings from \$149,000,000 to \$511,000,000.

Mr. SEIBERLING. Were you buying those bonds from banks?

Governor YOUNG. We bought them in the market. I assume that they were owned by banks or individuals, it does not make any difference. In other words, there was during that period a \$500,000,000 increase in acceptances and securities. As we take on acceptances, and as we buy Government securities, that enables the banks to reduce the discounts, providing no other factors interfere, such as gold movements or currency requirements, and during this period there was the seasonal requirement that comes every fall, so that the reduction in discounts is not quite as large as the amount we took in in acceptances and Government bonds.

Mr. SEIBERLING. Well, the stocks were going upon the New York Stock Exchange. Were your loans increasing to member banks?

Governor YOUNG. Over what period?

Mr. SEIBERLING. Do not give me the detail, because it takes too much room in the record. Let us take the year preceding October.

Governor YOUNG. The discounts on September 5, 1928, Mr. Congressman, were \$1,080,000,000. On September 4, 1929, they were \$1,046,000,000, practically the same. During the interim, of course, they went up and down, with seasonal requirements.

Mr. SEIBERLING. To what extent do you think that the contraction of credit by the Federal reserve put a brake on the speculation in New York?

Governor YOUNG. It was somewhat of a restraining influence, I think, Mr. Congressman. If I see the picture correctly of that entire period from 1927 to 1929, when we had an unusual speculative situation, that was just in the minds of the public and they insisted upon speculating and they did speculate, and restraining influences were very slow in operation, and whether those restraining influences were effective to a considerable degree or whether the public had changed its mind is a debatable question, but I am inclined to think that the public had changed its mind and that is why the speculation ceased.



Mr. SEIBERLING. You helped them to change their minds, did you not?

Governor YOUNG. We tried to.

Mr. SEIBERLING. I understand that you made an address down at the Willard yesterday.

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. A lawyer from my home town stated that you made the statement that the Federal Reserve Board was of material assistance in this crisis.

Governor YOUNG. I have not a copy of my talk here, but I made the statement that I thought the courageous manner in which the banks of the larger centers handled the situation between October 23 and October 30 was of tremendous assistance. I further made the statement that the system did use its powers, the discount rate and the bill rate and the open market operations, and direct action as restraining influences, and I did point out that under those conditions the main thing the Federal reserve system could do was to attempt to keep its own system in such shape that when the inevitable crash did come it would be in a position to function and function quickly.

Mr. SEIBERLING. Well, now——

Governor YOUNG. I tried, Mr. Congressman, to make a very modest statement in my talk yesterday, and I think that I did.

Mr. SEIBERLING. I merely asked this gentleman what you said, and he replied that you stated that the Federal reserve did a great deal to help the country in the crisis.

Doctor GOLDENWEISER. There is a complete text of it in the United States Daily.

Governor YOUNG. This is perhaps what he has reference to, and I think I give a little more credit to the member banks than I do to the Federal reserve system.

Money rates were in fact advanced in all principal countries to the disadvantage of business throughout the world. This state of affairs was not only puzzling to the bankers of America, but caused them great concern. That they gave the matter careful study and laid definite and positive plans for handling the situation when it should break is clearly evidenced by the courageous manner in which the bankers did handle the situation, particularly in the larger centers, during that critical week of October 23 to October 30, and in my opinion if they had not acted as quickly and as courageously as they did, this country would have witnessed one of the greatest panics it had ever experienced.

There, Mr. Congressman, I was speaking about the member banks.

Mr. SEIBERLING. Mr. Young, that is very commendable, of course, but what I am trying to get at are the causes which created a situation where such heroic measures had to be taken.

Now, you will agree with me, I take it, that the Federal reserve bank, by releasing credit and by contracting it, can have a very marked effect upon commodity prices, business, and everything that has to do with the finances of the country. Am I correct about that?

Governor YOUNG. It has an influence, more as a contributing influence than a determining influence.

Mr. SEIBERLING. But as credits are released and money becomes cheap, bonds, preferred stocks, commodities and all things of that kind go up, do they not?

Governor YOUNG. The odd part of it is at the moment that commodities are going down with that program.

Mr. SEIBERLING. I notice that bonds and preferred stocks are going up.

Governor YOUNG. Yes; and that is the reason I hesitated. That is not always true. There may be other conditions and other factors that would present themselves.

Mr. SEIBERLING. But, in a general way, that is a correct economic statement, that as credits are released and money becomes cheaper, prices go up, and as credits are contracted and money becomes scarce, prices go down?

Governor YOUNG. That is debatable. A year ago easier money might have stimulated the stock market. To-day it does not stimulate the stock market; it has not so far.

Mr. SEIBERLING. Everybody is scared out of the stock market.

Governor YOUNG. I say that there are always other factors that you must take into consideration.

Mr. SEIBERLING. You have to give them time to coax them back in.

Governor YOUNG. I am not coaxing them back in.

Mr. SEIBERLING. I am not speaking of you personally, but, as the propaganda goes out, they will gradually get them back in again. Do you not believe that is so?

Governor YOUNG. I hope not.

Mr. SEIBERLING. I notice on page 99 that you speak of the condition of the money market and of the increase in total loans and investments of banks at the end of the year, that they were larger than on October 4. That was after the stock market crash?

Mr. BEEDY. You are referring to what document?

Mr. SEIBERLING. That is from the Federal Reserve Bulletin for March, 1930.

Governor YOUNG. That is in New York City, is it not, Doctor?

Doctor GOLDENWEISER. Yes.

Mr. SEIBERLING. The point I want to make is this: It is said here that this increase is attributable in part to loans taken over by these banks from nonbanking lenders in October and November, in part to temporary increases in loans occasioned by end-of-year developments, and in part also to investments made during the period of easy money after the stock market broke.

To what extent do you think that the New York banks were able to take advantage of easy money after the stock market broke and to buy stocks when they were cheap?

Governor YOUNG. I do not think the New York banks buy stocks. National banks certainly do not.

Mr. SEIBERLING. Their securities companies do, do they not?

Governor YOUNG. They may.

Mr. SEIBERLING. Do you not know?

Governor YOUNG. I do not think they buy stocks as a trading proposition.

Mr. SEIBERLING. Do they not have enormous investments in stocks and bonds and securities of all kinds?

Governor YOUNG. They have in bonds; yes.

Mr. SEIBERLING. And stocks, too?

Governor YOUNG. For trading purposes?

Mr. SEIBERLING. They buy them and carry them for trading purposes?

Governor YOUNG. All I know about that is what is public information, that a group of New York banks through their securities companies went into the market very heavily in October to prevent a calamity. That was closed out 30 days ago, I think.

Mr. SEIBERLING. They did not buy stocks at the high prices?

Governor YOUNG. No.

Mr. SEIBERLING. They bought them after the break?

Governor YOUNG. They bought them during the break, when they were on the way down. That was not done, in my opinion, Mr. Congressman, as a money-making program.

Mr. SEIBERLING. I have gotten off my line of questioning and I want to go back.

Now, as to this call money rate, do you know as a matter of fact whether the high call money rate affected the rate on all marginal accounts in the United States?

Governor YOUNG. It did not—you mean, affected them up to 25 per cent?

Mr. SEIBERLING. Not as high as that, but affected them, I say.

Governor YOUNG. It affected them all.

Mr. SEIBERLING. So that the average of these high call money rates was taken by the brokers and charged back to their customers all over the United States?

Governor YOUNG. That is correct.

Mr. SEIBERLING. I know that in many instances customers had to pay a higher rate of interest on their marginal accounts than the usury laws of the States in which they resided permitted, on account of the high money rate.

Governor YOUNG. That would be possible.

Mr. SEIBERLING. These contracts and purchases were made in the States in which they lived and yet this call money committee in New York can compel these people to pay a higher rate of interest than the laws of their States permit?

Governor YOUNG. You can not compel them.

Mr. SEIBERLING. You can make them sell out. They have either to pay it or sell their securities?

Governor YOUNG. That is correct.

Mr. SEIBERLING. That is considerable pressure on them, is it not?

Governor YOUNG. That is considerable pressure, but it did not work very well, as they apparently did not sell out. Mr. Congressman, in dealing with a broker I am not quite sure but that the contract is in the State of New York. Is it not?

Mr. SEIBERLING. I do not think it is. I think it is in the local office of the broker.

Governor YOUNG. I am under the other impression.

Mr. SEIBERLING. You may be right.

Governor YOUNG. I think that I am.

Mr. SEIBERLING. But it had the same effect, did it not, nevertheless?

Governor YOUNG. The same effect.

Mr. SEIBERLING. You probably know that New York has no usury laws as to call money, bank loans, and corporation loans.

Governor YOUNG. It has on time loans.

Mr. SEIBERLING. I am talking about not on call money; not on bank loans secured by collateral, stock exchange loans, or corporation loans.

Governor YOUNG. I do not remember the law, Mr. Congressman, but I think there is no limit on a demand collateral loan except when made by an individual and not below \$5,000, but I am not sure about that.

Mr. SEIBERLING. Well, the fact there is no limit in New York has compelled Pennsylvania and Illinois to repeal their usury laws as to call money, so as to prevent withdrawal and transmission to New York of funds from Philadelphia, Pittsburgh, and Chicago.

Governor YOUNG. That is correct.

Mr. SEIBERLING. Now if it has done that with these three States, it will mean that eventually all other States with large centers will have to do that, will they not?

Governor YOUNG. I think so.

Mr. SEIBERLING. And you still think, in view of all that, that it is a good thing to let New York fix the call money rate at any rate they see fit?

Governor YOUNG. I do not agree with you.

Mr. SEIBERLING. Well, any limit in their judgment they think the situation warrants?

Governor YOUNG. I can not agree with you. All that committee in New York does is to fix that rate in a mechanical way in which many factors contribute as to what the rate is or what it shall be.

Mr. SEIBERLING. Did you ever look up the usury rates—

Mr. BEEDY. Will you pardon me?

Mr. SEIBERLING. Yes.

Mr. BEEDY. Will you frame your question—granted they take into consideration all these factors, do you still think that it is best for the country, as a whole, to permit these three men to perform arbitrarily what you term this mechanical duty or act?

Mr. SEIBERLING. I will adopt that.

Governor YOUNG. I will reply that it is the best that has been devised so far.

Mr. SEIBERLING. Did you ever look up the usury rates of the American Colonies?

Governor YOUNG. I never have.

Mr. SEIBERLING. I have here on page 27 of this work by Franklin W. Ryan, M. B. A., Ph. D., instructor in business reports, graduate school of business administration, Harvard University, the early usury laws in the American Colonies.

This reads as follows:

Connecticut: Date of statute, 1718; legal rate and maximum limit 6 per cent; penalty for usury, voidance of contract.

Delaware: Date of statute, 1759; legal rate and maximum limit 6 per cent; penalty for usury, forfeiture of whole debt.

Georgia: Date of Statute 1759; legal rate and maximum limit 8 per cent; penalty for usury, forfeiture of thrice the amount of the contract.

Maryland: Date of statute 1692; legal rate and maximum limit 6 per cent; penalty for usury, forfeiture of treble the principal.

Massachusetts: Date of statute, 1661; legal rate and maximum limit, 8 per cent; penalty for usury, voidance of contract.

Massachusetts: Date of statute, 1693; legal rate and maximum limit, 6 per cent.

New Hampshire: Date of statute, 1791; legal rate and maximum limit, 6 per cent; penalty for usury, forfeiture of three times the excess of interest.

New Jersey: Date of statute, 1738; legal rate and maximum limit, 7 per cent; penalty for usury, forfeiture of contract.

New York: Date of statute, 1717; legal rate and maximum limit, 6 per cent; penalty for usury, forfeiture of contract.

New York: Date of statute, 1718; legal rate and maximum limit, 8 per cent.

New York: Date of statute, 1737; legal rate and maximum limit, 7 per cent.

North Carolina: Date of statute, 1741; legal rate and maximum limit, 6 per cent; penalty for usury, avoidance of contract and forfeiture of twice the amount of the contract.

Pennsylvania: Date of statute not known; legal rate and maximum limit, 8 per cent; penalty for usury, forfeiture of contract.

Pennsylvania: Date of statute, 1700; legal rate and maximum limit, 6 per cent.

Pennsylvania: Date of statute, 1705; legal rate and maximum limit, 8 per cent.

Pennsylvania: Date of statute, 1723; legal rate and maximum limit, 6 per cent.

Rhode Island: Date of statute, 1767; legal rate and maximum limit, 6 per cent; penalty for usury, forfeiture of the excess of interest.

South Carolina: Date of statute, 1719; legal rate and maximum limit, 10 per cent; penalty for usury, forfeiture of three times the principal.

South Carolina: Date of statute, 1748; legal rate and maximum limit, 8 per cent; penalty for usury, forfeiture of three times the principal.

South Carolina: Date of statute, 1777; legal rate and maximum limit, 7 per cent; penalty for usury, forfeiture of three times the principal.

Virginia: Date of statute, 1730; legal rate and maximum limit, 6 per cent; no penalty for usury.

Virginia: Date of statute, 1734; legal rate and maximum limit, 5 per cent; penalty for usury, none.

This schedule shows that the American Colonies' maximum rate permitted was 8 per cent, with the exception of South Carolina, that permitted 10 per cent from 1719 to 1748, and every single State, with the exception of Virginia, had a usury law with a penalty attached.

I now want to submit, if consent is given, and insert in the record, the schedule of the usury laws of all the States as of 1921, with the penalties attached, which appears on pages 28, 29, 30, and 31 of this work. These schedules read:

Alabama: Legal rate, 8 per cent; lawful limit, 8 per cent; penalty for usury, forfeiture of all interest and costs.

Alaska: Legal rate, 8 per cent; lawful limit, 12 per cent; penalty for usury, forfeiture of double the amount of usurious interest.

Arizona: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of all interest.

Arkansas: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of principal and interest. Negotiable paper tainted with usury is void in the hands of an innocent holder.

California: Legal rate, 7 per cent; lawful limit, 12 per cent; penalty for usury, forfeiture of three times the excess. Imprisonment and fine for evasions.

Colorado: Legal rate, 8 per cent; lawful limit, no limit; penalty for usury, no penalty.

Connecticut: Legal rate, 6 per cent; lawful limit, 12 per cent; penalty for usury, no action shall be brought to collect either principal or interest.

Delaware: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, contract is vitiated, and anyone may sue usurer for amount equal to sum loaned.

District of Columbia: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of all interest.

Florida: Legal rate, 8 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of all interest.

Georgia: Legal rate, 7 per cent; lawful limit, 8 per cent; penalty for usury, forfeiture of entire interest.

Idaho: Legal rate, 7 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of entire interest. Can recover excess only if paid. Forfeiture also of 10 per cent of principal to school fund.

Illinois: Legal rate, 5 per cent; lawful limit 7 per cent; penalty for usury, forfeiture of entire interest. Can not recover anything if paid.

Indiana: Legal rate, 6 per cent; lawful limit, 8 per cent; penalty for usury, forfeiture of excess interest over 6 per cent.

Iowa: Legal rate, 6 per cent; lawful limit, 8 per cent; penalty for usury, forfeiture of interest and costs.

Kansas: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of double the amount of usurious interest.

Kentucky: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of excess interest.

Louisiana: Legal rate, 5 per cent; lawful rate, 8 per cent; penalty for usury, forfeiture of interest.

Maine: Legal rate, 6 per cent; lawful limit, no limit; no penalty for usury.

Maryland: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of excess interest.

Massachusetts: Legal rate, 6 per cent; lawful limit, none; penalty for usury, none, except on loans of less than \$1,000.

Michigan: Legal rate, 5 per cent; lawful limit, 7 per cent; penalty for usury, forfeiture of all interest.

Minnesota: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of all interest.

Mississippi: Legal rate, 6 per cent; lawful limit, 8 per cent; penalty for usury, forfeiture of all interest.

Missouri: Legal rate, 6 per cent; lawful limit, 8 per cent; penalty for usury, forfeiture of excess interest.

Montana: Legal rate, 8 per cent; lawful limit, 12 per cent; penalty for usury, forfeiture of twice the interest.

Nebraska: Legal rate, 7 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of all interest.

Nevada: Legal rate 7 per cent; no lawful limit; and no penalty for usury.

New Hampshire: Legal rate, 6 per cent; no lawful limit; no penalty for usury.

New Jersey: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of interest and costs.

New Mexico: Legal rate, 6 per cent; lawful limit, 12 per cent; penalty for usury, forfeiture of double the interest if paid. Usury is also a misdemeanor punishable by a fine.

New York: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of both principal and interest. Also misdemeanor. In case of banks, loss of interest only, or, if already paid, twice the amount. This does not apply to call loans upon which there is no legal limit for interest to be charged. Corporations can not plead usury.

North Carolina: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of interest. Double the amount may be recovered if paid.

North Dakota: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of all interest. Double the amount may be recovered if paid.

Ohio: Legal rate, 6 per cent; lawful limit, 8 per cent; penalty for usury, forfeiture of excess over 6 per cent.

Oklahoma: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of twice the interest.

Oregon: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of principal.

Pennsylvania: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of excess interest.

Rhode Island: Legal rate, 6 per cent; lawful limit, 30 per cent; penalty for usury, loss of principal and interest. Also fine and misdemeanor.

South Carolina: Legal rate, 7 per cent; lawful limit, 8 per cent; penalty for usury, forfeiture of entire interest. Double the amount may be recovered if paid. Corporations can not plead usury.

South Dakota: Legal rate, 7 per cent; lawful limit, 12 per cent; penalty for usury, forfeiture of interest. Usury is a misdemeanor.

Tennessee: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of excess interest. Usury is a misdemeanor.

Texas: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of all interest. Double the amount may be recovered if paid.

Utah: Legal rate, 8 per cent; lawful limit, 12 per cent; penalty for usury, forfeiture of principal and interest. Also misdemeanor.

Vermont: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of excess interest.

Virginia: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of all interest.

Washington: Legal rate, 6 per cent; lawful limit, 12 per cent; penalty for usury, forfeiture of amount of accrued interest, but, if interest be paid, then forfeiture of twice the amount.

West Virginia: Legal rate, 6 per cent; lawful limit, 6 per cent; penalty for usury, forfeiture of excess interest. Corporations can not plead usury.

Wisconsin: Legal rate, 6 per cent; lawful limit, 10 per cent; penalty for usury, forfeiture of all interest. Three times the excess may be recovered if paid.

Wyoming: Legal rate, 8 per cent; lawful limit, 12 per cent; penalty for usury, forfeiture of interest and costs.

By the way, the District of Columbia has a usury law, does it not, with a limit of 10 per cent?

Governor YOUNG. I am not familiar with the District of Columbia law. I am informed that it is 8 per cent.

Mr. SEIBERLING. This is 1921. It has been reduced to 8 per cent?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. Congress has passed a usury law for the District of Columbia?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. And Congress has been very careful in authorizing loans of the Federal Farm Board and the Joint Stock Board, to fix the maximum rate at 6 per cent?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. And in the recent \$500,000,000 appropriation, do you remember what the maximum rate was there?

Mr. WINGO. The Farm Board appropriation?

Mr. SEIBERLING. Yes. It was much less than 6 per cent; was it not?

Mr. BRAND. Not over 4 per cent.

Mr. SEIBERLING. Not over 4 per cent; so that this matter of interest to be charged the American people has been safeguarded by Congress in the loans it has authorized its agents to make on behalf of the Government?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. Now, just a few more questions: Do you not think we ought to have the Federal usury law so that private industries that need money—private business—in times of stringent money markets may have a limit in the amount of interest and other considerations that can be extracted from them for accommodations?

Governor YOUNG. Many States have put in laws of that kind. I believe the Federal reserve gives some protection to the business interests of the country; and that is evidenced by the business rates that prevailed during all this high call-money rate—8 and 10 per cent. Business rates did not get above 6 per cent, generally speaking.

Mr. SEIBERLING. Whenever a railroad company or private industry puts out securities at a discount and redeemable at a premium, that discount and that premium and the interest on it has to be earned by some one, does it not?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. And in the case of a great railroad system, where bonds are sold at a discount—and I understand an issue was sold some time ago at \$200,000,000, one of the important systems of this country, out of which the railroad got 92½.

Mr. STRONG. At what rate?

Mr. SEIBERLING. Six per cent. A railroad system that was of absolute necessity to this country and yet they had to sell their 6 per cent bonds, amounting to a little over \$200,000,000, at a discount of \$15,000,000. That affects passenger and freight rates on that railroad system, does it not?

Governor YOUNG. Indirectly; yes.

Mr. SEIBERLING. And it affects the price of every commodity and every product that is shipped over that road to the consumer, does it not?

Governor YOUNG. Yes, sir. Rates are a contributing factor.

Mr. SEIBERLING. Of course, we all believe in reasonable and fair and proper compensation for every task rendered, but to the extent that these discounts and premiums are excessive, that puts an unnecessary burden on the people of the country—to the extent they are excessive?

Governor YOUNG. If they are excessive; yes.

Mr. SEIBERLING. In a private industry, where that happens, of course, the labor has to earn that discount and premium and the labor and consumer who buy the product together, have to pay that somewhere?

Governor YOUNG. Generally speaking; yes, sir.

Mr. SEIBERLING. So that when securities are issued, in the absence of a usury law, where a State has no usury law, a great financial center can impose, in times of stress, almost any terms they want on corporations that need money?

Governor YOUNG. I do not suppose they can impose punitive terms.

Mr. SEIBERLING. What is to prevent them from doing it?

Governor YOUNG. A man does not have to take it.

Mr. SEIBERLING. Suppose it is a great industry such as—well, I will say such as Armour & Co., who were in trouble in 1920, furnishing food supplies to the whole country: You could not let an industry like that go down; it would not be policy to let it go down?

Governor YOUNG. No.

Mr. SEIBERLING. And men of long reputation and great pride in their business, a profitable business for many years, would pay almost any price to save the industry, would they not?

Governor YOUNG. I think they would.

Mr. SEIBERLING. And where there is no usury law and no limit, the bankers can charge an excessive rate and, understanding human nature as you say you do, do you not think there should be a limit?

Governor YOUNG. Well, is there not a limit in practically every State?

Mr. SEIBERLING. Not in New York?

Governor YOUNG. No.

Mr. SEIBERLING. But these bonds and securities are all taken to New York and executed there to make them a New York contract?

Governor YOUNG. Yes, sir; but you are citing specific cases with which I am not familiar, Mr. Congressman. Why a solvent railroad whose securities are perfectly good should pay more for underwriting its bonds than competition would prompt them to pay or anything that is punitive, I can not see.



I would like to take the other side of it just for a moment. You ask about the limit on interest rates. You have a limit with the land banks and with the intermediate credit banks. There was a time in 1928 and 1929 when it was extremely difficult, if not impossible, for the intermediate credit banks to sell their debentures in the markets of America or elsewhere to enable them to lend at the limit which was fixed by Congress, with the result that the intermediate credit banks came to the Federal reserve banks in 1928 and again in 1929. We bought their debentures—those that we were permitted to buy under the law with six months maturity. Now, the market is entirely changed, and they do not have any difficulty in floating them and do not owe the Federal Reserve banks anything at all.

Mr. SEIBERLING. You do not need usury laws now, but you need them when there is a stringent money market, when people need protection.

Do you mean to say that there would be competition in New York for a \$200,000,000 loan?

Governor YOUNG. I should think so.

Mr. SEIBERLING. Not very much?

Governor YOUNG. I think there would be plenty of houses anxious to handle a \$200,000,000 loan if it was a good one.

Mr. SEIBERLING. Do you think there are more than three houses in the United States that would undertake to handle a \$200,000,000 loan?

Governor YOUNG. By grouping others with them. Yes.

Mr. SEIBERLING. I am not asking that. You think there are more than two or three houses that would undertake a loan of that size?

Governor YOUNG. Yes.

Mr. SEIBERLING. Now, I have just one more question, and this is rather hypothetical. I have several more questions. I have a telegram I want to ask you something about.

Assuming that a large corporation with many thousand stockholders needed financing in a stringent money market and a reorganization was necessary, the financial difficulty being caused entirely by the depreciation of raw materials and reasonable commitments for raw materials for which the management was in nowise to blame, having only supplied themselves with such materials as were necessary and they had to have money and the best terms at which they could get it—the actual amount of money furnished; the actual cash being furnished by underwriters—was \$24,300,000, and they made a profit or had the opportunity of making a profit on the securities issued, including the peak of the price for the stock that was given as a bonus for making the loan—they had an opportunity for making a profit exceeding \$41,350,000 in the last 10 years, besides getting substantially 9 per cent on their money. Would you think that that was a proper kind of transaction to be permitted under the laws of this country?

Governor YOUNG. Is that quite fair, Mr. Congressman, to put that kind of question up to me when I do not know all the details of it or anything?

Mr. SEIBERLING. I have given you the details.

Governor YOUNG. Well, I can not answer that, Mr. Congressman.

Mr. SEIBERLING. You do not think that we should have a law to prevent such refinancing as that?

Governor YOUNG. Was there a great deal of risk with that?

Mr. SEIBERLING. All of the securities have been paid off and redeemed in six years.

Governor YOUNG. It could not have looked very attractive at the time or somebody else would have taken it.

Mr. SEIBERLING. I am talking about a stringent money market now.

Governor YOUNG. Well, even under those conditions.

Mr. SEIBERLING. You think under any stringent money conditions of the country any group of financiers should be able to drive a bargain like that?

Governor YOUNG. Supposing the stringency had continued: What would their profit have been?

Mr. SEIBERLING. You can not have a continuing stringency in the country with the Federal reserve bank, can you?

Governor YOUNG. You did have quite a period. Suppose it had continued for a year longer?

Mr. SEIBERLING. It did continue for a year longer.

Governor YOUNG. Suppose it continued for two years longer?

Mr. SEIBERLING. Well, it is not reasonable to suppose a thing like that, is it? Past history does not justify such an assumption?

Governor YOUNG. I know in 1927 everybody thought it could not last much longer then, but it did last for two years longer.

Mr. SEIBERLING. As I understand it, you think that people who put through a reorganization like that should be trusted by the people of the country as a whole and that no restrictions should be enacted by law to prevent such a thing as that?

Governor YOUNG. I think that competition will put a restriction on that, Mr. Congressman.

Mr. SEIBERLING. Now, I have a telegram here in reference to liberalizing the kind of paper which can be rediscounted in the Federal reserve. Banks over in Ohio seem to think that they are not getting the service out of the Federal reserve bank they are entitled to because of the limited paper that can be rediscounted.

Now, do you think that municipal bonds, for instance—paper secured by municipal bonds—should be permitted to be rediscounted in the Federal reserve bank provided such municipal bonds should be approved by the—

Governor YOUNG. At the present time?

Mr. SEIBERLING. Yes.

Governor YOUNG. I should say not. The law does permit us to buy warrants of political subdivisions that have maturities not exceeding six months and are issued in anticipation of revenue. We can go that far now. I think in the entire history of the Federal reserve system, covering 16 years, we have not had, at any time, to exceed a million dollars of those.

Mr. GOLDENWEISER. Yes, Governor, in the early years we had more.

Governor YOUNG. I will say in the last 10 years we never had over \$500,000 under rediscount at any one time.

Mr. SEIBERLING. You know the Government permits municipal bonds to be deposited as protection to postal savings deposits?

Governor YOUNG. Yes, sir.

Mr. SEIBERLING. And yet you do not think paper with municipal bonds as collateral should be rediscountable at the Federal reserve bank?

Governor YOUNG. I stated the other day, Mr. Congressman, my views on eligible paper. There is held by the member banks at the present time, including Government bonds, approximately \$7,600,000,000 in eligible paper. I think that is sufficient to take care of anything that would develop in the country. If, at some future date, there is to be a liberalization of paper that would be eligible for rediscount at the Federal reserve bank, I would prefer to see the Lombard loans permitted and not pick out any particular class of paper.

In addition to that, we have made a recommendation to both the House and the Senate that the debentures of the intermediate credit banks with maturity not to exceed six months, which we are now permitted to buy in open-market operations, be made eligible for a 15-day collateral note. That is the only recommendation of the board.

Mr. SEIBERLING. You have not recommend what you call Lombard loans?

Governor YOUNG. No; I do not think it is necessary at the moment.

Mr. SEIBERLING. Of course, you could not have legislation passed when the emergency arises. You must have it before that time.

Governor YOUNG. If the Lombard loan is permitted, I would only permit it to be used in an emergency and only then with the approval of the reserve board.

Mr. SEIBERLING. I thank you, Governor Young, and members of the committee for indulging me. I appreciate I am a new member and have taken more time than I should. I apologize for that.

Governor YOUNG. I have a few things that I should like to report on, if I may; some information that I was asked to get day before yesterday.

Mr. SEIBERLING. Will you tell us something about Mr. Riddle?

Mr. GOLDENWEISER. Mr. Riddle was a graduate of the University of Davis and Elkins in West Virginia and then did three years graduate work in Princeton. After that he did two years in colleges—Dartmouth and Davis and Elkins—and then was employed by the New York Reserve Bank for two years and after that he was with the United States Treasury for four years organizing a division on statistical research for the Treasury.

After that he went to Berlin with Mr. Parker Gilbert as a member of the economic staff in connection with the Agent-General of Reparations and he came back about a year ago and became connected with the Guardian Investors Corporation in May of 1929 and remained with them until just now.

Governor YOUNG. There were six requests made of me Wednesday. I want to report on those.

First. Digest of State laws relative to the powers of banks to invest in stocks.

This is being prepared in the counsel's office but it will take some time to get that out.

Second. Statistics relative to earnings of banks grouped according to size of banks.

That is being prepared but not ready to-day.

Mr. FORT. May I interject there, Governor?

Governor YOUNG. Yes.

Mr. FORT. That is being prepared on the basis of percentage of invested capital? That includes capital, surplus, and undivided profits?

Governor YOUNG. Yes.

Third. Statistics as to trust business in national banks.

That is being compiled. That is not ready to-day but will be ready shortly.

Fourth. Statistics as to trust business of State banks and trust companies.

As stated the other day it was almost impossible to get that information. We have tried to get it and have been unable to get it.

Fifth. Location of Federal reserve banks and branches.

I have that report ready to put into the record. In addition to that I am filing this little map [exhibiting] that gives all the reserve banks and branches and the territory assigned to each one. If the members of the committee would be interested in that, I can furnish additional copies.

Mr. STRONG. If satisfactory to the committee, I would suggest that when the data is finally prepared, the data be inserted at this point.

Mr. WINGO. I understand it will require some time to prepare that. You would not want to hold up the record for that?

(The information referred to is as follows:)

LIST OF FEDERAL RESERVE BANKS AND BRANCHES

Boston: No branches.

New York: Buffalo.

Philadelphia: No branches.

Cleveland: Cincinnati, Pittsburgh.

Richmond: Baltimore, Charlotte.

Atlanta: New Orleans, Jacksonville, Birmingham, Nashville.

Chicago: Detroit.

St. Louis: Louisville, Memphis, Little Rock.

Minneapolis: Helena.

Kansas City: Omaha, Denver, Oklahoma City.

Dallas: El Paso, Houston, San Antonio.

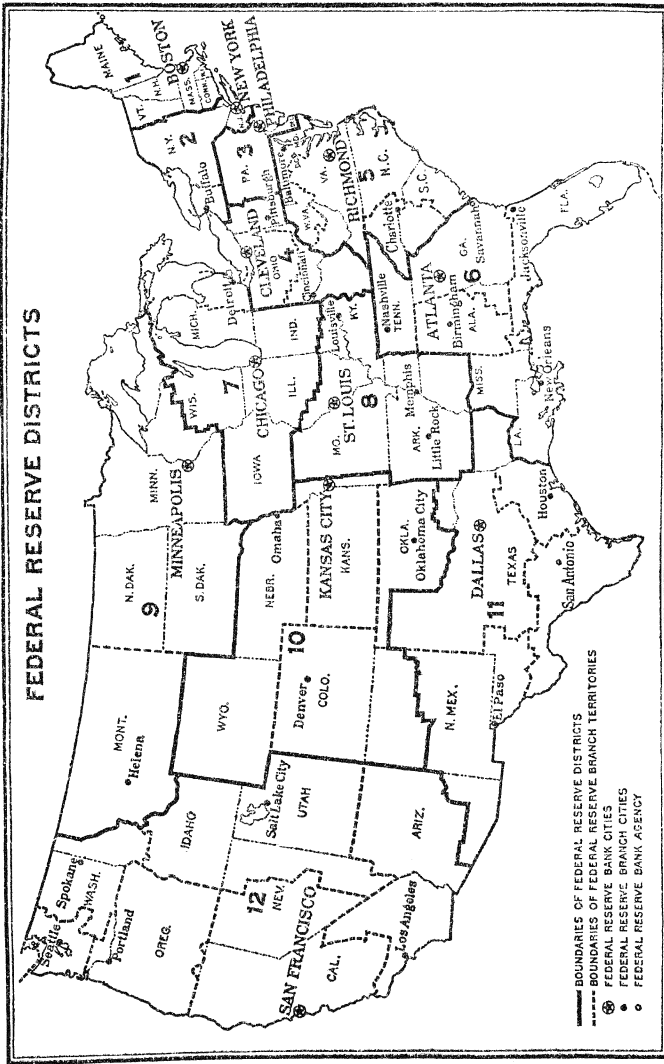
San Francisco: Los Angeles, Portland, Salt Lake City, Seattle, Spokane.

The CLERK. We will make the proper reference to it when it is submitted.

Mr. STRONG. Then, that will be satisfactory.

The ACTING CHAIRMAN (Mr. Strong in the chair). Mr. Dunbar, have you any questions to ask?

Mr. DUNBAR. Mr. Young, a bank with a capital stock of \$10,000,000, a member of the Federal reserve system, takes over a bank with a million dollars capital, a member of the Federal reserve system, and that bank which had a million dollars capital continues to enjoy the benefits of the Federal reserve system through its parent bank,





system. Now you only have one member of the Federal reserve system?

Governor YOUNG. Yes; that is correct.

Mr. DUNBAR. Now, then, how will the Federal reserve system be affected by just having one member instead of two?

Governor YOUNG. In the reserves that they are required to carry with us or in the stock that they hold in the Federal reserve or in what influence they might exercise in electing directors of the bank?

Mr. DUNBAR. Well, you have the Federal reserve system—

Governor YOUNG. It would have no effect upon the stock holdings or reserves they carry unless the second bank happened to be in a smaller community and then if they were taken over by a larger bank, they would have to carry a larger reserve than before.

Mr. DUNBAR. Would you consider it detrimental for a branch bank to be established under those circumstances?

Governor YOUNG. It would be detrimental.

Mr. DUNBAR. Would not affect it one way or the other?

Governor YOUNG. No, sir.

Mr. DUNBAR. The Federal reserve system now has about one-half of its members belonging to branch, chain, and group banks. Now, are very many national banks going out of existence?

Governor YOUNG. I have not the figures, but I think the Comptroller of the Currency left those figures here the other day. National banks have lost in the last two or three years.

Mr. DUNBAR. Very largely?

Governor YOUNG. Yes, sir.

Mr. DUNBAR. Now, national banks are going out of the national bank system because they claim under the State charters they have very much more liberal courses of action? That is true, is it not?

Governor YOUNG. Yes.

Mr. DUNBAR. Now, what is there that we can do for national banks that would keep them in the national bank system by liberalizing their business methods?

Governor YOUNG. I think—

Mr. DUNBAR. First, do you consider it desirable that national banks be continued in the system?

Governor YOUNG. Very.

Mr. DUNBAR. What could we do then to continue them in the system?

Governor YOUNG. I did not read all of the comptroller's testimony before this committee, but I think that was one of his strongest arguments for an extension of branch banking.

Mr. DUNBAR. All the national banks, I think, have a currency circulating privilege under bonds which are redeemable in 1932. Is that correct?

Governor YOUNG. 1930.

Mr. DUNBAR. 1930?

Governor YOUNG. I think those bonds are all due now. It is discretionary with the Secretary of the Treasury as to whether he takes up the bonds or not.

Mr. DUNBAR. Those bonds are 2 per cent?

Governor YOUNG. Nothing but 2 per cent now carry the circulation privilege. The 4 per cent bonds were retired.

having \$10,000,000 capital, which took it over. That is true, is it not?

Governor YOUNG. Both member banks?

Mr. DUNBAR. Are they separately member banks after the million dollar bank becomes a branch bank?

Governor YOUNG. It would depend upon whether it was a consolidation, whether it joined a group or became a chain.

Mr. DUNBAR. What I mean is the parent bank had \$10,000,000 capital stock and took over this million-dollar bank and made it a branch bank. For instance, a bank in New York would take over a bank in Albany with a million dollars capital stock—that is, under the supposition we have branch banking.

Maybe I do not understand what branch banking is.

Governor YOUNG. I think you do. The parent bank's capital would be \$11,000,000. The branch would not have any capital.

Mr. DUNBAR. It would not, in any way, affect the Federal reserve system?

Governor YOUNG. Unless they applied for a reduction in capital and we would not permit that reduction unless we were satisfied it should be reduced.

Mr. WINGO. Would it not be possible for the bank to buy the assets and the other bank surrender its charter? Would you approve the purchase of the assets?

Governor YOUNG. If it was a State member bank we would. We would have the power. If it was a national bank, as a matter of precedent and not as a matter of law, those things are always referred to the Comptroller of the Currency.

Mr. WINGO. I am afraid you did not understand my question. Mr. Dunbar wants to know the effect it would have on the system. You suggested you might change one bank and increase its capital \$1,000,000. As a matter of fact the Bank of New York can buy the assets, either one piece of paper at a time or all of it in bulk?

Governor YOUNG. Correct.

Mr. WINGO. Whether it be a State bank or a national bank and then that bank, whose assets have been sold, can surrender its charter without anybody's approval and the other bank would have bought its assets without anybody's approval, save and except a bank examiner comes along and says the paper is not good and you have to charge it off.

Governor YOUNG. A State member bank would have to apply to us for permission—would have to request us to cancel their Federal reserve stock they own.

Mr. WINGO. If the law provides they can go out of business and surrender the charter, that automatically cancels it?

Governor YOUNG. If they were performing fiduciary trusts, we might require them to continue to handle the fiduciary trusts until discharged.

Mr. DUNBAR. We have one bank with a capital of \$10,000,000, a member of the Federal reserve system and another bank with a capital of \$1,000,000, a member of the Federal reserve system. Now, the bank with the capital of \$10,000,000 buys this bank with a capital of \$1,000,000 and makes it a branch of the \$10,000,000 bank. Before the purchase you had two members of the Federal reserve



Mr. DUNBAR. The Government gives the difference between 2 per cent and 3½ or 4 per cent in the amount of interest paid by reason of the national banks being paid but 2 per cent on those bonds on which they base their circulation?

Governor YOUNG. Yes, sir.

Mr. DUNBAR. You consider it very desirable that national banks continue in the system. Would it be economic and just for the Federal Government to pay them more money on the bonds which are used to redeem their circulation?

Governor YOUNG. I think it is still profitable, Mr. Congressman, for banks to buy the 2 per cent bonds and issue circulation against them even where they pay a premium of 2 points.

Mr. DUNBAR. Then, if it is still profitable for them to do that, why do they leave the system?

Governor YOUNG. The profit is so small that it does not amount to very much.

Mr. DUNBAR. Do you believe one way to keep the national banks in the system would be to pay them part of the interest money saved by reason of their receiving but 2 per cent interest, whereas the Government pays from 3½ to 4¼ per cent interest.

Governor YOUNG. Then you are further extending the national bank currency that has clearly demonstrated that it is not an elastic currency such as a Federal reserve note. I do not believe that would be good.

Mr. DUNBAR. Well, then, you do not believe that the national banks confer any great benefit upon the banking system or currency system?

Governor YOUNG. No, sir.

Mr. DUNBAR. That is your idea?

Governor YOUNG. That is right.

Mr. DUNBAR. The Federal Government benefits by the 2 per cent interest they receive on bonds which national banks buy to secure their currency. What suggestions have you to make that would be more favorable to the operation of national banks, so they could be kept in the Federal reserve system?

Governor YOUNG. That is the hardest question I have had so far, Mr. Congressman.

Mr. DUNBAR. Then, it is a subject for future consideration?

Governor YOUNG. It is. It is very hard to do anything for the national banks that you should not do for the State member banks. There is a very strong feeling throughout the country now that the member banks of the Federal reserve system should be paid a greater return on their stock holdings other than the 6 per cent they now get. I, myself, believe that that dividend should be increased. Of course, if you do that for national banks, obviously you would have to do it for the State member banks too.

The ACTING CHAIRMAN (Mr. Strong in the chair). Had we not better adjourn for the roll call?

Mr. DUNBAR. Very well, I can take up my questioning when we meet again.

The ACTING CHAIRMAN. Then, if there is no objection, we will adjourn until Tuesday, at 10.30.

(Whereupon, at 12.25 o'clock, p. m., the committee adjourned to meet at 10 o'clock a. m., on Tuesday, March 25, 1930.)