

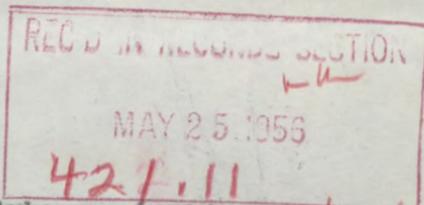
421.11 - Committee on Transportation
Banking (1933-1954)
Francis Barker

TRANSFER

RETURN TO
RECORDS SECTION
DO NOT REMOVE ANY
PAPERS FROM THIS FILE

(Copy for Mr. Riefler)

Chairman McCabe:



The name of the Arkansas banking organization referred to by Senator Fulbright apparently is the A. B. Banks chain or group of banks, which failed in 1930. This does not agree with the Senator's reference to a failure in the 20's, but the Banks case is the largest Arkansas chain failure discussed in the study prepared by the System Committee on Branch, Group, and Chain Banking covering the period 1921-1931. 1/30/50

The Banks interests were interwoven with the Banco Kentucky and Caldwell systems. The attached excerpt from the System Committee's Study gives a concise account of all three systems.

C. C. Hostrup

C. C. Hostrup
3-1-50.

FOR FILES
 C. L. Schmidt

REC'D IN RECORDS SECTION

MAY 25 1956

Excerpt from "BANKING GROUPS AND CHAINS" -- "Material prepared for the information of the Federal Reserve System by the Federal Reserve Committee on Branch, Group, and Chain Banking" -- 1931

BancoKentucky-Caldwell-A.B.Banks

The largest of the group and chain suspensions of more recent years concerned three systems, so interwoven that any account of their operations must deal with them together. Statistically it has been possible to separate them into two parts -- the Caldwell-Banks system with 14 suspensions involving \$52,314,000 of loans and investments, and the Banco-Kentucky Corporation system with 3, involving \$59,180,000 of loans and investments. The controlling agencies were Caldwell and Company, BancoKentucky Corporation, A. B. Banks and Company, and their affiliates, personal and corporate, operating in Kentucky, Tennessee, and Arkansas. Although the number of banks involved in this group of failures was less than in the Witham system, the loans and investments were much larger.

Caldwell and Company controlled 13 banks, mostly in Tennessee, and was affiliated with others through inter-locking directorates and community of interest. It was also interested in 9 insurance companies and 32 other corporations. Rogers Caldwell was said to have been sole owner of the company bearing his name, until he exchanged Caldwell and Company stock in May, 1930, with the BancoKentucky Corporation. This company then owned half of Caldwell and Company.

A. B. Banks had been a stockholder in many banks in Arkansas for some time, the number being about 50 in 1930. Most of their stock was actually held by the Home Fire Insurance Company, the Home Accident Insurance Company, the Home Life Insurance Company, A. B. Banks and Company, Lumber Underwriters, and other corporations controlled by Mr. Banks and his associates. Caldwell and Company, meanwhile, acquired a controlling interest in the three Home insurance companies, and an independent interest in at least one of the more important Arkansas banks of the Banks chain. These were the links by which the three interests were associated.

Caldwell and Company, the first of the three interests to fail, was placed under the control of a committee of Nashville bankers on November 5, 1930, with a receiver appointed a few days later. Banks in Tennessee of the Caldwell chain were closed shortly thereafter, and other banks, not affiliated with this group, were suspended during the subsequent loss of public confidence. In

FOR FILE
Caldwell

Arkansas the American Exchange Trust Company, leading unit of the A. B. Banks chain, closed November 17, followed by nearly all the other members of the chain, and the Home insurance companies were taken over by other organizations. A receiver was appointed November 24 for the Banco Kentucky Corporation. The National Bank of Kentucky, the leading bank of this group, had suspended on the 17th as had the Louisville Trust Company. Since many matters connected with these failures are still in litigation, it is too early to describe in detail the circumstances that led to the failures.

How many bank holding companies are there?

It is not possible to give a definite or complete answer to this question for the reason that, without a considerable amount of investigation, information is not available as to the ownership of the stock of all banks in the country. Under existing law, member banks report information regarding ownership of a majority of their voting stock by corporations or similar organizations, but the member banks do not report information regarding the ownership or control of less than a majority of their voting stock and nonmember banks do not make reports to Federal authorities regarding the ownership of their stock.

We have full information, of course, regarding the holding company affiliate bank groups which are under regulation by the Board pursuant to existing law. At the end of 1948 there were 20 such groups, which included 309 banks operating 922 branches, or a total of 1,231 banking offices, serving 770 towns in 23 States. The banks in these groups held more than 10 per cent of the deposits of all commercial banks in the United States at the end of 1948.

Moreover, on the basis of such information as is readily available, it appears that there are 63 additional bank groups which might be subject to regulation pursuant to the bill S.2318, depending in some instances upon the determinations made after further investigation and consideration of facts of particular cases. These 63 groups, at the end of 1948, included 216 banks operating 295 branches, or a total of 511 banking offices in 31 States and the District of Columbia, and the deposits of these banks represented nearly 8 per cent of the deposits of all commercial banks in the country.

In the aggregate, the 83 groups at the end of 1948 included 525 banks operating 1,217 branches, or a total of 1,742 banking offices in 41 States and the District of Columbia. These banks held more than 18 per cent of the total deposits of all commercial banks in the United States. It should be noted that not all of the banks included in our figure are controlled by holding companies. Some of them, including some comparatively large banks, dominate the respective groups or are closely associated with them.

As I mentioned previously, however, we do not have information as to all cases that would be covered by the bill. There undoubtedly are numerous cases which would be disclosed by exhaustive research and investigation, and there probably are some which would come to light only after enactment of the bill.

REC'D IN FILES SECTION

MAR 14 1935 Pol

42111

February 15, 1935

Miss Hunter - Files

J. E. Herbett

Pursuant to our conversation, there are handed you here-
with photostat copies (117 pages) of "A Summary of Branches" by
States and class of banks, covering the period 1900-1936. These
photostats were prepared from a record contained in a folder which
has been maintained in the Division of Bank Operations since the
compilation in 1931 of the mimeographed reports of the Committee
on Branch, Group, and Chain Banking, appointed by the Board on
February 26, 1930. The tables constitute, in fact, what would
have been published as Appendix Table III (page 247) in the volume
of the Committee's report entitled "Branch Banking in the United
States". This volume and other volumes of the Committee's report
are available in the Board's Library, in the Congressional Library,
and at the individual Reserve Banks. No general distribution was
ever made of the report because the reports had not been approved
or adopted by the Board as an expression of its views.

We will continue to maintain in the Division of Bank
Operations the folder containing the originals of the tabulations,
from which the attached photostats were made. However, since the
material is very valuable and there are no other copies available,
I suggest that the photostats be placed in a special folder and
adequately cross indexed so that the material may be available
other than in the Division of Bank Operations. It might be a good
idea to include a copy of this memorandum in the folder.

421.11-4

Attachment.

Just

FILE COPY

FOR FILES
S. L. Trott

JEH:st

Orig filed 421.11-4

STATE OF MARYLAND



JOHN W. DOWNING, COMMISSIONER
JOHN D. HOSPELHORN, DEPUTY

BANK COMMISSIONER
UNION TRUST BUILDING
BALTIMORE, MD.

REC'D IN FILES SECTION
MAR 28 1940
421 11

March 27th, 1940.

*Morrill
Council
files*

Mr. L. P. Bethea, Assistant Secretary,
Board of Governors of the Federal Reserve System,
Washington, D. C.

Dear Mr. Bethea:

This will acknowledge your letter of March 26th, replying to our communication addressed to Mr. Morrill under date of March 15th.

May we assure you that we appreciate very much your cooperation in letting us have the information contained in your communication.

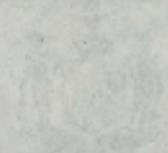
Very truly yours,

John D. Hospelhorn
DEPUTY BANK COMMISSIONER.

JDH:O

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BANK COMMISSIONER



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

1940 MAR 28 AM 8 47

RECEIVED

FEDERAL RESERVE BANK
OF ATLANTA

April 21, 1939

FILED IN FILES SECTION
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Ref to let
4/18/39

Dear Dr. Goldenweiser:

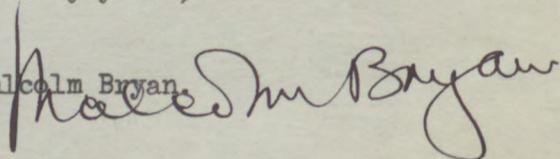
I am in receipt of your note of April 18th, together with a copy of a letter written you by Professor Rapp of Tennessee and a carbon of your reply concerning reports of the Committee on Branch, Group, and Chain Banking. I have also received communications from Mr. Bethea on the same subject.

Professor Rapp has not yet followed your suggestion by writing here, but I presume we will hear from him shortly. In the meantime, a search of our files seems to indicate, as I have written Mr. Bethea, that this bank was never furnished with any of the reports except the "Summary" issued under date of November 12, 1932.

I have always wanted the bank to have the reports for the confidential section of our library, and have written Mr. Bethea to that effect. This is purely for your information, then, but I would appreciate any assistance you can give to me or to Mr. Bethea in acquiring for Atlanta the full set of studies.

Very truly yours,

Malcolm Bryan



Dr. E. A. Goldenweiser,
Director of Research and Statistics,
Board of Governors of the
Federal Reserve System,
Washington, D. C.

FOR FILED
Roland I. Robinson

Mr. Goldenweiser
Mr. Robinson

FEDERAL RESERVE BANK
OF ATLANTA

April 21, 1939

Dear Dr. Goldenweiser:

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Very truly yours,

Malcolm Bryan.
BOARD OF GOVERNORS

Dr. E. A. Goldenweiser,
Director of Research and Statistics,
Board of Governors of the
Federal Reserve System,
Washington, D. C.

Copy to: Mr. L. P. Bethea,
Assistant Secretary,
Board of Governors of the
Federal Reserve System,
Washington, D. C.

FOR FILES
Roland I. Robinson

RECEIVED
DIVISION OF RESEARCH
APR 27 1939

RECEIVED
APR 21 1939
DIVISION OF RESEARCH
AND STATISTICS

RECEIVED

1939 APR 24 AM 9 04

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Large, faint, stylized red outline characters, possibly spelling "CQY", are stamped across the center of the document.

OF ALABAMA
FEDERAL RESERVE BANK

REC'D IN FILES SECTION
W APR 25 1939 K
4210 11
R

April 21, 1939

Mr. Malcolm Bryan, Vice President,
Federal Reserve Bank of Atlanta,
Atlanta, Georgia.

Dear Mr. Bryan:

This is in reply to your letter of April 17 to Mr. Bethea requesting a set of the reports of the Committee on Branch, Group, and Chain Banking. This request cannot be met except at the cost of a great deal of copying or photostating, since our supply of most of the reports is exhausted.

Your bank, however, should have a full set of the reports since one was sent on August 8, 1933 to Mr. W. S. Johns, who was then acting Governor. I should appreciate knowing the result of your search for this set.

Presumably you have received the correspondence of April 17 which referred Professor Rapp to your bank for access to the reports.

Very truly yours,

(Signed) E. A. GOLDENWEISER

E. A. Goldenweiser
Director of Research and Statistics

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R.I.R.

FILE COPY

FOR FILES
E. A. Goldenweiser

W D IN FILES SECTION
W APR 20 1939
4210 11

April 17, 1939

Mr. Robert E. Rapp,
Associate Professor of Finance,
University of Tennessee,
Knoxville, Tennessee.

Dear Professor Rapp:

Only a limited number of mimeographed copies of the committee studies referred to in your letter of April 11 were prepared. These copies are available in only a few places including the Library of Congress, the Library of the Board of Governors in Washington, and the libraries of some of the Federal Reserve banks. If it is not possible for you to come to Washington, it is suggested that you direct your request to the Federal Reserve Bank of Atlanta.

The two reports of particular interest to you bear the titles Branch Banking in the United States and Banking Groups and Chains.

Very truly yours,

(Signed) E. A. GOLDENWEISER

E. A. Goldenweiser
Director of Research and Statistics

RIR:ch

RIR
Mr. J.

FILE COPY

FOR FILES
E. A. Goldenweiser

REC'D IN FILES SECTION
APR 20 1939
421011

April 18, 1939

Mr. Malcolm Bryan, Vice President,
Federal Reserve Bank of Atlanta,
Atlanta, Georgia.

Dear Mr. Bryan:

For your information a copy of a request received from Professor Rapp of Knoxville, Tennessee, and a copy of our reply to the request are enclosed. A description of the conditions under which the reports of the Federal Reserve Committee on Branch, Group, and Chain Banking are to be made available is contained in Mr. Bethea's letter of April 13, 1939, S-158.

Very truly yours,

(Signed) E. A. GOLDENWEISER

E. A. Goldenweiser
Director of Research and Statistics

Enclosures

RIR:ch
RIR

FILE COPY

FOR FILES
E. A. Goldenweiser

See ans. 4/18/39

*Mr. Bethea
J. C. [unclear]
Robinson*

REC'D IN FILES SECTION
APR 25 1939
421011

FEDERAL RESERVE BANK
OF ATLANTA

April 17, 1939

Carded

Dear Mr. Bethea:

We have your letter enclosing a copy of your communication to Mr. George Harrison in regard to the reports of the Committee on Branch, Group, and Chain Banking. We are willing to comply fully with your suggestions, which seem to be excellent. *S-158*

In searching our files, however, I am unable to discover anything under the foregoing heading except the "Summary" issued under date of November 12, 1932. As I recall the situation there were several of the reports by the Committee. In this recollection I am wondering, therefore, if it would be possible, in accordance with the arrangement you have outlined in your letter, for us to acquire the additional reports for the confidential section of our library. Will you write me in this connection, since I should very much like to have the reports available here in the bank.

Sincerely yours,

Malcolm H. Bryan
Malcolm H. Bryan

Mr. L. P. Bethea, Assistant Secretary,
Board of Governors of the
Federal Reserve System,
Washington, D. C.

FOR FILES
E.A. Goldenweiser

See ans 4/21/39

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1939 APR 18 PM 3 38

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

REC'D IN FILES SECTION
APR 17 1939
421 ● 11

FEDERAL RESERVE BANK
OF NEW YORK

April 15, 1939.

S i r s :

Receipt is acknowledged of the Board's letter S-158 dated April 13, 1939, which is a copy of letter to Mr. Harrison, in which the Board makes certain suggestions as to access to the reports of the Committee on Branch, Group and Chain Banking.

Respectfully,

R. M. Gidney
R. M. Gidney,
Vice President.

Board of Governors
of the Federal Reserve System,
Washington, D. C.

FEDERAL RESERVE SYSTEM
APR 15 1939

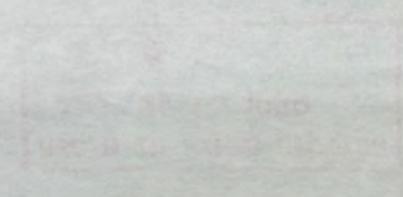
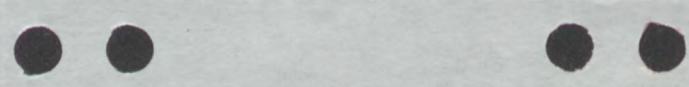
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1939 APR 17 AM 9 12

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



READ IN FILES SECTION
APR 21 1939
421011

April 13, 1939.

Mr. George L. Harrison, President,
Federal Reserve Bank of New York,
33 Liberty Street,
New York City.

Dear Mr. Harrison:

As you know, the reports of the Committee on Branch, Group, and Chain Banking were never formally adopted by the Federal Reserve Board and with a few exceptions they have not been made available to persons outside the System. These few exceptions, however, have resulted in academic or press citations which have inspired a considerable number of requests for access to the reports.

In order to make the useful material in these reports available without discrimination, it is suggested that responsible persons be permitted to use them at the libraries of the Board or Reserve banks so far as such use will not interfere with regular operations. Attention of persons using the reports should be directed, however, to the fact that they were prepared as research reports for the information of the Board but were not adopted or approved by the Board as an official expression of its views. Citations of the reports should reflect this limitation. A notice to this effect probably should be attached to each of the reports.

A copy of our reply to ^{3/29/39} Mr. Gerald J. Matchett of Cornell University, who requested the use of one of the reports, is enclosed.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,
Assistant Secretary.

FOR FILES
E. K. Thompson

See Mr. P.
E. K. Thompson
CON
FILE
RIR: E: NW
Enclosure

COPY

Ms. Carpenter

REC'D IN FILES SECTION
APR 14 1939
421.11
S-158



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 13, 1939.

Carded

*x Com on Re Ho Ca
Ply
Reports on
Access to*

Dear Sir:

For your information there is enclosed a copy of a letter sent today to Mr. Harrison, President of the Federal Reserve Bank of New York.

Very truly yours,

L. P. Bethea,
Assistant Secretary.

*Copies filed
S-letters*

*421.3
421.118*

Enclosure

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS
EXCEPT NEW YORK

April 13, 1939.

Mr. George L. Harrison, President,
Federal Reserve Bank of New York,
33 Liberty Street,
New York City.

Dear Mr. Harrison:

As you know, the reports of the Committee on Branch, Group, and Chain Banking were never formally adopted by the Federal Reserve Board and with a few exceptions they have not been made available to persons outside the System. These few exceptions, however, have resulted in academic or press citations which have inspired a considerable number of requests for access to the reports.

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A copy of our reply to Mr. _____ of _____ University, who requested the use of one of the reports, is enclosed.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,
Assistant Secretary.

CO'D IN FILES SECTION
w APR 21 1939 K
421011

w

S-158

April 13, 1939

(To be mimeographed)

Sir:

For your information there is enclosed a copy of a letter sent today to Mr. Harrison, President of the Federal Reserve Bank of New York.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,
Assistant Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS EXCEPT NEW YORK

FOR FILES
R. K. Thompson

(To be mimeographed)

April 12 1939.

Mr. George L. Harrison, President,
Federal Reserve Bank of New York,
33 Liberty Street,
New York City.

Dear Mr. Harrison:

As you know, the reports of the Committee on Branch, Group, and Chain Banking were never formally adopted by the Federal Reserve Board and with a few exceptions they have not been made available to persons outside the System. These few exceptions, however, have resulted in academic or press citations which have inspired a considerable number of requests for access to the reports.

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A copy of our reply to Mr. Gerald J. Hatchett of Cornell University, who requested the use of one of the reports, is enclosed.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,
Assistant Secretary.

~~Enclosure~~
Enclosure

FOUND IN FILES SECTION
APR 21 1939
4210/11

April 15, 1939.

Mr. Gerald J. Matchett,
Department of Economics,
Cornell University,
Ithaca, New York.

Dear Sir:

Only a limited number of mimeographed copies
of the report Bank Suspensions in the United States, 1892-
1931, referred to in your letter of March 29 was prepared
and these copies are available in only a few places in-
cluding the Library of the Board of Governors in Washington,
the Library of Congress, and the libraries of some of the
Federal Reserve banks. If it is not possible for you to
come to Washington, it is suggested that you direct your
request to the Federal Reserve Bank of New York.

Very truly yours,

(Signed) E. A. Goldenweiser

E. A. Goldenweiser,
Director of Research and Statistics.

RIR:lw
R.W.G.

FILE COPY

FOR FILES
R. K. Thompson

5749/24

THE UNIVERSITY OF TENNESSEE
KNOXVILLE
SCHOOL OF BUSINESS ADMINISTRATION

REC'D IN FILES SECTION
APR 20 1939
421011

April 11, 1939

Carded

**DRBh (6)*

Division of Research and Statistics
Federal Reserve Board
Washington, D. C.

Gentlemen:

The Bureau of Business Research at the University of Tennessee is undertaking a study of bank relationships within the state, the first phase of which is to deal with group banking.

Although we understand that the study you made in 1932, entitled "Report of the Federal Reserve Committee on Branch, Group and Chain Banking", has not been released in published form, we are wondering if you have typewritten or mimeographed copies available on the sections concerning: (1) Branch Banking in the United States, and (2) Bank Groups and Chains. If extra copies of this material are not available, we shall be very grateful if a loan can be arranged.

We shall appreciate any suggestions or advice you care to give us on the subject matter or methods involved in such a study as we are contemplating.

Thank you for your trouble.

Sincerely yours,

Robert E. Rapp

Robert E. Rapp
Associate Professor of Finance

RER/gb

FOR FILES
E. A. Goldenweiser

See ans 4/18/39

THE UNIVERSITY OF TEXAS AT AUSTIN
DEPARTMENT OF ECONOMICS
ECONOMICS

1939

RECEIVED
APR 1 1939
DIVISION OF RESEARCH
AND STATISTICS

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

REC'D IN FILES SECTION

APR 21 1939 K

4211

Date April 7, 1939

Office Correspondence

To Board of Governors

From Mr. Goldenweiser

Subject: Making the reports of the Committee on Branch, Group, and Chain Banking available to persons outside the Federal Reserve System.

It is recommended that the reports of the Committee on Branch, Group, and Chain Banking be made available to persons outside the Federal Reserve System under the conditions and for the reasons set forth in the following paragraphs.

From time to time requests are received for the use of the reports of the Committee on Branch, Group, and Chain Banking. Although most of the requests have been refused, there have been occasions when serious students of problems covered in these reports have been given access to them. No definite policy has been adopted, however, as to conditions under which these reports should be made available to persons outside the Reserve System. Adoption of a uniform plan for this purpose will not only make for fairness but will expedite the handling of the requests.

These reports were drafted originally with a view to publication, and it was expected that the versions of the set furnished Senator Glass's subcommittee of the Senate Banking and Currency Committee in 1933 (now the "official" edition) were to be published as Congressional documents. The reports were edited accordingly but were not published as Senate documents. Because of the unsettled character of banking affairs in 1933 the Board did not wish to publish them on its own initiative and, as a consequence, they were withheld from use outside the System.

The copies supplied the Glass subcommittee, however, were made available to H. Parker Willis and to the Brookings Institution. A book by Willis and Chapman, The Banking Situation, was based largely on these reports and cited them extensively, and another by Upham and Lanke, Closed and Distressed Banks, also cited the reports extensively. Reference to them also appeared in the Federal Deposit Insurance Corporation's annual report for 1934. One of the Glass subcommittee sets of the reports was deposited in the Library of Congress.

More recently, several of the reports were made available to an officer of the Indian Head National Bank of Nashua, New Hampshire, and in hearings on a branch banking bill in that State they were cited specifically. The sections cited in the hearings were favorable to branch banking and there was nothing in the form of citation to indicate that the reports did not have the official sanction of the Reserve System.

FOR FILES
R. E. Thompson

Board of Governors, page 2.

Because of these public citations, requests for the use of the reports are received frequently, but until recently most of them have been refused. Such refusal effects a partial discrimination against those who cannot come to Washington since in addition to the Library of Congress' set those at Brookings Institution are available to responsible persons outside the Institution.

In order to make the useful material in these reports available without discrimination, it is recommended that they be made available to responsible persons at our library and at the libraries of the Reserve banks, so far as the supply of the reports is adequate. It is also recommended that the attention of each user be directed to the fact that the reports were not approved or released by the Board and reflect only the opinion of the committee which prepared them, and that they be requested to frame their citations accordingly.

A draft of a reply to the most recent inquiry, suggesting that the correspondent apply to the Federal Reserve Bank of New York, and a draft of a letter to the New York Bank suggesting the procedure to be followed are attached. There is also attached a copy of the correspondence regarding the New Hampshire request.

Attachments

Approved
MINUTES ON

APR 19 1939

RHS

FOR APPROVAL
OF MR. *Davis*
ON BEHALF OF THE BOARD
See first page for initials
Approved
(Initials)

FILE COPY

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AM

REC'D IN FILES SECTION
APR 14 1939
421011

April 7, 1939

Board of Governors

Mr. Goldenweiser

Making the reports of the Committee on Branch, Group, and Chain Banking available to persons outside the Federal Reserve System.

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FILE COPY

FOR FILES
FOR FILES
Roland I. Robinson

Board of Governors, page 2.

Because of these public citations, requests for the use of the reports are received frequently, but until recently most of them have been refused. Such refusal effects a partial discrimination against those who cannot come to Washington since in addition to the Library of Congress' set those at Brookings Institution are available to responsible persons outside the Institution.

In order to make the useful material in these reports available without discrimination, it is recommended that they be made available to responsible persons at our library and at the libraries of the Reserve banks, so far as the supply of the reports is adequate. It is also recommended that the attention of each user be directed to the fact that the reports were not approved or released by the Board and reflect only the opinion of the committee which prepared them, and that they be requested to frame their citations accordingly.

A draft of a reply to the most recent inquiry, suggesting that the correspondent apply to the Federal Reserve Bank of New York, and a draft of a letter to the New York Bank suggesting the procedure to be followed are attached. There is also attached a copy of the correspondence regarding the New Hampshire request.

RIR:mw

Attachments

RIR
Mr. J.

FILE COPY

FEDERAL RESERVE BANK
OF
PHILADELPHIA

DEPARTMENT OF
RESEARCH AND STATISTICS

March 31, 1939

REC'D IN FILES SECTION
APR 1 1939
421 • 11

Mr. Roland I. Robinson,
Division of Research and Statistics,
Board of Governors of the
Federal Reserve System,
Washington, D. C.

Dear Roland:

This is to express our deep appreciation in furnishing us with a complete set of material prepared by the Federal Reserve Committee on branch, group and chain banking. It will be most valuable for current and future reference work. We certainly appreciate your efforts in supplying us with this source material.

The volume which you lent us is being forwarded under separate cover to you.

Best wishes and regards.

Sincerely yours,

CAS

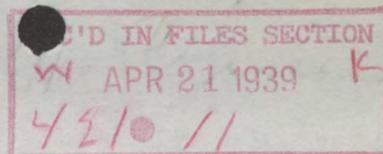
C. A. Sienkiewicz
Assistant Vice President

CAS-h

FOR FILES
Roland I. Robinson

COLLEGE OF ARTS AND SCIENCES
* CORNELL UNIVERSITY
ITHACA, NEW YORK

DEPARTMENT OF ECONOMICS



29 March, 1939

Carded

Dr. Woodlife Thomas
Division of Research and Statistics
Board of Governors
Federal Reserve System
Washington, D. C.

Dear Dr. Thomas:

I am writing a thesis on the relationship between stockholders and creditors of national banks. I am very anxious to see the report of the Committee on Branch, Group, and Chain Banking, entitled Bank Suspensions in the United States.

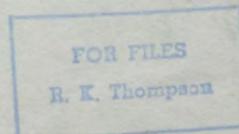
Professor H. L. Reed has suggested that you may be able to inform me where and how I may obtain a copy of the report to use. I shall appreciate your aid in this matter.

Sincerely yours,

Gerald J. Matchett
Gerald J. Matchett

GJM:mpe

submitted 4/13/39
See ans 4/13/39



CORNELL UNIVERSITY
ITHACA, N.Y.

RECEIVED
MAR 20 1959
DIVISION OF RESEARCH
AND STATISTICS

READ IN FILES SECTION
K MAR 20 1939
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R

Rip

Carded

March 17, 1939.

Mr. George Eddy,
Federal Reserve Bank,
New York City.

Dear George:

Two franks for the transmission of the committee
volumes are enclosed. As you probably know, not more than
four pounds should be sent in one package.

Sincerely,

Roland I. Robinson,
Division of Research and Statistics.

Enclosures 2

RIR:lw

FILE COPY

FOR FILES
Woodlief Thomas

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REC'D IN FILES SECTION
W
JAN 20 1939
7210-11
R

INDIAN HEAD NATIONAL BANK

ESTABLISHED 1851

NASHUA, NEW HAMPSHIRE

Handwritten mark.

January 18, 1939

Mr. L. P. Bethea, Assistant Secretary
Board of Governors
Federal Reserve System
Washington, D. C.

Dear Sir:

We appreciate very much receiving yours of the 16th/enclosing
September and December, 1937 issues of the Federal Reserve
Bulletin along with October, 1938 issue.

In this particular instance, we are desirous of obtaining a
record of banking failures classified by branch as against
unit banks. In the event the report of the Committee on
branch, group and chain banking is available at the Federal
Reserve Bank of Boston, we will endeavor to make use of the
information there.

We wish to thank you again for your interest and courtesy
in this matter.

Very truly yours,

W. S. Hertrais
Assistant Cashier

WSH:BKW

FOR FILES
A. Buchanan

RECEIVED

1939 JAN 20 AM 8 54

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

RECEIVED

JAN 20 1939

DIVISION OF
BANK OPERATIONS

UNITED STATES NATIONAL BANK

RECORDED IN FILES SECTION
W JAN 18 1939 K
4210 110

JAN 16 1939

Mr. R. A. Young, President
Federal Reserve Bank of Boston
Boston, Massachusetts

Dear Mr. Young:

There is inclosed a copy of a ^{su} letter dated January 6/ from Mr. W. S. Hertrais, Assistant Cashier of the Indian Head National Bank, Nashua, New Hampshire, requesting a copy of the report of the Federal Reserve System Committee on Branch, Group and Chain Banking entitled "Branch Banking in the United States", together with a copy of a letter sent to Mr. Hertrais in response to his request.

As you know, the reports of the Committee on Branch, Group and Chain Banking have not been published by the Board and are not available for distribution. A copy of each of the ten volumes of the report, however, is on file at the Library of Congress, Washington, where it is available for the use of anyone interested in the data. It is understood that the volumes at the Library are those which were furnished to Senator Glass in 1933 in response to his request. Data contained in the reports have been quoted, for example, in a book entitled "Closed and Distressed Banks" by Upham and Lanke and in one entitled "The Banking Situation" by Willis and Chapman. In each case the source of the material quoted was clearly indicated.

In the circumstances, there appears to be no reason why the material contained in the reports should not be made available to those particularly interested in the subject. Accordingly, it is suggested that, if Mr. Hertrais so desires, you let him use at the offices of your bank any volume of the reports in which he may be interested.

Very truly yours,

(Signed) L. P. BETHEA

L. P. Bethea,
Assistant Secretary.

JAN 16 1939

Inclosure

FILE COPY

FOR FILES
R. K. Thompson

JEH/ab

Mr. J. C. Bell

see memo 1/18/39

Lavis
COW

Apple

Et

John

423-110

Mr. R. Robinson ✓
Mr. Woodlief Thomas ✓
Mr. Bethea ✓

January 13, 19

Mr. Goldenweiser ✓

Mr. Smead approved the draft of the proposed letter to President Young, but it was not written up until after he left for New York Thursday night.

J.E.Horbett

REC'D IN FILES SECTION
JAN 18 1939
421 • 110
K

JAN 16 1939

Mr. W. S. Hertrais
Assistant Cashier
Indian Head National Bank
Nashua, New Hampshire

Dear Mr. Hertrais:

Reference is made to your letter of January 6/re-questing a copy of the report of the Federal Reserve Committeeon Branch, Group and Chain Banking entitled "Branch Bankingin the United States".

The report to which you refer has not been published and copies, therefore, are not available for distribution. However, the President of the Federal Reserve Bank of Boston has a copy of the report, and we are asking him to let you use the report at that bank at any time you are in Boston.

Detailed figures of bank suspensions during 1921-1936 appear in the September and December 1937 issues of the Federal Reserve Bulletin, copies of which are inclosed. These compilations, however, do not give separate statistics of branch bank suspensions, nor have we published such data. We are not aware of any publication which shows such data other than the reports of the Committee on Branch, Group, and Chain Banking. Figures of banks and branches in the United States shown in the inclosed October 1938 issue of the Federal Reserve Bulletin beginning on page 876 may be of interest to you.

Very truly yours,

(Signed) L. P. BETHEA

L. P. Bethea,
Assistant Secretary.

And see...
MINUTES ON

JAN 16 1939 RKP

100 APPR
OF THE
BOARD
CEN

Copy of this letter sent to Mr. R. A. Young, President,
Federal Reserve Bank of Boston.

Inclosures.

CPD
Jan

DMK/ab

FILE COPY

FOR FILES
R. K. Thompson

copy filed
421 • 110

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

FILED IN FILES SECTION

W JAN 18 1939

421 • 11

Date January 12, 1939

Office Correspondence

To Mr. Smead

From Mr. Horbett

Subject: Release of data contained in reports of Federal Reserve System Committee on Branch, Group and Chain Banking.

The following information, based largely on File 421.110, indicates the extent to which data contained in the reports of the Federal Reserve System Committee on Branch, Group and Chain Banking have been released from time to time:

May 25, 1933. Mr. Goldenweiser transmitted the last three volumes of the Committee's reports, making 10 volumes combined, to Senator Glass.

August 4, 1933. Governor Black wrote to Mr. H. Lane Young, Executive Vice President of the Citizens and Southern National Bank, Atlanta, Georgia, denying the request of the Association of Reserve City Bankers for permission to publish the reports prepared by the Federal Reserve System Committee on Branch, Group and Chain Banking.

August 9, 1933. Mr. Goldenweiser, as Chairman of the Committee, sent one copy of each of the ten volumes of the Committee's report to the Governor of each Federal Reserve bank. A sample copy of Mr. Goldenweiser's letter is quoted below:

"I take pleasure in sending you under separate cover copies of the reports of the Federal Reserve Committee on Branch, Group, and Chain Banking, which the Governors expressed a desire to see with the view to passing on the desirability of printing them.

"The various reports, which are being transmitted, include: (1) Branch Banking in the United States; (2) Branch Banking in California; (3) Branch Banking in England; (4) Branch Banking in Canada; (5) Banking Groups and Chains; (6) Changes in the Number and Size of Banks in the United States, 1834-1931; (7) Bank Suspensions in the United States, 1892-1931; (8) 225 Bank Suspensions, Case Histories from Examiners' Reports; (9) Banking Profits, 1890-1931; (10) Dual Banking System in the United States. I am also sending you a revised Summary of the Reports and, as our supply of charts is limited, I shall be glad if you can conveniently return the copy of the earlier Summary which was distributed at the Governors' Conference last autumn."

August 17, 1933. Mr. Morrill advised Mr. C. W. House, Manager, "Trust Companies", New York, that the report of the Committee was voluminous, had not been published, and was not available for distribution.

FOR FILES
R. K. Thompson

January 16, 1934. Mr. Morrill advised Senator Arthur R. Robinson that the Committee drafted a report which was quite voluminous, that the Board decided not to publish the material, and that no copies were available for distribution.

February 7, 1934. Mr. Morrill sent to Mr. I. J. Fulton, Superintendent of Banks of the State of Ohio, certain statistical material included in the compilations of the Committee on Branch, Group and Chain Banking. The statistical tabulations pertained to the banking structure of Ohio, including bank changes, failures, and earnings. Mr. Morrill's letter stated that the Board "wishes it to be understood that in any use made of the information it is not to be referred to as having been released or made available for such use by the Board or the Federal Reserve System Committee on Branch, Group, and Chain Banking".

March 8, 1934. Mr. Morrill advised Mr. Thomas F. Burchill, Chairman of the Joint Legislative Committee on Banks (of the Legislature of New York), that the report of the Committee was voluminous and had not been published and that, therefore, no copies were available for distribution. Mr. Morrill's letter stated further, however, that the Federal Reserve Agent at New York had been requested to make available to the Joint Legislative Committee the copy of the report on file at the Federal Reserve Bank of New York, "with the understanding that in no event will your committee quote from or cite the report or publish any of the tables or information contained therein but will use the report only as a basis for study to enable the committee to reach conclusions".

October 21, 1938. Mr. Smead advised Mr. Ervin F. Stepanek, Assistant Cashier of the Peoples Savings Bank, Cedar Rapids, Iowa, that a copy of the report of the Committee entitled "225 Bank Suspensions -- Case Histories from Examiners' Reports" was available at the Library of Congress and at the Federal Reserve Bank of Chicago, and that a letter had been sent to the President of the Federal Reserve Bank of Chicago suggesting that he communicate with Mr. Stepanek and make available that bank's copy of the report for Mr. Stepanek's use at the Federal Reserve bank.

November 7, 1938. In response to a request from Sister M. Mercedes, Chicago, Illinois, for a copy of the Committee's report on "Branch Banking in the United States", Mr. Thomas advised her that the report had not been published and, therefore, no copies were available for distribution.

Although the Board in 1934 laid down the condition that those to whom the reports were made available were not to quote therefrom or publish any of the tables or information, or cite the report, such quotations and citations have in fact appeared. For example, the book entitled "Closed and Distressed Banks" by Upham and Lanke, issued by the Brookings Institute in 1934, contains a number of tables taken from or based on the Committee's reports, with footnotes giving full credit therefor, also a general statement in the author's Acknowledgment giving such credit. Likewise, the book entitled "The Banking

Mr. Smead -- 3

"Situation" by Willis and Chapman gives general credit for such matter in the Preface, as well as specific credit in footnotes to tables and other data contained in the book.

President Young of the Federal Reserve Bank of Boston advised me by phone on January 11 that he has been holding the reports confidential but would be glad to make the desired material available to New Hampshire bankers if authorized to do so by letter. I got the impression from him that he may have been approached by New Hampshire bankers for the data in connection with a movement there for establishment of branch banking, but he did not feel he could make the reports available because he understood they had been sent to him confidentially. I told him that the material is now made available at the Board's offices, upon specific requests therefor, because it is now generally known that the reports are available at the Congressional Library and because the material has been quoted, with full credit therefor, in books that have come to the attention of the general public. The set at the Congressional Library was, I believe, turned over to the Library by Senator Glass.

Attachments.

for file see 421,110
Books referred to ret'd to Library

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

RECORDED IN FILES SECTION

JAN 13 1939

421011

Date January 12, 1939

Office Correspondence

To Mr. Smead

From Mr. Horbett

Subject: Release of data contained in reports of Federal Reserve System Committee on Branch, Group and Chain Banking.

Carded

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FOR FILES
A. Buchanan

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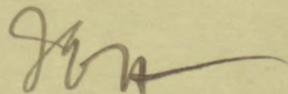
FOR FILES
A. Buchanan

Mr. Smead -- 3

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Attachments.



JEH/ab

FOR FILES
A. Buchanan

Kennedy
Hertrais



REC'D IN FILES SECTION
W JAN 18 1939
421 • 110

R

E

INDIAN HEAD NATIONAL BANK
ESTABLISHED 1851
NASHUA, NEW HAMPSHIRE

January 6, 1939 *js*

Board of Governors of
Federal Reserve System
Constitution Avenue at 20th St.
Washington, D. C.

Gentlemen:

We are very desirous of obtaining the report of the Federal Reserve Committee on branch, group and chain banking entitled, "Branch Banking in the United States". It is our understanding that the report was published in 1932. In the event there are more recent figures in connection with failures and suspensions classified as between branch and unit banks, and national and state banks, we would very much appreciate your forwarding the information to us.

In the event this data is not obtainable through your offices, we would greatly appreciate your advice as to where we might procure it.

Very truly yours,

W. S. Hertrais

W. S. Hertrais
Assistant Cashier

WSH:BKW

FOR FILES
R. K. Thompson

See letter 1/16/39
See also 1/16/39

RECEIVED

1939 JAN 9 AM 9 14

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Handwritten signature



SEP 28 1938

42/11

file
9/28/38

STUDY BY SYSTEM COMMITTEE ON BRANCH, GROUP,
AND CHAIN BANKING.

On October 28, 1929, the Board requested the Federal Advisory Council to consider the following topic at its meeting on November 19, 1929, and to submit to the Board such recommendation as the Council saw fit to make with respect thereto:

"Developments in branch, chain and group banking with particular reference to the effects of bank stock ownership by investment trusts and holding corporations."

As a result of its meeting, the Council submitted the following recommendation to the Board:

"The Federal Advisory Council recommends 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 Federal Reserve Agents' Conference and the Governors' Conference on December 11 and 12, 1929, respectively, voted to concur in the recommendation of the Federal Advisory Council.

On December 12, 1929, the Board voted "that in order to expedite the assembling of data on branch, group and chain banking that is being carried on in the Board's Division of Bank Operations, a committee of five be appointed by the Board, as recommended by the Federal Advisory Council and the Conference of Federal Reserve Agents, to assemble and digest information on branch banking as practiced in the United States, group and chain banking systems as developed in the United States and elsewhere, the unit banking system of this and other countries and the effect of ownership of bank stocks by investment trusts and holding corporations, in order that the Board may be in possession of accurate and authoritative information on the subject."

At the meeting of the Board on February 26, 1930, Governor Young stated that "he met this morning with the committee recently appointed to make a study of the subject of member bank reserves

F. H. S. P.

and had suggested to the committee that the Board may find it desirable to also appoint the members of the committee on reserves as a committee to study the development of chain, group and branch banking in the United States. He stated that, inasmuch as the committee would have to give considerable thought to this subject, in connection with its study on reserves, the members would be willing to serve on both committees should the Board desire to take such action." In accordance with this suggestion Messrs. Goldenweiser and Smead, of the Board's staff, and Messrs. Rounds, Fleming and Clerk, representing the Federal Reserve banks, were appointed as members of the committee on branch, group and chain banking.

On April 24, 1930, the Federal reserve banks were advised that the Board had voted, subject to approval of the Federal reserve banks (which was promptly given), to change the committee on branch, group and chain banking from a Board to a Federal reserve bank committee, its expenses to be borne pro rata by the Federal reserve banks.

The total expenses involved in connection with the preparation of the report, exclusive of certain overhead expenses including principally the salaries of the members of the committee, were \$151,000. The last of the eleven volumes comprising the report was completed in final form in June 1933 so that approximately three years were required for the study.

The subjects covered by the report and the number of pages contained in each study, exclusive of appendices, are as follows:

<u>Subject</u>	<u>Number of pages, exclusive of appendices</u>
Changes in the Number and Size of Banks in the United States, 1834-1931	85
Banking Groups and Chains	214
The Dual Banking System in the United States	133
225 Bank Suspensions, Case Histories from Examiners' Reports	219
Bank Suspensions in the United States, 1892-1931	180
Banking Profits, 1890-1931	101
Branch Banking in the United States	241
Branch Banking in California	132
Branch Banking in England	95
Branch Banking in Canada	125
Summary of the Reports	87
Total	1,562

Copies of the report (exclusive of the summary) were sent to Senator Glass, as the volumes were completed in April and May 1933, to all Federal reserve banks under date of August 8, 1933, to Mr. R. H. Sparkman, Acting Clerk of the Senate Committee on Banking and Currency on September 22, 1934, and to Mr. Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, on October 2, 1934. The copy of the report at the Chicago bank was made available to the Secretary of the Federal Advisory Council in August 1933. On June 29, 1934, Mr. Goldenweiser was authorized by the Board to make a copy of the report available to Dr. Viner, Assistant to the Secretary of the Treasury. The parties outside the System were advised that the report had not been passed upon by the Board.

The minutes of the Board for August 1, 1933, indicate that Mr. Riddle, who had been executive secretary of the committee on branch, group and chain banking, and who was then employed by the Reserve City Bankers Association, advised that the Association would like very much to see the report published, and that, in the event the Board did not wish to have the report printed at its own expense the Association would be glad to defray the expenses of publication. The minutes also indicate that Mr. Goldenweiser, as Chairman of the committee, felt that the report should be published. The Board, however, requested its secretary to advise Mr. Riddle that the Board was not prepared to publish the report at that time, and that if and when the report was published it should be at the expense of the Board as an official Board publication and not at the expense of any other organization. Subsequently a similar request was also received from Mr. H. Lane Young, a member of the Commission on Banking Law and Practice appointed by the Association of Reserve City Bankers, for permission to have the report published for the use of the various subcommittees of the Commission and the general public, and Mr. Young was advised that the Board felt it should not grant such permission.

At the meeting on August 1, 1933, Mr. Morrill called attention to the fact that the report had never been passed upon by the Board, and that he had been informed that the copy of the report which was furnished to Senator Glass for the information of his subcommittee of the Senate Banking and Currency Committee was being made available to anyone who desired to see the report in Senator Glass' office.

At the meeting of the Governors' Conference with the Federal Reserve Board on October 12, 1933, it was reported that the Conference had voted to recommend to the Board the reconstituting

of the committee on branch, group and chain banking, for the purpose of amending the report in the light of events which had transpired since the report was prepared. The Board advised Governor Calkins, as Chairman of the Governors' Conference, on November 9, 1933, that the Board had given careful consideration to the recommendation of the Conference and had decided that it should be held in abeyance until after the then present emergency was past, and that further consideration would be given to the matter when the Board was in a position, in the light of later circumstances, to determine whether further revision of, and addition to, the committee report would be desirable. There is nothing in the files or the minutes of the Board to indicate that any further action was ever taken by the Board with respect to the recommendation of the Governors' Conference.

REC'D IN FILES SECTION
AUG 26 1938
421-11

Office Correspondence

Date August 26, 1938

To Mr. Carpenter

Subject: *audit*

From Mr. Smead

*x Comm on Br G+C B
x Apm*

In accordance with your telephone request, there is given below the expenses, as reported by the Federal Reserve Bank of New York, of the Branch, Group and Chain Banking Committee. These figures include total expenses of the Committee except certain overhead expenses, principally the salaries of the members of the Committee.

1930	\$ 17,880.93
1931	69,135.93
1932	56,810.92
1933	<u>7,584.13</u>
	\$151,411.91

For your information there is also given below the expenses, calculated on the same basis, of the Committee on Member Bank Reserves:

1930	\$ 7,119.44
1931	14,361.46
1932	<u>1,111.02</u>
	\$22,591.92

J. Smead

*Copy filed
415.026*

*x ref. filed
421-11c*

*J. Smead
1938*

SHARE OF EXPENSES OF SYSTEM COMMITTEES ON MEMBER BANK RESERVES AND ON BRANCH, GROUP AND
CHAIN BANKING (1930 - 1933) AS REPORTED TO BOARD IN EXPENSE REPORTS OF FEDERAL RE-
SERVE BANKS 1931 - 1933.

Federal Reserve Bank	Committee on Member Bank Reserves		Committee on Branch, Group, and Chain Banking		
	Form E Second Half 1931	Form E Second Half 1932	Form E Second Half 1931	Form E Second Half 1932	Form E Second Half 1933
Boston	\$1,611.07	\$ 84.44	\$6,526.26	\$4,317.63	\$ 553.64
New York	7,067.21	362.19	28,628.55	18,520.36	2,533.10
Philadelphia	2,126.61	114.43	8,614.67	5,851.53	796.33
Cleveland	2,169.57 <u>1/</u>	112.21	8,788.70 <u>1/</u>	5,737.90	750.83
Richmond	859.24 <u>1/</u>	44.44	3,480.67 <u>1/</u>	2,272.44	295.78
Atlanta	773.31	41.11	3,132.61	2,152.00	265.45
Chicago	2,899.92	148.88	11,747.28	7,612.66	985.93
St. Louis	751.83	38.89	3,045.59	1,988.38	257.86
Minneapolis	494.06	24.44	2,001.39	1,249.84	174.44
Kansas City	622.95	32.22	2,523.49	1,647.52	219.94
Dallas	644.43	<u>2/</u>	2,610.50	<u>2/</u>	219.94
San Francisco	1,460.70	<u>3/</u>	5,917.15	<u>2/</u>	530.89
Total	21,480.90 <u>4/</u>	1,111.02 <u>4/</u>	87,016.86 <u>4/</u>	56,810.92 <u>4/</u>	7,584.13 <u>4/</u>

1/ From Form 96, December 1931.

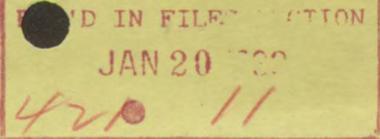
2/ Not reported. A combined figure of \$1,624.97 reported on Form E. Form 96, December 1932, showed \$1,621.82 for committee on branch, group and chain banking, which would leave \$3.15 for committee on member bank reserves, which appears to be incorrect.

3/ Not reported. A single item "Preparation of Special Reports" of \$3,996.61 was reported on Form E and on Form 96 for December 1932, which amount evidently includes expense of Pension Committee.

4/ These figures check with and for 1932 are the totals supplied over phone by New York to Mr. Smead in connection with his memorandum to Mr. Carpenter of August 26, 1938.

FOR FILES
M. F. Daniels
[Signature]

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM



Office Correspondence

Date January 20, 1938.

To Files

Subject: Reports by the Committee on

From Miss Poeppel

Branch, Group and Chain Banking

EBP

Reference is made to Mr. Carpenter's memorandum of June 12, 1935, in which he states in the last paragraph "The official file copies of the ten volumes referred to above are in the safe in the Assistant Secretary's office".

In compliance with Mr. Carpenter's instructions these volumes have been removed from the Minute Section safe and placed in the Files Section under the following classification:

- 421.118-1 Changes in Number and Size of Banks (Part 1)
- 421.118-1 Changes in Number and Size of Banks - Appendices B&C (Part 2)
- 421.118-2 Dual Banking System in U S
- 421.118-3 Case Histories of 225 Bank Suspensions
- 421.118-4 Banking Groups and Chains
- 421.118-5 Bank Suspensions in U S 1892-1931
- 421.118-6 Banking Profits 1890-1931
- 421.118-7 Branch Banking in U S
- 421.118-8 Branch Banking in California
- 421.118-9 Branch Banking in England
- 421.118-10 Branch Banking in Canada
- 421.118-11 Summary of Reports

Mr. Smead's copies that were formerly used as file copies have been returned to him (see memo to him of 1/20/38).

file file

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

REC'D IN FILES SECTION

JAN 20 1938

421 11 *ea*

Office Correspondence

Date January 20, 1938

To Mr. Smead ✓Subject: Reports by the Committee onFrom Miss Poeppel *EBP*Branch, Group, and Chain Banking

verbal

In accordance with your request we are returning your personal copies of reports made by the Branch, Group and Chain Banking Committee as follows:

Changes in Number and Size of Banks (Part 1)
 Changes in Number and Size of Banks - Appendices B & C (Part 2)
 Dual Banking System in U S
 Case Histories of 225 Bank Suspensions
 Banking Groups and Chains
 Bank Suspensions in U S 1892-1931
 Banking Profits 1890-1931
 Branch Banking in U. S.
 Branch Banking in California
 Branch Banking in England
 Branch Banking in Canada
 Summary of Reports

The labels on the folders have been changed and now carry the individual title of each study and the notation "Mr. Smead's copy". This will identify the folders in case they are ever sent to the File Room by mistake.

C
O
P
Y

Division of Bank Operations File

44-11
November 25, 1936

Mr. Smead

Mr. Barrell

With reference to the question contained in your penned note which is attached hereto "Has the Board ever had occasion to prorate expenses, except in connection with the leased wire, among the Reserve banks?" I can find no record in the files of the Board having prorated the expenses of any activity, except the leased wire, during recent years (since 1925).

The expenses of the studies on member bank reserves and branch, group and chain banking mentioned in the nature of precedents in the Board's letter of January 17, 1936 (X-9450), as you undoubtedly know, originally were borne by the Federal Reserve bank of New York and later prorated by that bank. The expenses of various other System committees such as the Pension Committee and the Legislative Program Committee have apparently been handled in a similar manner.

In accordance with your suggestion that we ask the Federal Reserve Bank of Chicago to handle the proration of the expenses of the W.P.A. closed bank study, there is attached a draft of a letter which might be sent to Chicago with regard to this matter and also a draft of a letter to all other banks.

File copy in 225.

AN

421.11
~~421.1~~

SEP 19 1935

Honorable Herbert Putnam,
Librarian of Congress,
Washington, D. C.

Dear Mr. Putnam:

Receipt is acknowledged of your letter of September 9, 1935, expressing a desire to have on file at the Library of Congress, particularly for purposes of historical record, a copy of the mimeographed report of the System Committee on Branch, Group and Chain Banking. As you know, the report is quite voluminous (consisting of eleven volumes) and was prepared by a committee composed of representatives of the Federal Reserve Board and the Federal reserve banks during the fall of 1932 and succeeding winter.

The report was never finally passed upon by the Board. Copies have been furnished, however, to the Senate Committee on Banking and Currency, where they are available to Senators desiring to see them. The Board regrets that it has no complete sets left available for the purpose of complying with your request.

Very truly yours,

(Signed) L. P. BETHEA
L. P. Bethea,
Assistant Secretary.

[Handwritten signature]
LPB-EAG-jcb

[Handwritten initials]
[Handwritten signature]

[Handwritten signature]
Appd Sec

FOR APPROVAL

Mr. Hamlin ✓
Mr. Miller ✓
Mr. James ✓
Mr. Thomas ✓
Mr. Szymczak ✓
Mr. Clayton ✓

If you approve, please
initial and return to
Mr. Carpenter

SEP 19 1935

FILE COPY

Mr. Bethe: -

I suggest a
modification of this letter

JOS

Honorable Herbert Putnam
Librarian of Congress
Washington, D. C.

Dear Mr. Putnam:

Receipt is acknowledged of your letter of September 9, 1935, expressing a desire to have on file at the Library of Congress, particularly for purposes of historical record, a copy of the mimeographed report of the System Committee on Branch, Group and Chain Banking. As you know, the report is quite voluminous (consisting of eleven volumes) and was prepared by a committee composed of representatives of the Federal Reserve Board and the Federal Reserve banks during the fall of 1932 and succeeding winter.

The report was never finally passed upon by the Board. Copies have been furnished, however, to the Senate Committee on Banking and Currency, where they are available to Senators desiring to see them. The Board regrets that it has no complete sets left available for the purpose of complying with your request.

Very truly yours,

Liston P. Bethea
Assistant Secretary

(this draft of letter sent to Mr. Bethea by Dr. Goldenweiser on September 18, 1935, covered by a note suggesting that it be used in modified form
jcb)

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

Honorable Herbert Putnam,
Librarian of Congress,
Washington, D. C.

Dear Mr. Putnam:

Receipt is acknowledged of your letter of September 9, 1935, expressing a desire to have on file at the Library of Congress, particularly for purposes of historical record, a copy of the mimeographed report of the System Committee on Branch, Group and Chain Banking. As you know, the report is quite voluminous (consisting of eleven volumes) and was prepared by a committee composed of representatives of the Federal Reserve Board and the Federal reserve banks during the fall of 1932 and succeeding winter.

The report was never finally passed upon or published by the Board and, since the expense of printing it would be large, the Board has not felt that it would be justified in incurring such an expense. Moreover, on September 22, 1934, the last available complete set of volumes was transmitted to Mr. R. H. Sparkman, Acting Clerk of the Senate Committee on Banking and Currency, so that it might be readily available to any Senator desiring to see it. In the circumstances, the Board regrets that it is not in a position to send you a copy of the report for the purpose you have in mind.

Very truly yours,

LPB-jcb
(file copy of this draft of let-
ter initialed by Mr. Bethea and Mr. Morrill)

Chester Morrill,
Secretary.

LIBRARY OF CONGRESS
WASHINGTON

421.11

OFFICE OF THE LIBRARIAN

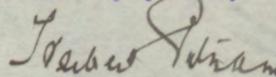
September 9, 1935

Sir:

We have recently noticed that the Library of Congress does not have a copy of the mimeographed report of the branch group and chain banking committee of the Federal reserve system prepared in 1933. It would seem very desirable to have a copy on file at the Library of Congress, particularly for purposes of historical record, and we hope that it will still be possible to have a copy supplied, subject to whatever restrictions you may deem necessary governing its use.

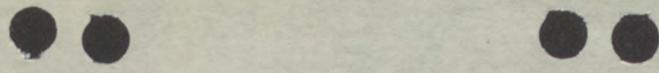
With appreciation for any attention you may be able to give to this matter, I remain

Faithfully yours,



Librarian

Hon. Marriner S. Eccles
Governor, Federal Reserve Board
Washington, D. C.



UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D. C.

11

Very respectfully,
[Illegible text]

Very truly yours,
[Illegible signature]
[Illegible name]
[Illegible title]

SEP 11 1935
Governor's Office
Received in

Office Correspondence

FEDERAL RESERVE
BOARDDate October 2, 1934.To Mr. Goldenweiser

Subject: _____

From Mr. Carpenter

2-8495

In accordance with the recommendation contained in your memorandum of September 28, 1934, the Federal Reserve Board authorizes the transmission to Mr. Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, for the use of Mr. Crowley and other executives of the Corporation, a set of the available volumes of the report of the Committee on Branch, Group, and Chain Banking. It is understood from your memorandum that in two of the available volumes of the report some of the exhibits are not complete.

mg
Dr. Goldenweiser told me over the phone that he would see that the letter to Mr. Crowley called attention to the fact that the report had not been published or passed upon by the Board. SJC

Office Correspondence

FEDERAL RESERVE BOARD

Date September 28, 1934

To The Federal Reserve Board

Subject: 421.11

From Mr. Goldenweiser *[Signature]*

*12-6-34
not read in files
Pa*

16-852

I have received a letter from Mr. Crowley, Chairman of the

FOR APPROVAL

Federal Deposit Insurance Corporation, in which he requests that

- Gov.
- Mr. Hamlin *Absent*
- Mr. Miller *Absent*
- Mr. James *[initials]*
- Mr. Thomas
- Mr. Szymczak
- Mr.

he be furnished with a complete set of the volumes prepared by the Federal Reserve Committee on Branch, Group, and Chain Banking.

If you approve, please initial and return to Mr. Carpenter

The last complete set of these volumes which we had was recently sent to Mr. Sparkman, Clerk of the Senate Committee on Banking and Currency. We could, however, send the Corporation a copy of each of the ten volumes, but in the case of two of these some of the exhibits would be incomplete. This, however, would not materially affect the usefulness of the volumes.

I recommend that the set be sent them for the use of Mr. Crowley and other executives of the Corporation.

[Handwritten signatures]

[Signature]
MINUTES ON
OCT 2 1934
[Signature]

See memo 10-2-34

*File
Inquiry of
Sen Walcott*

RESERVE BOARD FILE
421.11
~~421.1~~

SEP 22 1934

Mr. R. H. Sparkman, Acting Clerk,
Senate Committee on Banking and Currency,
United States Senate,
Washington, D. C.

Dear Mr. Sparkman:

The Board has requested me to transmit to you a set of copies of the report of the system committee on Branch, Group and Chain Banking, which was prepared during the fall of 1932 and succeeding winter. This set is the only one remaining available for disposition. The report was never finally passed upon or published by the Board.

As the report is very bulky, the expense of printing it would be very large and the Board has not felt that it would be justified in incurring such an expense.

See letter 9-6-34

Recently a request was received from Senator Walcott for a copy but in view of the fact that the only set which could be used for the purpose is the one now being transmitted to you and that a number of other requests heretofore have been declined, it was thought best by the Board to send this set to you so that it might be in a place where it could be made available readily to any Senator desiring to see it and Senator Walcott is being advised accordingly.

Very truly yours,

Capital
MINUTES ON

SEP 22 1934

cm
cm
WALCOTT
- Senator Walcott
[Signature]
Secretary

FILE COPY

421.11

SEP 22 1934

Honorable Frederic C. Walcott,
United States Senate,
Washington, D. C.

Dear Senator Walcott:

dated 9-6-34

Reference is made to your recent letter in which you ask for data which was collected several years ago in connection with earnings of member banks and branch banking. It is assumed that you have in mind the voluminous report of the System Committee on Branch, Group and Chain Banking, the situation with respect to which is set forth in a letter which I am sending today to Mr. Sparkman, Acting Clerk of the Senate Committee on Banking and Currency, a copy of which is inclosed for your information. In the circumstances, the Board feels sure that you will appreciate the situation and that you can make satisfactory arrangements with Mr. Sparkman for your inspection of the report.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary.

John Lee
MINUTES ON

SEP 22 1934

CM-w

Inclosure.

cu
992
MS
MS

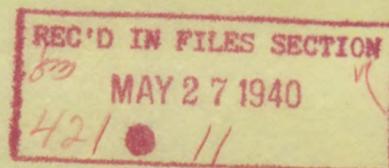
FILE COPY

Letter sent to Woodmont, Conn.

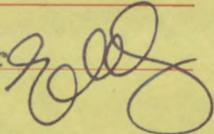
September 20, 1934

Mr. Viner

Mr. Goldenweiser



This is the chapter that was missing from the set we sent you the other day. Our records indicate that a copy of it was given to your organization earlier in the year.

Office CorrespondenceFEDERAL RESERVE
BOARDDate September 8, 1934To Mr. MorrillSubject: 421.11From Mr. Goldenweiser 

* * * 16-852

I find that there is one complete set of the reports of the Branch Banking Committee available, in addition to the file set, the Board's set, and my own set.

Mr. Goldenweiser

FREDERIC C. WALCOTT
CONNECTICUT

RECEIVED
FEDERAL RESERVE BOARD
WASHINGTON

W. H. SAULT
SECRETARY

421.11

United States Senate

WASHINGTON, D.C. 1934 SEP 7 AM 9 08

September 6, 1934.

RECEIVED
SEP -7 1934
DIVISION OF RESEARCH
AND STATISTICS.

Gentlemen:

I would be pleased if you would send to me at Woodmont, Connecticut, the data the Federal Reserve Board collected several years ago when it made a study of branch banking and the earnings of the member banks. I believe this was published in a number of volumes of mimeographed sheets. If you will send this to me at Woodmont, Connecticut, I will deeply appreciate it.

Sincerely yours,

J. F. Javalon

Federal Reserve Board,
Treasury Department,
Washington, D. C.

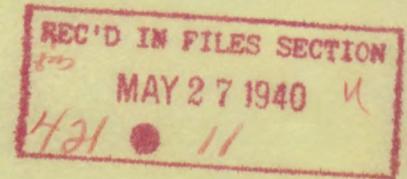
SES

*Ans. 9-22-34
See letter 9-22-34*

August 7, 1934

Mr. Viner

Mr. Goldenweiser

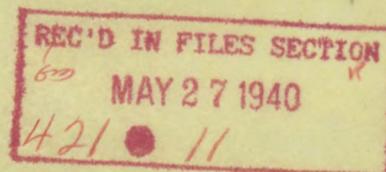


I am sending you an early draft of the report on bank failures. On the pages indicated on the slips there is discussion of examinations, which were later omitted from the mimeographed report. Please return this material when you have finished with it.

June 29, 1934

Mr. Viner

Mr. Goldenweiser



I take pleasure in sending you a set of the reports of the Federal Reserve System Committee on Branch, Group, and Chain Banking. In authorizing me to make this material available to you, the Board requested that I call your attention to the fact that it is not up to date, and that it has not been passed upon in any way or approved by the Federal Reserve Board.

FEDERAL RESERVE BOARD FILE
Date June 28, 1934.
421.11
~~421.1~~

Office Correspondence

To Mr. Goldenweiser

Subject: _____

From Mr. Morrill

16-852

Sube

The attached ^{file} letter, dated June 26, 1934, from Dr. Viner, Assistant to the Secretary of the Treasury, in regard to the report prepared by the Committee on Branch, Group and Chain Banking, was considered at the meeting of the Board yesterday, and you were authorized to make available to Dr. Viner a copy of the report, calling his attention to the fact that the report is not up to date and has not been passed upon in any way or approved by the Federal Reserve Board.

Attachment.

SFC-jcb



Sube - 7-8-34

034



RECEIVED

JUN 26 1934

DIVISION OF RESEARCH AND STATISTICS

TREASURY DEPARTMENT

WASHINGTON

June 26, 1934.

REC'D IN FILES SECTION
63 MAY 27 1940
421 • 11

Carded

Dear Dr. Goldenweiser:

I would appreciate very much if you could make available for the use of the group who are making a banking study for the Treasury under my direction this summer, a copy of the study of branch banking in the United States prepared by the Federal Reserve Committee on branch, group and chain banking.

Very sincerely,

Jacob Viner
Assistant to the Secretary.

Dr. E. A. Goldenweiser,
Director, Division of Research & Statistics,
Federal Reserve Board,
Shoreham Building.

See
MINUTES ON

JUN 27 1934
Call

see memo 6/28/34

af

421.11

MAR 8 1934
1934

Mr. J. H. Case,
Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Case:

3-8-34

There is inclosed herewith a copy of a letter
to Mr. Thomas F. Burchill, Chairman of the Joint Legis-
lative Committee on Banks of the State of New York, ad-
vising that, in accordance with the understanding set
forth in the letter, you will make available to him
the copy of the report of the system committee on
branch, group and chain banking, which is on file at
the bank.

Very truly yours,

(Signed) Chester Morrill
Chester Morrill,
Secretary.

(Inclosure)

SRC-sb
Craw
Morrill
Gor

FILE COPY

421.11 ^{ab}

MAR 8 1934

Mr. Thomas F. Burchill, Chairman,
Joint Legislative Committee on Banks,
7 West 24th Street,
New York, New York.

Dear Sir:

Receipt is acknowledged of your letter of February 26, 1934, request-
ing a copy of such parts of the report on branch, group and chain banking,
prepared under the direction of Mr. Goldenweiser, as are relevant to the work
of your Committee. The report to which you refer was prepared for a committee
composed of representatives of the Federal Reserve Board and the Federal re-
serve banks of which Mr. Goldenweiser was chairman.

The report is voluminous and publication has not been made by the
Board. Therefore, there are no copies available for distribution. However,
a copy of the report is on file at the Federal Reserve Bank of New York, and
the Federal reserve agent at that bank has been requested to make the report
available to you, or to members or employees of your committee designated by
you, for the purpose stated in your letter, with the understanding that in no
event will your committee quote from or cite the report or publish any of the
tables or information contained therein but will use the report only as a
basis for study to enable the committee to reach conclusions.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary

FOR APPROVAL

- Gov. Black
- Mr. Hamlin
- Mr. Miller
- Mr. James
- Mr. Thomas
- Mr. Szymczak

Mr. Martin ✓
If you approve, please
initial and return to
Mr. Carpenter

ENTERED IN
MINUTES ON

MAR 9 1934

ERM
cu
mas
SSC
FILE
COPY SENT TO F.R. AGENT AT NEW YORK

FILE COPY

Office Correspondence

FEDERAL RESERVE
BOARD

FEDERAL RESERVE BOARD FILE

Date March 6, 1934

To Federal Reserve Board

Subject: _____

From Mr. Carpenter

nk
4210110
421.11

••• 2-8495

2-26-34

Handwritten signature and initials

The attached letter is called to your special attention for the reason that it contemplates making available to an outside party a copy of the report of the system committee on branch, group and chain banking.

THOMAS F. BURCHILL,
CHAIRMAN
NEW YORK ADDRESS
7 W. 24TH ST., NEW YORK CITY

RECEIVED
FEDERAL RESERVE BOARD
WASHINGTON

1934 FEB 28 PM 3 47



421.11

CHARLES F. CUMMINGS,
COUNSEL

PAUL G. REILLY,
ASSOCIATE COUNSEL

ADVISORY MEMBERS

GEORGE V. MCLAUGHLIN

WILLIAM C. POTTER

HAROLD STONE

HARVEY D. GIBSON

NELSON W. CHENEY,
VICE CHAIRMAN

JACOB H. LIVINGSTON,
SECRETARY

JOHN T. MCCALL
JAMES J. CRAWFORD
BERT LORD
JAMES R. ROBINSON
WILLIS H. SARGENT
JAMES J. WADSWORTH
HAROLD C. OSTERTAG
NICHOLAS J. EBERHARD

JOINT LEGISLATIVE COMMITTEE ON BANKS

CAPITOL

ALBANY, N. Y.

February 26, 1934.

Federal Reserve Board,
Treasury Building,
Washington, D.C.

Gentlemen:

The above named Committee has been informed by the Committee on Banking and Currency of the United States Senate that your Board has, under the direction and supervision of Mr. Goldenweiser, prepared a survey of the history, operation and results of branch, chain and group banking in the United States, England and Canada. It is our understanding that this survey was completed in the summer of 1932 but has never been officially published.

This Committee at the present time has been giving a great deal of thought, consideration and study to the subject of branch banking, but up to the present we have had no comprehensive study available, such as the work done by Mr. Goldenweiser's Committee. We would be deeply grateful if it would be possible for your honorable body to permit this committee to obtain a copy of such parts of Mr. Goldenweiser's study as are germane to our work. It is, of course, understood that in no event would this committee at any time quote or cite Mr. Goldenweiser's study nor publish any of the tables or information contained therein. We desire to use it simply as a basis for study and to enable us to reach some definite conclusions in the matter.

Thanking you for your courtesy in this matter and trusting that you will be favorably disposed toward our request, I am

Very respectfully yours,

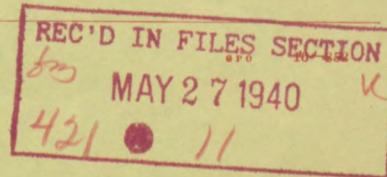
Thomas F. Burchill
CHAIRMAN.

PR/M

Office Correspondence

FEDERAL RESERVE
BOARD

Date January 24, 1934

To Mr. GoldenweiserSubject: Mr. Wickens' materialFrom Mr. Parry*LEP*

Mr. Wickens came to see me again this morning about the material that he prepared for the Committee. His primary interest, as I understand it, would be to enlist your good offices to obtain for the volume prepared by him whatever chance of publication at the hands of Senator Glass may attach to the volumes already in the Senator's hands.

It was my suggestion to him that a request be addressed to you--as by this memorandum--to release for the use of the Department of Agriculture any material contained in Mr. Wickens' study that could be used without carrying with it any intimation of a connection with the Federal Reserve System or the branch, group and chain banking committee. Some such arrangement as this would seem to me both possible and on the whole desirable.

Office Correspondence

FEDERAL RESERVE BOARD

Division of Bank Operations File
Date January 2, 1934

421.11

To Mr. Goldenweiser

Subject: Request for Committee Volumes

From Mr. Blattner

Blattner

16-852

On Friday, Mr. Sparkman called Mr. Smead and asked for two sets of the volume of the Report of the Committee on Branch, Group, and Chain Banking. Mr. Smead thinks that Mr. Sparkman, whom he has known for some time, is an employee of the Senate Banking Committee, but I am unable to find his name in the Congressional Directory.

Mr. Smead has no enthusiasm for granting the request and neither have I. We are without information as to the purpose for which the volumes are wanted. I should be pleased if you and Mr. Smead should decide not to send them. as our reserves are low. Will you communicate with him?

The available number of volumes of each report now in the files

are:

Branch Banking in the United States	3
" " in California	7
" " in England	17
" " in Canada	19*
Banking Groups and Chains	8*
Bank Changes	11*
Bank Suspensions	4
Banking Profits	2
225 Bank Suspensions	7
Dual Banking	1

* Some appendices not available.

*File
JGA
got Mr Sparkman
on phone on Jan 4
that we could not
provide copies
for him*

Mr Smead: -

I think that Mr Sparkman should be told that we have no available copies. Don't you?
yes
Blattner

421.11
~~421.11~~

December 6th, 1933.

Memorandum to Mr. Carpenter:

In accordance with the action of the Board at its meeting today, I called up Mr. Austin, at Philadelphia, over longdistance telephone and told him that in view of the fact that the report of the Committee on Chain, Group and Branch Banking had not been published but had been furnished to the Federal reserve banks solely for their own information, and that likewise the contents of the memorandum by Mr. Hammond, which was transmitted with our letter of November 23, had not been published and that it was in its nature supplementary to the information contained in the report of the Chain, Group and Branch Banking, the Board felt that the memorandum should not be given out but should be treated as being solely for the information of the Chairman and the Governor of the Bank.

JK
B-930

Secretary.

CM-w

cm

Office Correspondence

FEDERAL RESERVE
BOARDDate November 14, 1933To Mr. BlattnerSubject: Conditional Reports of NationalFrom Mr. HorbettBanks, November 15, 1920.

GPO 16-852

421.11

I am returning herewith the list (38 pages) of national banks for which November 15, 1920, condition reports were borrowed from the Comptroller's office ~~from~~^{for} the Committee on Branch, Group and Chain Banking. The reports themselves are also being sent to you herewith under separate cover.

You will note that certain banks shown on the attached list have been crossed out and marked "dup". In each such case the bank was listed more than once. You will also note that in a few instances the names of the banks, as shown in the list, have been amended to correspond with the names appearing on the condition reports, on the assumption that the names were incorrectly shown in the list. Reports have not been returned for the following five banks, all of which are marked with a red dash in the attached list:

First National Bank
National Bank of
National Bank of Kentucky
Citizens National Bank
First National Bank

Lake Worth, Florida
Lumpkin, Georgia
Louisville, Kentucky
Lenapah, Oklahoma
Broken Bow, Oklahoma

You will note that the list shows the First National Bank, Broken Bow, Oklahoma, the last one of the five shown above, in two places. In one case we amended the city to Broken Arrow, inasmuch as there was a report for a bank located there but no report for a bank located in Broken Bow. Assuming that the city should have been shown as Broken Arrow both on page 27 and page 28 then, of course, there was a duplication in the listing of the First National Bank, Broken Arrow (not Broken Bow) Oklahoma.

Mr. Blattner -- 2.

All of the reports mentioned were returned from Mr. Wickens' office. We cannot account for the four (or five) reports missing.

Mr. Tolson
Mr. Boardman
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Jones
Mr. Quinn
Mr. Nease
Miss Gandy

324
421.11
421 /

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7674

November 9, 1933.

CARDED

SUBJECT: Report of Committee on Branch,
Group and Chain Banking.

Dear Sir:

There is inclosed, for your information, a copy of a letter which is being sent to the Chairman of the Governors' Conference today with regard to the recommendation that the System Committee on Branch, Group and Chain Banking be reconstituted for the purpose of bringing up to date the report previously submitted by it.

Very truly yours,

Chester Morrill

Chester Morrill,
Secretary.

Inclosure.

TO GOVERNORS OF ALL F. R. BANKS EXCEPT SAN FRANCISCO.

C O P Y

X-7674-a

November 9, 1933.

Mr. John U. Calkins,
Chairman, Governors' Conference,
Federal Reserve Bank of San Francisco,
San Francisco, California.

Dear Governor Calkins:

At the meeting of the Governors' Conference with the Federal Reserve Board on October 12, 1933, you reported that the Conference had voted to recommend to the Federal Reserve Board the reconstituting of the Committee on Branch, Group and Chain Banking, for the purpose of amending the report previously submitted by the Committee in the light of events which have transpired since the report was prepared.

The Federal Reserve Board has given careful consideration to the recommendation of the Conference, and has decided that it should be held in abeyance, perhaps until after the present emergency is passed. Further consideration will be given to the matter when the Board is in a position, in the light of later circumstances, to determine whether further revision of, and addition to, the Committee report would be desirable.

A copy of this letter is being forwarded to the governors of all other Federal reserve banks.

Very truly yours,

(Signed) Chester Morrill,
Secretary.

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

NOV 9 1933

X- 7674

November , 1933.

Subject: Report of Committee on Branch, Group and
Chain Banking.

Dear Sir:

There is inclosed, for your information, a copy of a letter which is being sent to the Chairman of the Governors' Conference today with regard to the recommendation that the System Committee on Branch, Group and Chain Banking be reconstituted for the purpose of bringing up to date the report previously submitted by it.

Very truly yours,

Chester Morrill,
Secretary.

TO GOVERNORS OF ALL FR BANKS EXCEPT SAN FRANCISCO

NOV 9 1933

x- 7674

November , 1933.

Subject: Report of Committee on Branch, Group and
Chain Banking.

Dear Sir:

There is inclosed, for your information, a copy of a letter which is being sent to the Chairman of the Governors' Conference today with regard to the recommendation that the System Committee on Branch, Group and Chain Banking be reconstituted for the purpose of bringing up to date the report previously submitted by it.

Very truly yours,

Chester Morrill,
Secretary.

TO GOVERNORS OF ALL FR BANKS EXCEPT SAN FRANCISCO

SRM
Cm
Gem
Morrill

FILE COPY

6-7674-a

NOV 9 1933

Mr. John U. Calkins,
Chairman, Governors' Conference,
Federal Reserve Bank of San Francisco,
San Francisco, California.

Dear Governor Calkins:

At the meeting of the Governors' Conference with the Federal Reserve Board on October 12, 1933, you reported that the Conference had voted to recommend to the Federal Reserve Board the reconstituting of the Committee on Branch, Group and Chain Banking, for the purpose of amending the report previously submitted by the Committee in the light of events which have transpired since the report was prepared.

The Federal Reserve Board has given careful consideration to the recommendation of the Conference, and has decided that it should be held in abeyance, perhaps until after the present emergency is passed. Further consideration will be given to the matter when the Board is in a position, in the light of later circumstances, to determine whether further revision of, and addition to, the Committee report would be desirable.

A copy of this letter is being forwarded to the governors of all other Federal reserve banks.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary.

SRC-jcb

Office Correspondence

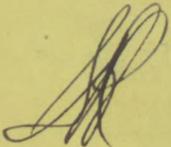
FEDERAL RESERVE
BOARDDate November 3, 1933 421.11To Dr. Goldenweiser

Subject: _____

From Mr. Morrill

GPO 16-852

Your memorandum of October 25, 1933, giving an estimate of the cost of bringing the report of the Committee on Branch, Group and Chain Banking up to date was considered at the meeting of the Federal Reserve Board on November 1, and it was voted that the recommendation of the Governors' Conference that the System Committee be reconstituted and its report brought up to date be held in abeyance for an indefinite period, possibly until after the present emergency is passed, when the Board would be in a position, in the light of circumstances then existing, to determine whether further revision of and addition to the Committee report would be desirable.



Office Correspondence

FEDERAL RESERVE
BOARDDate ^{421.11} October 25, 1933

To Mr. Morrill

Subject:

From Mr. Goldenweiser *gws*

Branch Banking Report

GPO 16-852

In compliance with the Board's request, transmitted in your memorandum of October 21, I submit the following statement about the probable cost of bringing up to date the reports of the Committee on Branch, Group, and Chain Banking. Presumably the revisions should be such as to carry the material through 1932, with such data for 1933 as is available. The statistics in the volumes as they stand are carried through 1931 in most instances with only general data for 1932. The detailed analysis of banking profits covers the years 1926 to 1930.

From the point of view of this inquiry, the reports can be grouped into three classes: (1) those on Branch banking in England, Branch banking in Canada, and 225 bank suspensions, which will require little or no revision, because they are largely descriptive in character. (2) Branch banking in the United States, Branch banking in California, Banking groups and chains, and the Dual banking system, which would require revision on the basis of more recent developments, but at a smaller cost than would be required for the volumes in the next group. (3) Changes in the number and size of banks in the United States, 1834-1931; Bank suspensions in the United States, 1892-1931, and Banking profits, 1890-1931, which would require a great deal of work and expense to bring up to date. These volumes are statistical and the statistics are based largely on the tabulation of original schedules, which are both complex and numerous. This is particularly true of Banking profits.

See memo 11-3-33

Mr. Morrill, - #2

October 25, 1933

The summary of the reports would have to be revised if the other volumes are revised.

It is impossible to make an accurate estimate of the cost of the revisions, but I am inclined to state it this way. The seven non-statistical volumes could be brought up to date for approximately \$4,000. The volumes on bank suspensions and on changes in the number and size of banks could be revised for an additional \$4,000, and the volume on profits and the summary would cost a further \$7,000 to revise. The cost of bringing all the volumes up to date, therefore, could be estimated at not less than \$15,000.

My judgment would be that it would not be worth the money to undertake this revision, unless it would carry the data through the year 1933, which would involve considerable delay and additional cost. Inclusion of additional data for 1931 and 1932 would not change the picture sufficiently in my opinion to justify the cost and the delay. The volumes as they stand, I believe, give a substantially correct picture of banking in the United States prior to the 1933 crisis.

*Action deferred
in minutes*

.....
AT BOARD MEETING

NOV. 1 1933

[Signature]

Copies sent to Governor Black and Messrs. Hamlin, Miller, James, Thomas and Szymczak.

COPY

Office Correspondence

October 25, 1933.

To Mr. Morrill
From Mr. Goldenweiser

Subject: Branch Banking Report.

In compliance with the Board's request, transmitted in your memorandum of October 21, I submit the following statement about the probable cost of bringing up to date the reports of the Committee on Branch, Group, and Chain Banking. Presumably the revisions should be such as to carry the material through 1932, with such data for 1933 as is available. The statistics in the volumes as they stand are carried through 1931 in most instances with only general data for 1932. The detailed analysis of banking profits covers the years 1926 to 1930.

From the point of view of this inquiry, the reports can be grouped into three classes: (1) those on Branch banking in England, Branch banking in Canada, and 225 bank suspensions, which will require little or no revision, because they are largely descriptive in character. (2) Branch banking in the United States, Branch banking in California, Banking groups and chains, and the Dual banking system, which would require revision on the basis of more recent developments, but at a smaller cost than would be required for the volumes in the next group. (3) Changes in the number and size of banks in the United States, 1834-1931; Bank suspensions in the United States, 1892-1931, and Banking profits, 1890-1931, which would require a great deal of work and expense to bring up to date. These volumes are statistical and the statistics are based largely on the tabulation of original schedules, which are both complex and numerous. This is particularly true of Banking profits.

Copy filed General Expenses

The summary of the reports would have to be revised if the other volumes are revised.

It is impossible to make an accurate estimate of the cost of the revisions, but I am inclined to state it this way. The seven non-statistical volumes could be brought up to date for approximately \$4,000. The volumes on bank suspensions and on changes in the number and size of banks could be revised for an additional \$4,000, and the volume on profits and the summary would cost a further \$7,000 to revise. The cost of bringing all the volumes up to date, therefore, could be estimated at not less than \$15,000.

My judgment would be that it would not be worth the money to undertake this revision, unless it would carry the data through the year 1933, which would involve considerable delay and additional cost. Inclusion of additional data for 1931 and 1932 would not change the picture sufficiently in my opinion to justify the cost and the delay. The volumes as they stand, I believe, give a substantially correct picture of banking in the United States prior to the 1933 crisis.

Office Correspondence

FEDERAL RESERVE
BOARDDate October 21, 1933To Mr. GoldenweiserSubject: Estimated Cost of Bringing Up
to Date Branch Banking Committee's Re-
port.From Mr. Blattner*WJB**421.11*

GPO 16-852

To bring up to date the 11 volumes, including the Summary, of the report of the Committee on Branch, Group, and Chain Banking, I do not feel that it would be safe to set the cost at a figure of less than \$15,000.

Among the Committee's volumes, there are at one extreme those volumes which could probably go untouched. In this class are England, Canada, and 225 Bank Suspensions. At the other extreme, there are three volumes containing many complex statistical series, which should probably be brought down to the end of 1932. These include Profits, Changes, and Suspensions. I suppose it would not be feasible to consider reflecting in the Suspensions and Changes volumes the events of 1933.

The other four volumes, Branch Banking in the United States, Branch Banking in California, Group Banking, and Dual Banking, occupy a middle ground. I doubt if any one of them would require the degree of revision necessary in the three volumes previously mentioned, but in the case of each of these four, some revision, more or less, would be desirable.

Revision of the Profits volume would probably require the most work, both here and at the reserve banks. It is based chiefly on a detailed analysis of the profits of national banks, bank by bank, for the years 1926-1930. This analysis entailed the compilation of some 40,000 complex schedules. In order to cover the years 1931 and 1932 in a comparable way, it would be necessary to compile in the Federal reserve banks and analyze, partially there and partially in Washington, more than 10,000 new schedules.

Copy filed General Expenses

October 21, 1933

Statistics for the year 1932 are either not included at all, or inadequately, in both the Suspensions and Changes volumes. The same condition exists with respect to the four volumes: Branch Banking in California, Group Banking, Branch Banking in the United States, and Dual Banking. The addition of a year's figures would entail complex alterations in charts and tables. In the case of these six volumes most of the necessary data are in the Division of Bank Operations.

In view of the fact that both the Research and Operations Divisions are loaded down at the present time, considerable outside help would have to be employed to undertake such a revision. It would seem to me that if the revision were undertaken, it should be with the idea of completing it rapidly by the employment of a relatively large staff, rather than more slowly by a smaller staff. The ^{reasonable} objective would be ^{perhaps} to effect the revision in a period of ^{say} three months. To manage the job I feel that we would need about three teams, each team to be composed of one senior person, a machine operator, and a stenographer. Such a team employed on a temporary basis would perhaps cost for each team \$1,000 per month. The aggregate payroll of the three months, therefore, would approximate \$10,000. There would remain the cost of supplies, chart work, rent, etc. Leaving a margin of safety, I should hesitate to say that the job could be done for less than \$15,000, and perhaps that is too little.

During the last six months (October, 1932 - March, 1933) of the operation of the Committee's staff, expenditures were roughly \$15,000. During the last three months the staff consisted of Mr. Riddle, one clerk, and four stenographers. In addition to these, in the previous two months, Mr. Greer and a second clerk were on the payroll. During

October 21, 1933

October three other clerks were still on the payroll.

It is questionable whether merely introducing the figures for the year 1932 would be worth its salt. If we could spend \$30,000 and bring out the story for the year 1933 with respect to Bank Suspensions and Changes, that would be something else again. Such a job in all likelihood could not be finished before July 1, 1934.

Office Correspondence

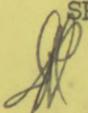
FEDERAL RESERVE
BOARD421.11
Date October 21, 1933.To Mr. Goldenweiser

Subject: _____

From Mr. Morrill421 1
16-852

At the meeting of the Board on October 19, 1933, consideration was given to the action taken at the recent Governors' Conference in recommending to the Federal Reserve Board the reconstituting of the System Committee on Branch, Group and Chain Banking for the purpose of amending the report previously submitted by the Committee in the light of events which have transpired since the report was prepared, and with the view that the amended report would be submitted to the Federal reserve banks and eventually published, and you were requested to submit to the Board an estimate of the probable cost of amending the report in accordance with the recommendation of the Governors' Conference.

An excerpt from the minutes of the meeting of the Board above referred to is attached.

SRC-jcb


Copy filed General Expenses

See memo 10-25-33

Excerpt from Minutes of Meeting of Federal Reserve Board Held on October 19,
1933.

"Attention was called to the action taken at the recent Governors' Conference in recommending to the Federal Reserve Board the reconstituting of the System Committee on Branch, Group and Chain Banking for the purpose of amending the report previously submitted by the committee, in the light of events which have transpired since the report was prepared and with the view that the amended report would be submitted to the Federal reserve banks and eventually published.

"A discussion ensued, during which Mr. Morrill stated that it was his understanding that the copy of the committee report which was sent to Senator Glass at his request is now in the hands of Mr. H. Parker Willis; that the Brookings Institute has had correspondence with Senator Glass expressing a desire to have access to the report; that Senator Glass' office had requested an additional copy of the report so that he could make it available to the Institute; and that during the last few days of the last session of Congress Senator Glass had stated that he planned to have the report printed as a public document, but that he had not done so.

"The suggestion was made that the Board obtain an estimate as to the probable cost of bringing the committee report up to date.

"At the conclusion of the discussion, Mr. Hamlin moved that Mr. Goldenweiser be requested to submit to the Board an estimate of the probable cost of amending the report on branch, group and chain banking, in accordance with the recommendation of the Governors' Conference.

Account
Conference
10/10/33

324
421-1

Topic II-D. Elimination from Treasury Circular 92 of customers' paper as acceptable war loan collateral. Voted that the Conference recommend to the Treasury Department that this class of paper be made ineligible as collateral for war loan deposits.

Topic III-A. Extension of provision for 10(b) loans. Voted, to recommend that the provisions of section 10(b) of the Federal Reserve Act, as amended, be extended for one year after March 4, 1933, under the discretionary power granted to the President of the United States.

Topic IV-A. Federal reserve exchange and transfer drafts. Voted that the use of transfer drafts be abolished and that the use of exchange drafts be continued pending further consideration at a later conference.

Topic IV-C. Policy involved in handling subscriptions for intermediate credit bank debentures referred to in Governor Morgenthau's letter of September 26, 1933. Conference requested Governor Fancher to obtain the views of the Treasury Department with regard to Governor Morgenthau's request, and, as a result of Governor Fancher's conference with Under Secretary of the Treasury Acheson, the latter suggested that a committee be appointed representative of the Federal reserve banks and the Treasury Department for the formulation of a report on the matter. In accordance with Mr. Acheson's suggestion, the Governors' Conference had appointed Governor Norris and Deputy Governor Burgess as members of the committee.

Topic IV-E-1. Reimbursement for fiscal agency expenses.

Topic IV-G. Reimbursement by Treasury for extraordinary expenses incurred during and immediately after bank holiday.

Topic IV-H. Reimbursement for gold abrasion. Governors Fancher, Martin and McKinney were appointed a committee to discuss these topics with the Board and the Treasury Department and report to the individual governors or to a subsequent Governors' Conference.

Topic V-A. Policy regarding issuance of Federal reserve bank notes. Voted, that the Federal reserve banks which have not brought the amount of their circulation of Federal reserve bank notes up to approximately one-tenth of their Federal reserve note circulation should proceed to do so as soon as possible.

The Conference also decided to recommend to the Federal Reserve Board the reconstituting of the committee on branch, group and chain banking for the purpose of amending the report previously submitted by the committee in the light of events which have transpired since the report was prepared, and with the view that the amended report would be submitted to the Federal reserve banks and eventually published.

Upon being advised by the Pension Committee of the Governors' Conference

that its funds were practically exhausted, the Conference voted that the Committee be authorized to expend not to exceed \$5,000 in the completion of its work.

With regard to the question which was discussed by the Conference at the request of the Federal Reserve Board, as to whether employees who have been in the service of a Federal reserve bank for a long period and whose services are discontinued, should be continued on the payrolls of the bank at nominal salaries or on leave of absence without pay in order that they may have the benefit of any pension plan which may be adopted by the Federal reserve bank in the near future, the Conference voted that Federal reserve banks may, with the approval of the Federal Reserve Board, continue officers or employees of the banks on their payrolls with or without compensation, depending on the circumstances, in order that they may not be removed from the banks' rosters and thereby become ineligible for pensions.

The Conference also referred to the large number of applications for membership in the hands of the Federal reserve agents and the Board and voted that the Federal reserve banks should cooperate in every way possible with the Federal reserve agents and the Federal Reserve Board in expediting the handling of such applications.

421.11

Miss Hamill

October 12, 1933

Mr. Ira Clerk
Deputy Governor
Federal Reserve Bank
San Francisco, Calif.

My dear Clerk:

Thanks for your note of October 7. Several Governors, including Governor Calkins, talked to me about the desirability of publishing the Committee's report and said that they may bring it up at the meeting of the Governors. At present they are still in session and I do not know what has been or will be done about it. I understand that Senator Glass has stated definitely that he proposes to make the report a public document when Congress reconvenes.

With best regards, I am

Sincerely yours,

E. A. Goldenweiser
Director of Research and Statistics

EAG DD

FEDERAL RESERVE BANK OF SAN FRANCISCO

RECEIVED
OCT -9 1933
DIVISION OF RESEARCH
AND STATISTICS.

421.11

October 7, 1933

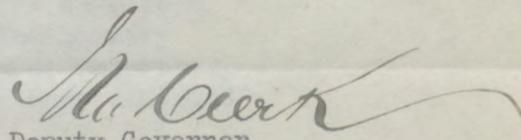
Dr. E. A. Goldenweiser,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Under date of August 12, 1933, Governor Calkins wrote you that it was his opinion that the reports of the Federal Reserve Board's Committee on Branch, Group and Chain Banking should be published.

May I suggest, if no decision has been made in this matter, that it again be submitted to the Governors' Conference next week.

Yours very truly,


Deputy Governor.

COPY

August 12, 1933

Dr. E. A. Goldenweiser,
Chairman, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Receipt is acknowledged of your letter of August 7th, in which you advise having forwarded copies of reports of the Federal Reserve Board's Committee on Branch, Group and Chain Banking, for the purpose of review and determination as to the advisability of having such reports printed.

It is my opinion, gained from reviewing some of the earlier drafts of these reports, that they should be printed. I shall, however, go over the reports when received and, if there is any change in my opinion, shall communicate with you promptly.

There is being forwarded to you a report containing statistical data submitted to the Subcommittee of the Committee on Banking and Currency, United States Senate, November 6, 1931, which contains a number of charts which you may need. I have been unable, however, to place my hands on the Summary which was distributed at the Conference of Governors, November, 1932, but I shall endeavor to have it found and forwarded to you.

Yours very truly,

(Signed)

Jno. U. Calkins

GOVERNOR.

Office Correspondence

FEDERAL RESERVE BOARD

421.11

Date September 23, 1933

To Mr. Smead ✓

Subject:

From Mr. Blattner

16-852

I make reference to the matter of the average time elapsed between the dates of closing and the dates on which suspended banks were completely liquidated. You were under the impression that the Federal Reserve Committee on Branch, Group, and Chain Banking in its suspension volume presented material on this subject. In examining the current edition of this volume I am unable to find in the text any material dealing with this subject. However, Table XXVII of the appendix, page 198, presents the results of a valuable computation in this connection.

I am attaching a few paragraphs of an earlier edition that dealt with this subject in a limited and indirect manner. The record indicates that these paragraphs were included in the edition presented to the reading committee. In the revision made in February, after Mr. Riddle had received the criticisms of the reading committee, these paragraphs were omitted. I take it that they were omitted because their primary interest relates to the matter of interest lost on deposits tied up in liquidation. It is unfortunate that the text has not preserved in some way the net findings of the valuable compilation reflected in Table XXVII of the appendix.

Very unfortunate

Please return the attached paragraphs for restoration in their proper place in the files.

Noted
9/25
Mr Blattner
Shanks
ESD

421.11

Miss Hammill

September 21, 1933

Mr. Ira Clerk
Deputy Governor
Federal Reserve Bank
San Francisco, California

Dear Mr. Clerk:

With reference to your letter of September 14, I see no objection to your furnishing Mr. Edward Rainey, Superintendent of Banks of the State of California, with a copy of Chart 9 in our summary of reports, the chart in question being a dot map of bank suspensions, 1921-1931.

With best regards,

Very truly yours,

E. A. Goldenweiser
Chairman, Committee on Branch,
Group, and Chain Banking.

GWB
GWB:CH

RECORDED IN FILES SECTION

JAN 20 1938

420 11

ea

Form No. 131

Office Correspondence

FEDERAL RESERVE BOARD

Date

Date September 20, 1933

To Mr. Morrill *CW*

Subject: _____

From Mr. Goldenweiser *GG*

2-8495

Mr. Carpenter

Herewith is a copy of the Summary of the Reports of the Committee on Branch, Group, and Chain Banking as revised on June 20, 1933. This is to complete your file of the current editions of the Committee's reports.

Enclosure

See memo 1-26-38

Office Correspondence

FEDERAL RESERVE
BOARD421.11
Date September 19, 1933

To Mr. Goldenweiser

Subject: Summary of the Reports

From Mr. Blattner

GPO 16-852

I find upon checking over the record that copies of the Summary of the Reports as revised on June 20, 1933, have not been transmitted to Senator Glass, Mr. Morrill, or Mr. Floyd Harrison. You will recall that at the time the revision was made copies were submitted to the other members of the Committee for suggestions. It was expected that we would have to revise the summary again. No Committee member has up to the present time submitted any suggestions, and when we sent copies of the Committee's reports to the Governors of the Federal reserve banks a copy of the revised summary was included.

I think that it is probably essential that Mr. Morrill's file be complete, but I am opposed to sending a copy to Congress. I feel that the chances of Congress's printing the underlying volumes is better if they are not in possession of the summary. I do not see that it would do any harm, and it might do some good, if a copy of the summary were in Mr. Harrison's possession.

Please send copy to Morrill & Harrison. Also let me see letter transmitting summary to committee members & asking for comments.

E. G. J.

FEDERAL RESERVE BANK OF SAN FRANCISCO

RECEIVED
SEP 19 1933
DIVISION OF RESEARCH
AND STATISTICS.

42111

September 14, 1933

Dr. E. A. Goldenweiser,
Federal Reserve Board,
Washington, D. C.

*Mr. Blotner -
Mr. Goldenweiser
has no objection to
this request.*

Dear Dr. Goldenweiser:

In discussing bank suspensions with Edward Rainey, Superintendent of Banks, State of California, I showed him Chart No. 9 containing a map indicating the points at which banks had failed during the period 1921-1931.

He was very anxious to have a copy of the Chart for his own use. Can you see any objection to my letting him have it?

Yours very truly,

Ma [Signature]

NATIONAL BOND

#7
TELEGRAM

FEDERAL RESERVE BOARD
WASHINGTON

133
FEDERAL RESERVE BOARD FILE
421.11
~~421.1~~

SEP 6 1939

Stevens - Chicago

Your telegram September 5. Board's letter August 31 contemplated that all volumes of committee report and summary would be made available to Mr. Lichtenstein in library of your bank.

MORRILL. (Signed) Chester Morrill

SRC-jeb



Amw

FILE COPY

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

421.11
9/5/33

16-794

RECEIVED AT WASHINGTON, D. C.

275 G Y

Chicago 5p Sept 5

Morrill

Washn

Yours thirty first am I to show lichtenstein all eleven volumes of
committee report including confidential matter or merely one volume
of summary report?

Stevens

603p

ans 9-6-33

TELEGRAM

FEDERAL RESERVE SYSTEM

RECEIVED AT WASHINGTON D.C.

1911

am

your copy first and show the general character of
committee report including confidential matter or matter
of business reports?

Revenue

200

903
am

Office Correspondence

FEDERAL RESERVE
BOARD

Date August 31, 1933

421.11

To Mr. Goldenweiser

Subject: Committee Report

From Mr. Parry

G.P.O. 16-852

b.c.p.

Mr. Morrill informs me that the Board took action yesterday authorizing a letter to Lichtenstein opening to his use at the Library of the Federal Reserve Bank of Chicago the copy of the Committee's report that has been sent to that bank.

In its letter of August 22 to Lichtenstein, the Board offered to let the members of the Council inspect the report when they assemble here. His answer, dated August 24, intimated that this would permit the members to determine only whether the typewriting is good and suggested that the volumes be sent to him ^{to be} ~~and~~ summarized for the Council in respect to those parts that may still be of use. It was this letter that the Board answered yesterday. I understand that factors in their decision were the tone of Mr. Lichtenstein's letter and the fact that there was no set of reports actually on hand.

Miss Hammill tells me this morning that the set that is being prepared has had all the clerical work done on it but the volumes have not yet been bound.

pp

#7

183

FEDERAL RESERVE BOARD FILE
421.11
~~421.1~~

AUG 31 1933

Mr. Eugene M. Stevens,
Federal Reserve Agent,
Federal Reserve Bank of Chicago,
Chicago, Illinois.

See letter of date

Dear Mr. Stevens:

There is inclosed herewith a copy of a letter dated August 24th from Mr. Walter Lichtenstein, Secretary of the Federal Advisory Council, and a copy of the Board's reply of this date, from which you will note that he is being advised that at his request you will make available to him, in the library of the Federal Reserve Bank of Chicago, the copy of the report of the System Committee on Branch, Group and Chain Banking which is on file at your bank.

Very truly yours,

(Signed) Chester Morrill
Chester Morrill,
Secretary.

*Ans. 9-5-33
See wire 9-6-33*

(Inclosures)

SRC-CM-r

CW

FILE COPY

421.11

AUG 31 1933

Mr. Walter Lichtenstein, Secretary,
Federal Advisory Council,
38 South Dearborn Street,
Chicago, Illinois.

Dear Mr. Lichtenstein:

Your letter of August 24, 1933, in regard to the
report of the System Committee on Branch, Group and Chain
Banking was brought to the attention of the Board at its
meeting on yesterday and it requested me to advise you that,
upon your request, the Federal reserve agent at the Federal
Reserve Bank of Chicago will make available to you, in its
library, the copy of the report which was sent to the Bank.
A copy of your letter and a copy of this reply are being
sent to Mr. Stevens.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary.

SRC-CM-r

CW

FILE COPY

To be held for this return L

Office Correspondence

FEDERAL RESERVE BOARD

Date August 28, 1933

8/28/33

To Mr. Goldenweiser

Subject: Status of matters with respect to Committee on Branch, Group, and Chain Banking and Committee on Acceptance Practice

From Mr. Blattner

BWB
F 40

REC'D IN FILES SECTION
AUG 25 1949
421.11

8/28/33 H

I thought that I would leave you a brief memorandum with respect to the status of matters relating to the two committees: Branch, Group, and Chain Banking and Acceptance Practice.

Branch, Group, and Chain Banking. - In your absence little has happened.

Mr. Lichtenstein, Secretary of the Federal Advisory Council, directed a letter to the Federal Reserve Board asking permission to inspect the reports of this committee. Mr. Morrill dictated an answer to the request saying that a set would be available for inspection when the Council meets here in September. I felt that the request should have been handled along other lines and dictated a brief memorandum to Mr. Morrill, which is attached. I do not know whether Mr. Parry transmitted this memorandum or not, and I have not seen the letter which finally went to Mr. Lichtenstein.

Miss Hammill has this sat.

The available copies of our reports now in the files are very limited with respect to some volumes. The possibilities by volumes are as follows:

Branch Banking in the United States	3	copies
Branch Banking in California	9	"
Branch Banking in England	17	"
Branch Banking in Canada	19	"
Banking Groups and Chains	8	"
Changes in the Number and Size of Banks in the U. S., 1834-1931	11	"
Bank Suspensions in the U. S., 1892-1931	4	"
225 Bank Suspensions, Case Histories from Examiners' Reports	7	"
Banking Profits, 1890-1931	2	"
The Dual Banking System in the U. S.	1	"
Summary of the Reports	5	"

C/R filed 332.21-5

August 25, 1933

With respect to some of these copies considerable clerical work would have to be done before they could be passed out. Miss Hammill is wholly conversant with this problem, however, and can answer any questions that may come up.

In connection with getting together a complete set of the volumes for each of the Governors, especially the Summary of the Reports, I had to have some new charts made in line with our conversation on the matter. We therefore at the moment hold a bill from Leet Brothers for \$42.00. I have not submitted this bill for transmission to New York for payment, but propose to hold it until October 1. It may be that after I return we shall want to have a few more charts reproduced, and I thought it preferable to wait for a consolidated bill before making payment. We have done enough business with this company to justify their waiting awhile for the payment.

Acceptance Practice. - I have directed to Mr. Morrill some memoranda on this matter, and at my suggestion he has had some correspondence with the New York bank. Moreover, I submitted to him some fifteen pages of preliminary analysis on this subject in connection with which he commented as follows:

"I return herewith your memorandum of August 22 and the outline attached thereto, dated August 21, together with the accompanying chart relating to the study of acceptance credit experience. I am impressed with the care that you have given to your preliminary study of the available material and feel that you are approaching the matter in a very satisfactory way. Therefore I have no doubt that it is unnecessary to make any suggestions and the points which I shall mention below are merely for the purpose of being assured that you will have them in mind."

Mr. Morrill knows that I am to be away during the first part of September, and I do not think that anything will arise on this subject. Mrs.

Mr. Goldenweiser-Mr. Blattner

- 3 -

August 25, 1933

Sissman has command of the documents and files in connection with this project.

G.W.B:CH

OFFICERS

W. W. SMITH, PRESIDENT
 M. A. TRAYLOR, VICE-PRESIDENT
 WALTER LICHTENSTEIN, SECRETARY

EXECUTIVE COMMITTEE

W. W. SMITH
 M. A. TRAYLOR
 G. W. DAVISON
 H. A. LOEB
 J. K. OTTLEY
 W. S. McLUCAS

FEDERAL ADVISORY COUNCIL

OFFICE OF THE SECRETARY

38 SOUTH DEARBORN STREET

MEMBERS

1933

T. M. STEELE, DISTRICT No. 1
 GEORGE W. DAVISON, DISTRICT No. 2
 H. A. LOEB, DISTRICT No. 3
 H. C. McELDOWNEY, DISTRICT No. 4
 HOWARD BRUCE, DISTRICT No. 5
 J. K. OTTLEY, DISTRICT No. 6
 M. A. TRAYLOR, DISTRICT No. 7
 W. W. SMITH, DISTRICT No. 8
 THEODORE WOLD, DISTRICT No. 9
 WALTER S. McLUCAS, DISTRICT No. 10
 J. H. FROST, DISTRICT No. 11
 H. M. ROBINSON, DISTRICT No. 12

CHICAGO. August 24, 1933

Dear Mr. Morrill:

I beg to acknowledge receipt of your communication of August 22. I am certain that the members of the Council will appreciate most highly the permission of the Board to inspect the eleven large typewritten volumes embodying the report of the special committee. They will be able in the time at their disposal to certify that it is a good job of typewriting.

Since possibly the members of the Council may desire more than merely the privilege of seeing the volumes, I wonder whether I may be so bold as to suggest that the eleven volumes be sent to me. I shall try to go through them as well as I can and some time or other make a report to the Council summarizing those parts of the report which may still be of importance.

Very truly yours,

Walter Lichtenstein

Secretary

Mr. Chester Morrill, Secretary,
 Federal Reserve Board,
 Washington, D. C.

See minutes

AT BOARD MEETING

AUG 30 1933

SP

*See letter to FRB Chicago 8-31-33
 ans. 8-31-33*

421.11

AUG 22 1933

For Approval absent
 Gov. Black absent
 Mr. Hamlin absent
 Mr. James absent
 Mr. Miller absent
 Mr. Szymanski
 Mr. Donno
 Mr. O'Connor absent
 Mr. _____
 Please call initial - di
 Return to Mr. _____

Mr. Walter Lichtenstein,
 Secretary, Federal Advisory Council,
 38 South Dearborn Street,
 Chicago, Illinois.

Dear Mr. Lichtenstein:

Receipt is acknowledged of your letter of August 14
 in regard to the recommendation under "Topic No. 2" adopted at
 the meeting on November 19, 1929, of the Federal Advisory Coun-
 cil with respect to a study of branch, group and chain banking.
 You are correct in your understanding that a Federal reserve
 system committee was appointed to make a study along the gen-
 eral lines mentioned in the recommendation of the Federal Ad-
 visory Council. That committee formulated a report which is
 quite voluminous, being embraced in about eleven volumes of
 typewritten manuscript. After considering the matter of print-
 ing or publishing the report, the Board concluded not to take
 such action, and consequently copies are not available for dis-
 tribution, although each Federal reserve bank has a set of
 copies. However, when the Council meets in September, if it
 is the desire of the members to examine the report, a set will
 be made available by Dr. Goldenweiser for their inspection.

Very truly yours,

(Signed) Chester Morrill

Secretary.

Ans 8-24-33

CM-W

[Handwritten signatures and initials]

[Handwritten signature]

FILE COPY

AUG 29 1933

[Handwritten initials]

Office Correspondence

FEDERAL RESERVE BOARD

421.11

Date August 21, 1933

To Mr. Blattner

Subject:

From Mr. Hammond

CBH

GPO 16-852

I just noticed that in the foreword to what I presume are the latest copies of the Committee's report my name in connection with my part of the Committee's work is given as Clarence Hammond. Since I never use this designation and never have, I wish you would please see that it is not used in the report but that I am spoken of as C. B. Hammond.

*gwb
C.A.H.
2.5.*

Office Correspondence

FEDERAL RESERVE
BOARD

Date August 19, 1933

421.11

To Mr. Morrill

Subject:

From Mr. Blattner

*Blattner**See letter 8-22-33*

16-852

I have taken note of the letter to Mr. Lichtenstein stating that when the Federal Advisory Council meets here in September a set of the reports of the Federal Reserve System Committee on Branch, Group, and Chain Banking will be made available by Dr. Goldenweiser for their inspection. We shall have a set in readiness. I personally should prefer to transmit a set at once to Mr. W. W. Smith, President of the Federal Advisory Council, for his inspection. In Dr. Goldenweiser's absence, however, I took the matter up with Mr. Smead, a member of the Committee, and he prefers to handle the matter as suggested in the draft of the letter.

FEDERAL RESERVE BANK OF SAN FRANCISCO

August 15, 1933.

421.11
RECEIVED
AUG 19 1933
DIVISION OF RESEARCH
AND STATISTICS.

Mr. Blattner

Dr. E. A. Goldenweiser,
Chairman, Committee on Branch, Group, and Chain Banking,
c/o Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

There has been forwarded to you under separate cover a Summary Report of the Federal Reserve Committee on Branch, Group and Chain Banking which I think is a copy you either gave or forwarded to Mr. Newton.

Yours very truly,

M. Beer
Deputy Governor.

OFFICERS

W. W. SMITH, PRESIDENT
 M. A. TRAYLOR, VICE-PRESIDENT
 WALTER LICHTENSTEIN, SECRETARY

EXECUTIVE COMMITTEE

W. W. SMITH
 M. A. TRAYLOR
 G. W. DAVISON
 H. A. LOEB
 J. K. OTTLEY
 W. S. McLUCAS

MEMBERS

1933

421.11

T. M. STEELE, DISTRICT No. 1
 GEORGE W. DAVISON, DISTRICT No. 2
 H. A. LOEB, DISTRICT No. 3
 H. C. McELDOWNEY, DISTRICT No. 4
 HOWARD BRUCE, DISTRICT No. 5
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 WALTER S. McLUCAS, DISTRICT No. 10
 J. H. FROST, DISTRICT No. 11
 H. M. ROBINSON, DISTRICT No. 12

FEDERAL ADVISORY COUNCIL

OFFICE OF THE SECRETARY

38 SOUTH DEARBORN STREET

CHICAGO. August 14, 1933

Dear Mr. Morrill:

At its meeting on November 19, 1929, the Federal Advisory Council adopted the following:

"Topic No. 2. Developments in branch, chain and group banking with particular reference to the effects of bank stock ownership by investment trusts and holding corporations.

"Recommendation: The Federal Advisory Council recommends 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 to 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."

I have been reliably informed that the Board accepted the suggestion of the Council and appointed a special committee to make the necessary investigations. Seeing that the whole suggestion originated with the Council, I am wondering whether the Board might not think it wise to make available to the Council the results of the investigation.

The Council is planning to hold its first meeting in September on Sunday the seventeenth, as President Smith feels that the Banking Act of 1933 has raised so many problems that the Council may well wish to devote more time than usual to discussing matters before it. I imagine that much of the investigation which was made in accordance with the request of the Council at its meeting of November 19, 1929, would be of value in directing the consideration of the members of the Council.

Very truly yours,

Walter Lichtenstein
 Secretary

Mr. Chester Morrill, Secretary,
 Federal Reserve Board,
 Washington, D. C.

Ans 8-22-33

Office Correspondence

FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD FILE
Date August 9, 1933.

To Mr. Goldenweiser

Subject: _____

From Mr. Morrill

421.11
421.1

16-852

g.

At the meeting on August 4, 1933, consideration was given to a request received from Mr. H. Lane Young of the Reserve City Bankers Association, for permission to have the report of the System Committee on Branch, Group and Chain Banking published by the Association for the use of the Commission on Banking Law and Practice, appointed by the Association, and for the use of the general public, and the Board decided to advise Mr. Young that it did not feel that permission should be given to publish the report.

*See 421.110
8-4-33*

During consideration of the matter, attention was called to the fact that copies of the report had not been furnished to the various Federal reserve banks, and you were authorized to forward one copy of the report to each Federal reserve bank.

AR CW

421.11

Sent to all FR Bks.

August 8, 1933

Governor R. A. Young
Federal Reserve Bank
Boston, Massachusetts

My dear Governor Young:

I take pleasure in sending you under separate cover copies of the reports of the Federal Reserve Committee on Branch, Group, and Chain Banking, which the Governors expressed a desire to see with the view to passing on the desirability of printing them.

The various reports, which are being transmitted, include: (1) Branch Banking in the United States; (2) Branch Banking in California; (3) Branch Banking in England; (4) Branch Banking in Canada; (5) Banking Groups and Chains; (6) Changes in the Number and Size of Banks in the United States, 1834-1931; (7) Bank Suspensions in the United States, 1892-1931; (8) 225 Bank Suspensions, Case Histories from Examiners' Reports; (9) Banking Profits, 1890-1931; (10) Dual Banking System in the United States. I am also sending you a revised Summary of the Reports and, as our supply of charts is limited, I shall be glad if you can conveniently return the copy of the earlier Summary which was distributed at the Governors' Conference last autumn.

Very truly yours,

E. A. Goldenweiser
Chairman, Committee on Branch,
Group, and Chain Banking.

Similar letter sent to all FR Banks

421.11

August 2, 1933

Mr. Ira Clerk
Deputy Governor
Federal Reserve Bank
San Francisco, California

Dear Mr. Clerk:

7-27-33

Thank you very much for returning the earlier editions of the Committee's volumes. With respect to your suggestion that one set of the earlier editions of all the volumes be kept, I am glad to say that our practice has been to retain in the files the copy used in each stenciling.

I agree with you that the material in these volumes should be available to those studying and framing banking legislation, and I have faith that the material will yet see the printing presses. I do not believe that the Banking Act of 1933 has by any means foreclosed the possibility of more fundamental banking reforms within the near term. It is not without significance, I think, that several States within the last few months have extended broader branch banking privileges, in some cases state-wide.

Very truly yours,

E. A. Goldenweiser
Chairman, Committee on Branch,
Group, and Chain Banking.

GWB:CH

Office Correspondence

FEDERAL RESERVE
BOARD

Date August 1, 1933

421.11

To Mr. Goldenweiser ✓

Subject: Committee Volumes for Governors

From Mr. Blattner
BWS

GPO 16-852

Some days have now elapsed since you showed me the minutes of the Open Market Committee meeting stating that the Governors of the Federal reserve banks wanted copies of the volumes of the Committee's report. I am writing this note thinking that you might like to be reminded. Perhaps you will want to take the initiative with Mr. Burgess or someone else.

In the past few days quite a few hours of clerical work were expended in connection with the assembling of complete sets. Some pen changes had to be made and verified and volumes had to be bound. A few more hours work will see the completion of nine sets.

I am hoping that the sets now in the hands of Messrs. Rounds, Fleming, and Clerk will serve for the Governors of their respective banks. I should like to proceed in this way because I am loath to dissipate our reserves of such of the reports with respect to which we shall be able to make only about 5 additional books without the expenditure of considerable time for restenciling some pages of which we have only a few copies.

Mr. Blotner

RECEIVED
AUG -1 1933
DIVISION OF RESEARCH
AND STATISTICS.
421.4

FEDERAL RESERVE BANK OF SAN FRANCISCO

July 27, 1933

Dr. E. A. Goldenweiser,
Chairman, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

On returning from a vacation, I found your letter of June 22d and the ten volumes mentioned therein.

As the reports are now in the hands of Senator Glass's Committee, amendments are precluded, and it would seem unnecessary to review them with the object of submitting further corrections inasmuch as they have been read by men of good judgment.

In returning the earlier editions, I feel as though parting with original material which is valuable largely because all my correspondence and supplemental notes refer to particular pages, etc. However, I fully realize the necessity for economy in gathering together extra copies of these reports. Would it be possible for you to keep intact say one set of all volumes discarded so that they will be available for future reference?

I have received many urgent requests for the privilege of reviewing these reports, and it is to be hoped that Senator Glass will see his way clear to having them published. They contain much material which is of value to those studying and framing banking legislation.

I have a feeling that something is going on behind the scenes in Washington, and that next Winter we shall see some legislation looking toward real reform.

The following reports have been mailed to you today:

Summary of Reports (2)
Branch Banking in the United States ✓
Branch Banking in California ✓
Branch Banking in England ✓
Branch Banking in Canada ✓
Group and Chain Banking ✓
Changes in the Number and Size of Banks
in the United States ✓

(continued)

Dr. E. A. Goldenweiser - - 2

July 27, 1933

Bank Suspensions ✓

Causes of Failure of 120 Representative Member ✓

Banks suspending in the years 1921-1930 ✓

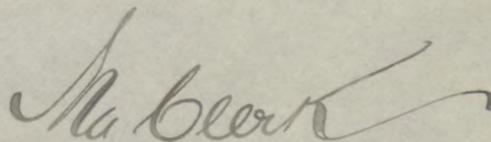
Causes of Failure of 105 Representative Member ✓

Banks suspending in 1931

Banking Costs and Profits ✓

The Dual Banking Systems in the United States. ✓

Yours very truly,



Deputy Governor.

WELDON BOND

421.11
7/11/33

COMPARATIVE EARNINGS OF SMALL AND LARGE BANKS

In a group of northwestern states, Minnesota, North Dakota, South Dakota, and Montana, as is well known, the banking business has been in serious difficulties during the last decade and the rate of banking mortality has been high. In those states in the year 1926, there were about 600 national banks operating, of which 80 per cent were banks with loans and investments of less than \$1,000,000 each, in other words small banks. Two-thirds of these banks in that year did not earn as much as 6 per cent on their invested capital. Of the banks with loans and investments above \$1,000,000, almost half were earning less than 6 per cent. The percentage of large and small banks which earned less than 6 per cent in other years is as follows:

	<u>Small banks</u>	<u>Large banks</u>
1926	70%	45%
1927	67%	43%
1928	59%	36%
1929	53%	32%

For Florida and Georgia the percentages were:

	<u>Small banks</u>	<u>Large banks</u>
1926	58%	28%
1927	61%	43%

PERCENTAGE OF NATIONAL BANKS EARNING LESS THAN 6%

Size of Bank Loans and Investments	Minnesota, North Dakota, South Dakota, and Montana				Georgia and Florida	
	1926	1927	1928	1929	1926	1927
Under \$150,000	83%	80%	75%	75%	33%	50%
\$150,000-250,000	84%	72%	68%	67%	69%	36%
\$250,000-500,000	61%	68%	57%	50%	58%	70%
\$500,000-750,000	68%	52%	52%	44%	63%	67%
\$750,000-1,000,000	68%	63%	38%	26%	47%	63%
\$1,000,000-2,000,000	55%	47%	43%	35%	50%	50%
\$2,000,000-5,000,000	38%	38%	33%	32%	19%	40%
\$5,000,000-10,000,000	40%	50%	40%	40%	40%	67%
\$10,000,000-50,000,000	13%	33%	14%	33%
Over \$50,000,000	...	33%

Office Correspondence

FEDERAL RESERVE
BOARD

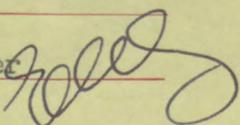
421.11

Date July 11, 1933

To Mr. Blattner

Subject: _____

From Mr. Goldenweiser



2-8495

In view of the fact that the material assembled by the Committee on Branch, Group, and Chain Banking has been transmitted to Congress, I think we can regard the subject matter as released, at least in a limited way. For example, parts of it might be utilized when the occasion demands to answer inquiries. When used in this way, credit should not be given to the Federal Reserve Committee on Branch, Group, and Chain Banking. The volumes should not be put on an open shelf where visitors could roam through them at will.

11a

Mr. Smead ✓

Mr. Horbett ✓

Mr. Hammond ✓

Mr. Van Fossen ✓

Mrs. Sissman ✓

Mr. Blattner ✓

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 10, 1933

To Mr. Goldenweiser

Subject: 421.11

From Mr. Blattner
BWB

GPO

2-8495

I am submitting, as you suggested, the attached memorandum with reference to defining a policy with respect to giving out material assembled by the Committee on Branch, Group, and Chain Banking. I should prefer that the Committee be given credit whenever any of its material is utilized.

*This should
be
sent*

42111
RECEIVED
JUN 30 1933
DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

June 29, 1933.

Dr. E. A. Goldenweiser,
Chairman, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Your letter of June 22 was duly received and since then
the revised volumes of the Committee's report have also arrived.
Yesterday I sent back to you by express the original copies which
I had of all of these volumes.

I note your comments about Mr. Wickens' report on "Agri-
cultural Conditions and Bank Difficulties" and hope it may be possible
to work something out of this, as it is my impression that Mr. Wickens
has gathered a lot of very valuable material. I have not yet had time
to read the revised summary of the report but will do so as soon as
possible and write you of any comments which occur to me.

Very truly yours,

L. R. Rounds
L. R. Rounds,
Deputy Governor.

FEDERAL RESERVE BANK
OF CLEVELAND

42-11 RECEIVED
JUN 27 1933
DIVISION OF RESEARCH
AND STATISTICS

June 26, 1933.

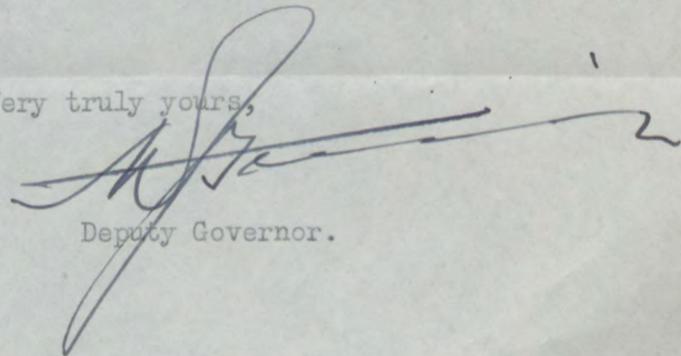
Mr. E. A. Goldenweiser, Chairman,
Committee on Branch, Group, and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Goldenweiser:

Receipt is acknowledged of your letter of June 22, also the volumes comprising the more recent editions of the survey. All of the old copies of the earlier editions, as well as the Summary Report, will be returned to you as requested.

I shall try to look over the new Summary Report within a few days and write you, should I have any suggestions or comments.

Very truly yours,



Deputy Governor.

F:C:R

421.11

June 22, 1933

Mr. L. R. Rounds
Deputy Governor
Federal Reserve Bank
New York, New York

Dear Mr. Rounds:

You no doubt received in due course a copy of my letter of May 25, 1933, to Senator Glass transmitting the final three volumes of our report and also including a list of all of the ten volumes sent to him from time to time. I am sending you separately a set of these volumes in the form in which they went to the Senator.

We had heard that Senator Glass was considering printing these reports as Congressional documents, but Congress adjourned without his having taken the necessary action to bring this about. The possibility will not be revived in this quarter before next January, when Congress reconvenes.

The editions of the volumes which I am sending you have taken account of the criticisms of the earlier editions made by members of the Committee, as well as criticisms made by Messrs. Harrison, Morrill, Wyatt, Paulger, and Parry of the Board's staff, who read a number of the volumes. The most far-reaching criticism made by these gentlemen related to their feeling that our reports had gone too far in the direction of emphasizing the weaknesses of small banks and of suggesting that size was a guaranty of soundness.

I am sending you also a new edition of the Summary Report. The alterations made in this summary are chiefly by way of bringing it into line with the criticisms of and alterations made in the underlying volumes.

I should be very glad if you would return to us copies of earlier editions of the underlying volumes as well as of the Summary Report which are now in your possession. These would be valuable to us in building up extra sets of the new editions. The number of charts printed in the beginning was limited and I am reluctant to incur considerable expense for printing additional copies of the charts.

*Same letter to Clerk
+ Fleming*

Mr. L. R. Rounds, #2

June 22, 1933

Of the report on "Agricultural Conditions and Bank Difficulties" upon which Mr. Wickens worked, a rough draft was turned in by him at the end of March, just as Mr. Riddle was leaving. Although some of us have spent considerable time upon this manuscript, we do not as yet see the way to make it usable, but we have not abandoned hope.

Very truly yours,

E. A. Goldenweiser
Chairman, Committee on Branch,
Group, and Chain Banking.

P. S. I should be glad to hear from you whether the summary in its present form is satisfactory.

Mr. Smead

Put
with
other
volumes
DHO

For your information

SwB

42111

June 22, 1933

Mr. Ira Clerk
Deputy Governor
Federal Reserve Bank
San Francisco, California

Dear Mr. Clerk:

You no doubt received in due course a copy of my letter of May 25, 1933, to Senator Glass transmitting the final three volumes of our report and also including a list of all of the ten volumes sent to him from time to time. I am sending you separately a set of these volumes in the form in which they went to the Senator.

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Mr. Ira Clerk, #2

June 22, 1933

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Very truly yours,

E. A. Goldenweiser
Chairman, Committee on Branch,
Group, and Chain Banking.

cc to Mr. Smead

Office Correspondence

FEDERAL RESERVE
BOARD

Date June 12, 1933.

To Files

Subject:

From Mr. Carpenter

GPO 2-8495

W. P. Carter Glass

Under date of April 15, 1933, Senator Carter Glass requested for the use of a sub-committee of the Senate Banking and Currency Committee, a copy of the report of the investigation made by the System Committee on Branch, Group and Chain Banking. In accordance with this request and with the approval of the Federal Reserve Board, Mr. Goldenweiser, under date of April 21, 1933, forwarded to Senator Glass studies made by the System Committee on "branch banking in the United States", "branch banking in England", "branch banking in Canada", "changes in the number and size of banks in the United States, 1834-1931" and "bank suspensions in the United States, 1892-1931".

Under date of May 3, 1933, Mr. Goldenweiser forwarded to Senator Glass additional volumes prepared by the System Committee entitled "banking profits, 1890-1931", and "the dual banking system in the United States".

On May 25, 1933, volumes entitled "branch banking in California", "225 bank suspensions, case histories from examiners reports" and "banking groups and chains", were forwarded to Senator Glass by Mr. Goldenweiser.

The official file copies of the ten volumes referred to above are in the safe in the Assistant Secretary's office.

now in Files Section

8/24/38

421.11
May 31, 1933

Mr. Carpenter

Mr. Blattner

Pursuant to your request to Mr. Goldenweiser I am sending you copies of letters sent to Senator Glass on May 3rd and May 25th transmitting portions of the report of the Committee on Branch, Group, and Chain Banking.

In the accompanying bundle there are two copies each of the three reports transmitted to Senator Glass on May 25th. These are to complete the files of Mr. Morrill and Mr. Harrison. Mr. Harrison told me the other day that some of you over there would know where to send the volumes to him.

Enclosure

421.11

May 25, 1933

Mr. Ira Clerk
Deputy Governor
Federal Reserve Bank
San Francisco, California

Dear Mr. Clerk:

With respect to minutes of meetings of the Committee on Branch, Group, and Chain Banking mentioned in your letter of May 16, Mr. Riddle informs me that no formal minutes of the meetings of last autumn were recorded owing to the subsequent demands upon his time up to the end of his tenure, March 31, 1933. The meetings held from May 22-27, 1931, were the last meetings previous to those of last autumn.

As you will recall, no stenographic notes were taken at the meetings last autumn. Several days were spent in going over the Summary Report with the members of the staff and ironing out various points of view. In addition to this, the minutes, if they had been recorded, would have in general taken note of the fact that all members except Mr. Fleming were present; that the several detailed volumes were to be revised by the staff in accordance with the suggestions of the committee members as already recorded by them on the then current editions; that Mr. Powell came to Washington at the Committee's request to consider the necessity of some radical revisions with respect to his volume; that the Committee and some members of the staff met for a few minutes with the Federal Reserve Board, which was apprised of the status of the various volumes including the Committee's intention to submit a summary report.

Very truly yours,

E. A. Goldenweiser
Chairman, Committee on Branch,
Group, and Chain Banking.

AWB
GWB:CH

(C O P Y)

421.11

May 25, 1933

Honorable Carter Glass
United States Senate
Washington, D. C.

Dear Senator Glass:

I take pleasure in sending you three additional volumes of material prepared under the supervision of the Federal Reserve System Committee on Branch, Group, and Chain Banking. These volumes deal with Branch Banking in California; 225 Bank Suspensions, Case Histories from Examiners' Reports; and Banking Groups and Chains.

The ten volumes that have been transmitted to you comprise all of the material collected by the Committee. The ten volumes are listed below:

Typewritten pages
(Including all appendices)

(1) Branch Banking in the United States ✓	450
(2) Branch Banking in California ✓	130
(3) Branch Banking in England ✓	100
(4) Branch Banking in Canada ✓	250
(5) Banking Groups and Chains ✓	430
(6) Changes in the Number and Size of Banks in the United States, 1834-1931 ✓	600
(7) Bank Suspensions in the United States, 1892-1931 ✓	210
(8) 225 Suspensions, Case Histories from Ex- aminers' Reports ✓	260
(9) Banking Profits, 1890-1931 ✓	260
(10) Dual Banking System in the United States ✓	<u>160</u>
Total	2,850

Respectfully yours,

E. A. Goldenweiser, Chairman,
Committee on Branch, Group, and Chain Banking

See memo 6-12-33

See letter 6-22-33

to Clerk - San Francisco

Office Correspondence

Date May 20, 1933

To Mr. Smead

Subject: _____

From Mr. Flattner

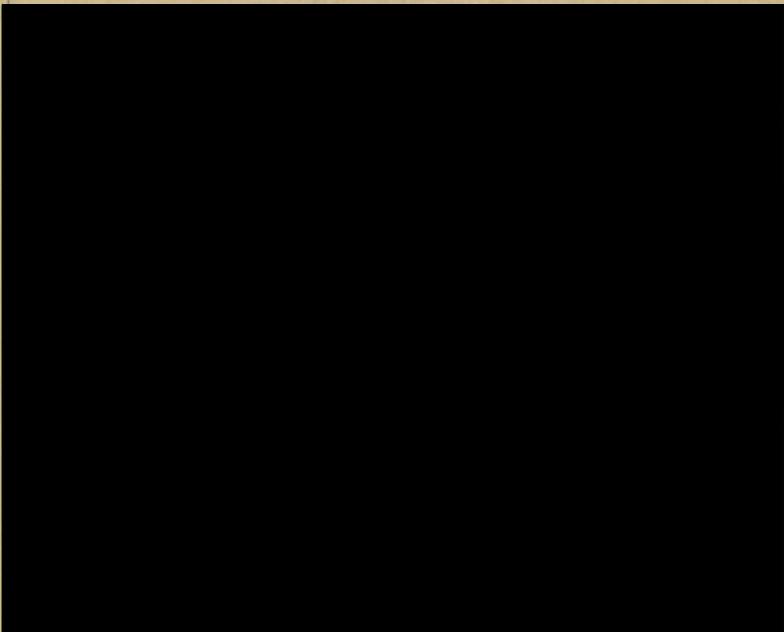
2-8495

Because of our aspirations with respect to the Committee's volumes, which are being put at Senator Glass' disposal, I should very much like to see "California," "225 Suspensions" and "Group Banking" go to him early next week. Please note the attached clipping from today's New York Times in which Senator Robinson states his intention with respect to adjourning by June 10. I should very much like to be able to begin operations on "Group Banking" on Monday, if at all possible.

THE

***Robinson Predicts Adjourning June 10;
Leader Says Senate Will Be Ready Then***

Special to THE NEW YORK TIMES.



FEDERAL RESERVE BANK OF SAN FRANCISCO

May 16, 1933

421.11
RECEIVED
MAY 22 1933
DIVISION OF RESEARCH
AND STATISTICS.

Mr. Blatten

Dr. E. A. Goldenweiser,
Chairman, Committee on Branch, Group and Chain
Banking,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

In looking over the Minutes of meetings of the Committee on Branch, Group and Chain Banking, I find nothing later than those of the meeting of May 22-27, 1931.

When opportunity presents, would you be so kind as to send me copies of the Minutes of the meetings held thereafter.

With kindest regards,

Yours very truly,

S. C. Beer
Deputy Governor.

NATIONAL BOARD

Office Correspondence

FEDERAL RESERVE
BOARD

Date May 12, 1933

To Mr. Goldenweiser

Subject: Form for printing Committee's

From Mr. Blattner

volumes.

2-8495

I think it would not be unwise for us to be thinking some of a problem desirable form for printing the Committee's volumes in case that/should come to us. I am, therefore, setting down a few considerations in this connection. At the bottom of this, there is a tabulation showing the approximate number of mimeographed pages contained in the various volumes including their appendices.

There has been some talk about material being bound in three volumes. The break-up in the tabulation below is a preliminary suggestion looking to grouping into three volumes. It is evident that other, probably better, schemes could be devised.

There are, in the first place, the problems centering around size of type and size of page. I have been looking at some of the volumes published by the National Monetary Commission. These had attractive type and page sizes. The pages contain about 300 words each, which coincides approximately with the number of words on our present stenciled pages. A manageable volume of this size contains about 500 pages. If our material were made up in this form, six volumes might be required. I personally find more attractive the make-up of the National Monetary Commission volumes than I do Recent Economic Changes, for example. In the latter work, the type is somewhat smaller and the pages somewhat larger than in the case of the National Monetary volumes, so that about 500 words appear per page. With a make-up of this sort our material might comprise four volumes of approximately 450 pages each. The pages of our annual report contain about 450 words.

Furthermore, there is the problem of an index: For example, Volume VI of the National Monetary Commission Publications contains Cannon's "Clearing Houses" and Kinley's "Credit Instruments." Each of these is separately paged and separately indexed. A plan of this sort would perhaps be the most appropriate in connection with our material. A consolidated index of 10 or 11 volumes could easily become a cumbersome and useless thing. It is easy to foresee that, if we go in for indexes of any sort, their composition may become something of a problem and serve to slow up publication. Mr. Kitzmiller believes that in general practice an index is not started prior to the reception of page proof. From the point of view of the indexing process, this is no doubt the least wasteful procedure. I can, however, conceive a technique that would have the indexing well in hand before the stage of page proof was reached.

	<u>Mimeographed Pages</u>	
1. Branch Banking in the United States	350	
2. Branch Banking in Canada	250	
3. Branch Banking in England	100	
4. Branch Banking in California	<u>130</u>	830
5. Bank Suspensions in the U. S., 1892-1931	207	
6. A Study of 225 Suspended Banks	257	
7. Agriculture	250?	
8. Banking Profits, 1890-1931	<u>265</u>	980
9. Bank Changes	600	
10. Banking Groups and Chains, 1931	430	
11. The Dual Banking System in the U. S.	<u>160</u>	<u>1190</u>
		3000

Original

Copy

May 3, 1933

CIRCULATION: 421.11

FED.	Mr. Hamlin	✓
	Mr. James	✓
	Mr. Magee	
	Mr. Miller	
	Mr. Harrison	
	Mr. Morrill	
	Mr. McClelland	✓
	Mr. Wyatt	✓
	Mr.	
	Mr.	

Please note - initial
and return to GOVERNOR.

Honorable Carter Glass
United States Senate
Washington, D. C.

Dear Senator Glass:

I take pleasure in sending you two additional volumes of material prepared under the supervision of the Federal Reserve System Committee on Branch, Group, and Chain Banking. These volumes deal with Banking Profits, 1890-1931, and The Dual Banking System in the United States. I expect to be able to send you additional material within the next week or ten days.

Respectfully yours,

E. A. Goldenweiser,
Chairman, Committee on Branch, Group,
and Chain Banking

Enclosures

see memo 6-12-33

Office Correspondence

FEDERAL RESERVE
BOARDDate May 1, 1933 421.11To Mr. Smead ✓

Subject: _____

From Mr. Blattner
Blattner

* * *

2-8495

I am sending you a copy of the latest edition of Banking Profits. I am also sending you the copy of the previous edition upon which changes were made. On the inside cover of this you will find the pages that were effected. Pages 9, 11, and 12 have been substantially rewritten. Please note that a new chart has been inserted at page 11a. The first page of the summary, 97, represents an addition.

I intend to run the letter of transmittal over again in order to better center it on the page.

421.11

April 29, 1933

Mr. L. R. Rounds
Deputy Governor
Federal Reserve Bank
New York City

My dear Rounds:

4-28-33

I suppose your reference to the report of the Committee is to the summary which we prepared last autumn. I have not yet furnished Senator Glass with that summary. It is my intention, after I have gone over all the other volumes which will be sent, to go over the summary once more to see whether, in perspective, it still represents a fair statement of the Committee's findings. I feel that if the summary is transmitted it would have to be resubmitted to the members of the Committee, because it has been materially modified already and may have to be further modified. I recognize that it is an unsatisfactory state of affairs from the Committee's point of view, but there was no other course of action open to me in view of all the circumstances.

Very truly yours,

E. A. Goldenweiser
Chairman, Committee on Branch, Group, and
Chain Banking

FEDERAL RESERVE BANK
OF NEW YORK

421.11
RECEIVED
APR 29 1933
DIVISION OF RESEARCH
AND STATISTICS.

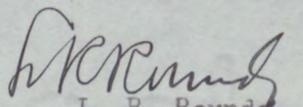
April 28, 1933.

Dr. E. A. Goldenweiser, Chairman
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Dr. Goldenweiser:

This will acknowledge your letter of April 25 enclosing copies of correspondence exchanged with Honorable Carter Glass, from which I note Senator Glass' Committee is being furnished with the material assembled by the Committee on Branch, Group and Chain Banking. I notice that while the Senator appears to have asked for a copy of the report, your correspondence refers only to the exhibits. Might I ask if he is being furnished with a copy of the report as well as the exhibits?

Very truly yours,


L. R. Rounds
Deputy Governor

Office Correspondence

FEDERAL RESERVE
BOARD*Committee on Branch
Federal Reserve Board Banking*Date April 28, 1933 *4/21/11*To Mr. SmeadSubject: Concerning pages changed inFrom Mr. Blattner
*BWB*Committee volumes sent to Senator Glass.

G.P.O. 2-8495

I am sending you the copy of "Bank Changes" used in making changes between the previous edition and that sent to Senator Glass. You will note that an enumeration of pages changed appears on the inside cover. The appendix is not included in the copy which I am sending to you. No changes were made in the appendix between the previous edition and the one sent to Senator Glass.

I am sending you also the corresponding document with respect to "Bank Suspensions."

With respect to "Branch Banking in the United States" the file copy is somewhat different as pages of the previous edition were limited. I accordingly am sending you only those pages which were altered. In most instances you will observe that the restenciling was done to remove material that was stricken out by pen following the suggestions of the Committee. Chapters XI and XII of the earlier edition were omitted altogether from ~~the~~ edition sent to Senator Glass.

When these have served your purpose, please return them to us for our file.

421.11

April 27, 1933

Mr. L. R. Rounds
Deputy Governor
Federal Reserve Bank
New York, New York

Dear Mr. Rounds:

I am sending you separately a new edition of Mr. Powell's study concerning 225 representative member banks suspending in the years 1921-1931. This represents a consolidation and working over by Mr. Powell and Mr. Riddle of the two earlier volumes in line with criticisms made by you and other members of the Committee. Neither Mr. Smead nor I have been over this edition but are planning to do so in a short time so that it may be corrected and sent to Senator Glass. Because of your particular interest in this study, I am wondering if you can find time within the next few days to go through this edition and give us the benefit of your ideas.

Very truly yours,

E. A. Goldenweiser, Chairman
Committee on Branch, Group,
and Chain Banking.

GB:RJ

411.1
421.11

April 25, 1933

Mr. M. J. Fleming
Deputy Governor
Federal Reserve Bank
Cleveland, Ohio

My dear Fleming:

I want to keep you advised of the latest developments with respect to the reports of the Committee on Branch, Group, and Chain Banking. You will find enclosed copies of a letter from Senator Glass to Governor Meyer and of the Governor's reply, together with a letter from me to Senator Glass. You will see from this correspondence that certain volumes have been sent to Senator Glass' Committee and that the other volumes are to follow. I believe that we will be able to get to Senator Glass within a week or so all of the volumes with the exception of the Powell study on suspensions and Wickens' study on agriculture. The Powell study has not been reviewed by Mr. Smead or myself since its revision on the basis of the Committee's suggestions. We shall try to review it as soon as possible, but are both under very heavy pressure, so that it may take a month before the report is ready. Mr. Wickens submitted his manuscript just before Mr. Riddle's tenure expired and it has not been read by anyone, except Mr. Blattner, who reports that it will require a great deal of revision.

The question of the publication of the reports is for the present up to Senator Glass' Committee. I feel that it is not worth while to make up many mimeographed sets if the reports are to be published. In case they are not published, I shall have enough sets made up for the use of the Committee and its staff, as well as for officials of the Federal Reserve System.

Very truly yours,

E. A. Goldenweiser, Chairman
Committee on Branch, Group, and Chain Banking

Enclosures
EAG DD

Division of	_____
File No.	157.

C O P Y

April 21, 1933

Honorable Carter Glass
United States Senate
Washington, D. C.

Dear Senator Glass:

In accordance with the instructions of the Federal Reserve Board I transmit herewith for the information of your committee, certain material prepared under the supervision of the Federal Reserve System Committee on Branch, Group, and Chain Banking, which consisted of:

E. A. Goldenweiser, Director, Division of Research and Statistics, Federal Reserve Board, Chairman;
Ira Clerk, Deputy Governor, Federal Reserve Bank of San Francisco
M. J. Fleming, Deputy Governor, Federal Reserve Bank of Cleveland;
L. R. Rounds, Deputy Governor, Federal Reserve Bank of New York; and
E. L. Smead, Chief, Division of Bank Operations, Federal Reserve Board.

The material includes studies of branch banking in the United States, in England, and in Canada, of changes in the number and size of banks in the United States, 1834-1931, and of bank suspensions, 1892-1931, and was prepared by the committee's staff under the immediate direction of Mr. J. H. Riddle, the committee's executive secretary and director of research.

The work of this committee began in the spring of 1930 and the statistics cover for the most part the years 1920-1931. As you know, the period during which the committee was making its studies witnessed the development of the present depression with its important effects on

Honorable Carter Glass

the banking system of the country. During such a period statistics do not tell the whole story. In transmitting the committee's statistical material, I wish to say that it represents a diligent effort to collect and organize the important data about the banking structure, and that in my judgment it does fairly represent conditions during the decade ending in 1930. Unusual conditions since that time, however, have brought out many facts about banks that were not reflected in current statistics.

I may add that the exceptional pressure of work on the members of the committee in the past two years has been a factor in slowing down the final preparation of the material and has also prevented their giving as much time and attention to reviewing it as they would have wished. I hope that the material will prove to be of service to you and to your sub-committee. Other parts of the material prepared by the committee will be transmitted to you as soon as they are completed.

Certain material belonging to the appendices of some of the volumes is not transmitted, because it has not been mimeographed, but is available in the committee's files. Where such material is omitted, it is so indicated.

Very respectfully

E. A. Goldenweiser, Chairman
Committee on Branch, Group, and Chain Banking

See memo 4/25/33

C O P Y

April 20, 1933

Honorable Carter Glass
United States Senate
Washington, D. C.

Dear Senator Glass:

I have received and brought to the attention of the Board your letter of April 15 with reference to the material compiled by the Federal Reserve System Committee on Branch, Group, and Chain Banking, particularly with respect to branch banks and causes of bank failures.

This committee has collected data on many phases of the banking situation and has transmitted some of it to the Federal Reserve Board. Owing to the pressure of other duties, the Board has not had sufficient opportunity to study this material and is not in a position, therefore, to comment on it.

Pursuant to your request, however, the Board has directed Mr. Goldenweiser, the Chairman of the committee, to transmit to you, for the information of your committee, such parts of the material as can be made available at this time, and to send you other parts as soon as they are completed.

In this connection, you will recall that I sent you in November, 1931, some preliminary statistical material that had been compiled under the supervision of the committee.

Very truly yours,

Governor

See memo 4/25/33

C O P Y

UNITED STATES SENATE

April 15, 1933

Dear Governor Meyer:

The Federal Reserve Board appointed a committee about three years ago, of which Dr. E. A. Goldenweiser was chairman, to make a thorough investigation of branch, group, chain and unit banking. The committee, I am told, filed a report with voluminous exhibits in the latter part of 1932. This report, as I understand, represents an exhaustive examination and investigation. It would be extremely valuable to my sub-committee if a copy of that report, covering at least branch banking and causes of bank failures, could be made available.

Sincerely yours,

(Signed) Carter Glass
Chairman, Sub-committee

Honorable Eugene Meyer, Governor
Federal Reserve Board
Washington, D. C.

See memo 4/25/33

421.4

April 25, 1933

Mr. L. R. Rounds
Deputy Governor
Federal Reserve Bank
New York City

My dear Rounds:

4/15/33
2

I want to keep you advised of the latest developments with respect to the reports of the Committee on Branch, Group, and Chain Banking. You will find enclosed copies of a letter from Senator Glass to Governor Meyer and of the Governor's reply, together with a letter from me to Senator Glass. You will see from this correspondence that certain volumes have been sent to Senator Glass' Committee and that the other volumes are to follow. I believe that we will be able to get to Senator Glass within a week or so all of the volumes with the exception of the Powell study on suspensions and Wickens' study on agriculture. The Powell study has not been reviewed by Mr. Smead or myself since its revision on the basis of the Committee's suggestions. We shall try to review it as soon as possible, but are both under very heavy pressure, so that it may take a month before the report is ready. Mr. Wickens submitted his manuscript just before Mr. Riddle's tenure expired and it has not been read by anyone, except Mr. Blattner, who reports that it will require a great deal of revision.

4/20/33
4/21/33

The question of the publication of the reports is for the present up to Senator Glass' Committee. I feel that it is not worth while to make up many mimeographed sets if the reports are to be published. In case they are not published, I shall have enough sets made up for the use of the Committee and its staff, as well as for officials of the Federal Reserve System.

Very truly yours,

E. A. Goldenweiser, Chairman
Committee on Branch, Group, and Chain Banking

Enclosures
EAG DD

same letter to
Clerk + Fleming

FEDERAL RESERVE BOARD FILE
421.11
~~421-1~~

April 24, 1933.

Honorable Carter Glass
United States Senate
Washington, D. C.

Dear Senator Glass:

In accordance with the instructions of the Federal Reserve Board I transmit herewith for the information of your committee, certain material prepared under the supervision of the Federal Reserve System Committee on Branch, Group, and Chain Banking, which consisted of:

E. A. Goldenweiser, Director of the Division of Research and Statistics, Federal Reserve Board, Chairman;
Ira Clerk, Deputy Governor, Federal Reserve Bank of San Francisco;
M. J. Fleming, Deputy Governor, Federal Reserve Bank of Cleveland;
L. R. Rounds, Deputy Governor, Federal Reserve Bank of New York; and
E. L. Smead, Chief, Division of Bank Operations, Federal Reserve Board.

The material includes studies of branch banking in the United States, in England, and in Canada, ~~of the dual banking system in the United States,~~ *See* of changes in the number and size of banks in the United States, 1834-1931, and of bank suspensions, 1892-1931, and was prepared by the committee's staff under the immediate direction of Mr. J. H. Riddle, the committee's executive secretary and director of research.

The work of this committee began in the spring of 1930 and the statistics cover for the most part the years 1920-1931. As you know, the period during which the committee was making its studies witnessed the development of the present depression with its important effects on the banking system of the country. During such a period statistics do not tell the whole

See memo 6-12-33
Previous 4-15-33

FILE COPY

Honorable Carter Glass

story. In transmitting the committee's statistical material, I wish to say that it represents a diligent effort to collect and organize the important data about the banking structure, and that in my judgment it does fairly represent conditions during the decade ending in 1930. Unusual conditions since that time, however, have brought out many facts about banks that were not reflected in current statistics.

I may add that the exceptional pressure of work on the members of the committee in the past two years has been a factor in slowing down the final preparation of the material and has also prevented their giving as much time and attention to reviewing it as they would have wished. I hope that the material will prove to be of service to you and to your sub-committee. Other parts of the material prepared by the committee will be transmitted to you as soon as they are completed.

Certain material belonging to the appendices of some of the volumes is not transmitted, because it has not been mimeographed, but is available in the committee's files. Where such material is omitted, it is so indicated.

Appel

Very respectfully,

AT EXECUTIVE COMMITTEE MEETING

APR 24 1933

M. E. A. Goldenweiser, Chairman
Committee on Branch, Group, and Chain Banking

FOR CIRCULATION	Gov. Moyer	✓
Mr. Hamlin	✓	
Mr. James	✓	
Mr. Magee	✓	
Mr. Miller	✓	

Mr.
Mr.
Please note - initial and Return to Secretary's Office

Long
Low
Appel
Goldenweiser
Miller
James
Hamlin
Magee
Moyer

FILE COPY

421.11

File

April 20, 1933.

Honorable Carter Glass
United States Senate
Washington, D. C.

Dear Senator Glass:

I have received and brought to the attention of the Board your letter of April 15 with reference to the material compiled by the Federal Reserve System Committee on Branch, Group, and Chain Banking, particularly with respect to branch banks and causes of bank failures.

This committee has collected data on many phases of the banking situation and has transmitted some of it to the Federal Reserve Board. Owing to the pressure of other duties, the Board has not had sufficient opportunity to study this material and is not in a position, therefore, to comment on it.

Pursuant to your request, however, the Board has directed Mr. Goldenweiser, the Chairman of the committee, to transmit to you, for the information of your committee, such parts of the material as can be made available at this time, and to send you other parts as soon as they are completed.

In this connection, you will recall that I sent you in November, 1931, some preliminary statistical material that

FILE COPY

Honorable Carter Glass

had been compiled under the supervision of the committee.

Very truly yours,

(Signed) Eugene Meyer
(Signed) Eugene Meyer

Governor

Wells
Am
Em
WOW
W.P.J.

FOR APPROVAL

Gov. Meyer ✓

Mr. Hamlin ✓

Mr. James ✓

Mr. Megee ✓

Mr. Miller ✓

Mr.

Mr.

Please note - Initial and
Return to Secretary's Office

Appd
AT EXECUTIVE COMMITTEE
MEETING
APR 24 1933
SR

FILE COPY

421.11

CARTER GLASS, VA., CHAIRMAN
 KENNETH MC KELLAR, TENN. FREDERICK HALE, ME.
 JOHN B. KENDRICK, WYO. HENRY W. KEYES, N. H.
 ROYAL S. COPELAND, N. Y. GERALD P. NYE, N. DAK.
 CARL HAYDEN, ARIZ. FREDERICK STEIWER, OREG.
 SAM G. BRATTON, N. MEX. PETER NORBECK, S. DAK.
 ELMER THOMAS, OKLA. PORTER H. DALE, VT.
 JAMES F. BYRNES, S. C. L. J. DICKINSON, IOWA.
 MILLARD E. TYDINGS, MD. JOHN G. TOWNSEND, JR., DEL.
 RICHARD B. RUSSELL, JR., GA. ROBERT D. CAREY, WYO.
 MARCUS A. COOLIDGE, MASS.
 ALVA B. ADAMS, COLO.
 PATRICK MC GARRAN, NEV.
 JOHN H. OVERTON, LA.

United States Senate

COMMITTEE ON APPROPRIATIONS

KENNEDY F. REA, CLERK
 JOHN W. R. SMITH, ASST. CLERK

April 15, 1933.

Dear Governor Meyer:

The Federal Reserve Board appointed a committee about three years ago, of which Dr. E. A. Goldenwiser was chairman, to make a thorough investigation of branch, group, chain and unit banking. The committee, I am told, filed a report with voluminous exhibits in the latter part of 1932. This report, as I understand, represents an exhaustive examination and investigation. It would be extremely valuable to my sub-committee if a copy of that report, covering at least branch banking and causes of bank failures, could be made available.

Sincerely yours,

Carter Glass

Chairman, sub-committee.

Honorable Eugene Meyer, Governor,
 Federal Reserve Board,
 Washington, D. C.

See minutes
 AT BOARD MEETING

APR 17 1933

SR

See ans 4-20-33
See letter 4-21-33
See memo 6-12-33

421.11

March 31, 1933

Mr. L. R. Rounds
Deputy Governor
Federal Reserve Bank
New York, New York

Dear Mr. Rounds:

As Dr. Goldenweiser advised you, I am terminating my services with the Committee today. The ten completed studies have been revised in accordance with the suggestions of the various members of the Committee. The eleventh study, Agricultural Conditions and Bank Failures, which has been made by Mr. Wickens of the Department of Agriculture, has just been turned in in draft form, and has not been edited.

The reading committee appointed by the Board to pass upon these volumes has read and given us its suggestions regarding four of the reports; namely, Banking Costs and Profits, Bank Suspensions, Changes in the Number and Size of Banks in the United States, and The Canadian Banking System. These four reports have been revised again in accordance with the suggestions of the reading committee. The work of this committee stopped when the banking crisis developed in February, and consequently they have not passed upon the other six volumes.

It is a matter of the keenest regret to me that these reports have not been passed upon and submitted to Congress or printed. This, of course, has been unavoidable due to the emergency. What will ultimately happen to them I cannot hazard a guess. Perhaps the banking crisis will make some further revisions necessary, but on the whole such necessary changes would not be large. The body of factual material collected and analyzed in these reports is fundamentally sound and certainly helps to give an understanding of some of the defects in our banking system. Not to make this material available to Congress and the public would be most unfortunate.

Aside from the disappointing ending, the task has been an unusually interesting one, and the complete confidence and cooperation given me by the members of the Committee has made the work a pleasure.

Very truly yours,

*Same letter to
Clerk*

J. H. Riddle
Secretary, Committee on Branch,
Group, and Chain Banking.

Office Correspondence

FEDERAL RESERVE
BOARD421.11
Date February 17, 1933

Dr. Goldenweiser

To Mr. Smead

Subject:

From Mr. Riddle

2-8405

In so far as possible I have made the various changes suggested in the suspensions volume. The 1932 figures which we have decided to insert in Chapter I are not yet available, but presumably we shall get them in a day or so. In the meantime I am submitting the volume with the other changes so that if you approve we can start stenciling immediately on receipt of these figures.

In estimating the losses to depositors of banks still in process of liquidation when the data were compiled, pp. 100-106, the suggestion was made that we avoid the use of the word estimate, and merely explain how the figures were derived. I have been able to do this except in the summary table and accompanying paragraph on page 105. There I found it very difficult to properly qualify the figures without using the word estimate. If you think it absolutely necessary, however, not to refer to the result as an estimate, perhaps we can still devise some way of explaining the figures without giving the impression that they are absolute figures rather than rough estimates. So far as I recall, there was no objection to the use of the word estimate in Chapter VI, where we have estimated the losses to stockholders of suspended banks, and I have not attempted to eliminate it in that chapter.

The stenographic staff will be ready to start stenciling this volume on Monday if you are able to go over it in the meantime.

421.11

Com. Copies

February 17, 1933

Mr. Richard H. Garlock
449 Mountview Avenue
Orange, New Jersey

See 1-25-33

Dear Mr. Garlock:

The Committee's report is still in the process of revision and re-revision and is not yet available for distribution. I shall be glad, however, to keep you in mind and see that you get a copy when it is completed.

Sincerely yours,

J. H. Riddle
Secretary, Committee on Branch,
Group and Chain Banking.

421.11

2/13/33

THE FEDERAL RESERVE BOARD

CROSS REFERENCE SHEET

File No. 421.1

Subject Letters to Mr. Curtiss, Boston Bank & Mr. C.M. Stewart, Secy.
agts. Conference - report of Committee on Branch, Group, & Chain
Banking at last Gov. & Agents Conference held Nov. 15-16- 1932
(preliminary form) subject to revision

SEE

File No. ^{2/13/33} (324 Conference Nov- 14-16 1932)

Letter of _____

Dated _____

Remarks _____

February 9, 1933

Mr. Gough

Mr. Riddle

421.11

Dear Mr. Gough:

I wonder if you won't be good enough to read over this chapter ³
on losses to stockholders at the same time that you are looking over the
chapter which I handed you yesterday on estimated losses to depositors.

Office Correspondence

FEDERAL RESERVE
BOARD421.11
Date January 31, 1933To Dr. Goldenweiser and Mr. Smead

Subject: _____

From Mr. Riddle

670 2-8495

I have made the changes suggested in the Canadian study and it is now ready for restenciling when you approve. I can not agree to the suggestion to call this volume "The Canadian Banking System" because that title would represent the study to be something that it is not and was never intended to be, that is, a comprehensive study of the Canadian banking system. The staff assignment was to study branch banking in Canada, and we did not see the necessity of writing another comprehensive book on the Canadian banking system. As the chapter headings indicate, therefore, we have limited the study almost entirely to three or four phases of the Canadian system which have a bearing on the question of branch banking. It seems to me to be leaning over backward to try to avoid the use of the term branch banking when it is used in the Board's terms of reference and the principal purpose of the Committee is the study of branch banking. The same problem comes up in connection with three other studies: Branch Banking in England, Branch Banking in California, and Branch Banking in the United States.

While my views on the question are rather decided, I shall, of course, abide by whatever decision you make as to the titles of these volumes.

*It's O.K. with me.
Pass it on to Mr. Smead.
We shall take up the
question of the title
later. Edg*

421.11

January 25, 1933.

Mr. J. H. Riddle, Secretary
Committee on Branch Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

I have intended writing you for some time to inquire how the work of your committee is progressing, but have delayed in the hope that I might be in Washington some week-end and have the opportunity of coming into your office.

Has the final report of the committee been completed yet, and if so, would it be possible for me to obtain a copy for my own edification? I should be glad, of course, to keep it strictly confidential if you desire.

Best personal regards to you and others with whom I worked,

Sincerely yours,

Richard H. Garlock

R.H. Garlock

January 21, 1933

421.11

Mr. Hammond

Mr. Blattner

On page 17 of the group and chain banking story there appears the following sentence: "From the earliest days individuals have undoubtedly invested in stocks of more than one bank with a resultant cross interest sometimes amounting to an interlocking directorate and sometimes perhaps to virtual control of several institutions by one person, one family, or one group of persons." With respect to this sentence you made a note "See Platt's letter." Sometime when you are in the Shoreham Building will you drop in and tell me what you meant by that note?

January 20, 1933

Dr. Goldenweiser

Mr. Riddle

421.11

Here is the bank changes volume with the corrections made as suggested by the reading committee. Changes in the figures in the tables have not been inserted in this copy. What is the next step?

421.11

January 14, 1933

CLERK
SAN FRANCISCO

BOARD HAS APPOINTED A STAFF COMMITTEE TO REVIEW THE
VOLUMES SUBMITTED BY BRANCH BANKING COMMITTEE. PROGRESS
IS BEING MADE AND IT IS MY HOPE THAT PRINCIPAL VOLUMES MAY
BE TRANSMITTED TO CONGRESS SHORTLY. THIS INFORMATION IS
OF COURSE CONFIDENTIAL.

GOLDENWEISER

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

319 G Y

RECEIVED AT WASHINGTON, D. C.

Sanfrancisco Jan 13 249pm 1933

Goldenweiser

Washington

421.11
RECEIVED
JAN 14 1933
DIVISION OF RESEARCH
AND STATISTICS.

Have been approached by Bankers interested in formulating banking legislation in California, Nevada, Oregon and Washington for any information prepared by your committee which may be of guidance. Thought occurs to me that if reports are to be released they would be of greater value now than some later time do you anticipate they will be made public documents

Clerk

652pm

January 12, 1933

Mr. Riddle.

Banking Offices in London.

Mrs. Sissman and Mr. Blattner.

421.11

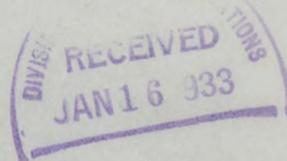
We have not been able to find a source which supplies the number of commercial banking offices in the City of London. We have attempted to make some count on the basis of the Bankers Almanac and the Atlas. This has involved some assumptions and estimates and the results are not perfectly assuring.

What is known as the Metropolis of London (117 square miles) has a population of 4,200,000 persons; Greater London (about 700 square miles) has a population of 8,200,000 persons. We have not been able to devise a method to estimate the banking offices in Greater London, but have made an attempt at the banking offices in the Metropolis.

First, the number of branches using the metropolitan clearings were counted. It is believed that this method accounted for most of the London branches of the 9 out of 16 joint stock, domestic, commercial banks, which belong to the clearing house. The remaining large branch banking systems belong to the Manchester City group and they appear to have among them only a handful of branches in the Metropolis of London. The count indicates about 750 offices of joint stock, domestic, commercial banks in the Metropolis of London or one office for about 5,500 persons.

FEDERAL RESERVE BANK OF SAN FRANCISCO

January 9, 1933



Dr. E. A. Goldenweiser,
Chairman, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

I have reviewed the report on the Dual Banking System in the United States and offer the following comments for consideration:

Page 2, line 4: In order to demonstrate the relative and diminishing importance of note issues, would it not be well to insert at this point a statement somewhat as follows:

In 1860, 40% of the loanable funds made available through currency issues and deposits was in currency alone. By 1880, this proportion had diminished to 12%; by 1895 it was 3%, and in 1930, 1%.

(If inserted, these percentages should be carefully checked).

Page 7, line 9: Would it not be better to change the phrase "and their investment in high-grade securities" to "and their investment primarily in secured loans on capital assets (real estate, etc.) and in bonds, with the intention of affording additional safeguards to savings depositors"?

Page 13, line 3: Change to read as follows:

"It was also possible in many States for the stockholders of a National bank to organize a State bank and trust company which could then purchase and own a controlling interest in the National bank."

Page 26, line 16: Change to read:

"Membership in the System, therefore, in many instances, involves a loss of income."

Page 27, line 1: There is not now, nor has there ever been, anything in the Federal Reserve Act which imposes the provisions of the Clayton Act upon State member banks. The Federal Reserve Board in its early deliberations either interpreted the Clayton Act as being binding upon State member banks or felt it was desirable to impose upon them by regulation the provisions of the Clayton Act as a condition of membership, so as to equalize the position of National and State members.

Orig. filed
421.116a

However, on September 10, 1917 (see Board's letter X-375), the Acting Attorney-General of the United States rendered an opinion that State banks and trust companies, members of the System, were not subject to the inhibitions of Section 8 of the Clayton Act. It was the opinion of the Acting Attorney-General presumably, and not the amendment of the law, which caused the Federal Reserve Board to modify its Regulations.

Page 29, line 4: Change to read as follows:

and extended This amendment further extended the trust powers ~~of~~ given to National banks for the first time under the Act of December 23, 1913, by authorizing them under special permission, etc.

Page 29, line 9:

Prior to the October 22, 1919, amendment, a National Bank could not lend to one borrower in excess of 10% of its capital and surplus (bills of exchange and commercial or business paper being excluded from such limitations). The October amendment permitted straight loans to one borrower up to 35%, that is, 10% unsecured, an additional 15% secured by warehouse receipts, and 10% secured by United States Government bonds at face value. There was, of course, the existing provision that there was no limitation on loans secured by at least 105% of United States Government obligations.

Page 29, line 24:

In the original Federal Reserve Act, State banks entering the System became subject to the provisions of Section 5200 U. S. R. S., thus making them conform to the 10% loan limitations imposed upon National banks.

In June, 1917, State banks were relieved of the restrictions of Section 5200 and were assured of the continuance of full statutory rights on entering the System. While this permitted them to loan beyond 10% if authorized by the State laws, it made ineligible for discount at the Federal Reserve Bank any paper of borrowers who were indebted to the State bank beyond 10% (bills of exchange and business paper excepted).

In October, 1919, National banks were permitted under certain conditions to loan beyond 10%. If, however, a loan legally exceeded 10%, it did not make ineligible for discount at the Federal Reserve Bank eligible paper of such borrower not exceeding 10%.

You will recall that it was not until April, 1930, that Federal Reserve Banks were authorized to discount in excess of 10% of any one borrower (bills of exchange and commercial paper excluded from any limitations).

This, it will be seen, gave National banks an advantage because if they legally loaned say 25% to any one borrower, they might still discount 10% of the line with the Federal Reserve Bank, whereas if a State bank made a loan in excess of 10%, the Federal Reserve Bank could not discount any portion of such loan or, indeed, any other paper of such borrower even though it might be bills of exchange drawn in good faith against actually existing values.

The amendment of July, 1922, instead of reducing the advantage

of State banks, increased it because State banks were thereafter permitted to discount up to 10% so long as the borrower was not indebted to the State bank in an amount greater than could be borrowed if such bank were a National bank.

National banks may now, under a combination of circumstances, lend to any one borrower up to 95% of their capital and surplus, without regard to their discounts or bills of exchange or commercial or business paper actually owned, etc., and this is greater liberality than that enjoyed by most State banks. So an analysis of the present situation would show that the State banks generally are at a disadvantage. There is attached Supplement 2 of our Circular No. 32, setting forth examples of what National banks may lend to any one borrower.

Page 31, line 7: After the words "additional office" add "in the home office city."

Page 32, paragraph 6: After the word "title" add "for merchantable commodities and livestock."

Page 33, line 3: After the words "State law" add: "This merely gave legal sanction to a practice of long standing."

Page 48, line 9: Change to read:
"Besides these 8, one State exempted limitations on loans on real estate completely, and another limitations on loans against first mortgages on farm lands, etc.

Page 50, line 3: Change to read:
"National banks, it will be recalled, also have exceedingly broad lending powers ~~in these respects~~, particularly in the matter of advances secured by readily marketable non-perishable staples. (See Supplement 2 of Circular No. 32 attached).

It is worthy of note that National banks may lend more against readily marketable staples than they may against United States Government securities.

Page 50, line 5: Is this paragraph correct, in view of the fact that National banks may lend without limit in the case of

- (a) drafts or bills of exchange drawn in good faith against actually existing values;
- (b) commercial or business paper actually owned;
- (c) obligations secured by goods or commodities in process of shipment;
- (d) bankers' acceptances,

and, in addition thereto, can lend up to 95% under a given set of circumstances? (See Supplement 2, Circular No. 32 attached).

Page 60, line 1: Change to read as follows:
"prohibit forever any member of the Federal Reserve System, either National or State, from establishing branches in States which, at the time of the passage of the McFadden Bill, did not provide for branch banking. This would have

given non-member State banks and trust companies a permanent advantage over National and State bank members of the Federal Reserve System in regard to the future development of branch banking, in States then prohibiting it but thereafter adopting Branch Banking."

Page 87, line 5: For many years, the Federal Reserve Banks conducted examinations of State member banks without charge. (See Board's letter February 14, 1920). It was not until 1923 (Board's letter X-3688) that the Board required that a charge for examination be made. This ruling led to Reserve Banks confining their examining activity merely to determining the portfolio condition of extended banks borrowing from the Federal Reserve Bank. This was made necessary frequently because of the unreliability of examinations conducted in specific cases by examiners of the Comptroller's Department or of the State Banking Department, or because the last examination report had become out of date. In 1930, the Federal Reserve Act was amended to make examination charges optional. It occurs to the writer that the material presented in this paragraph needs revision and a careful review by the Board so that no material which might prove embarrassing will appear in the report in regard to the Board's policy in connection with examinations and charges therefor.

It should be stated in this paragraph that the best results in the matter of improving banking practices have been obtained by the Federal Reserve Banks through the influence they have brought to bear on member banks which were using the Reserve Banks' discounting facilities.

In this paragraph it should also be pointed out that, in the absence of authority given Reserve Banks to effect correction, the best that may be said of the examining feature of the present law is that it enables the Reserve Banks to familiarize themselves with the condition of member banks. Should a Reserve Bank upon examining a State bank member find capital impairment or numerous violations of the law and irregularities of one kind or another, the Reserve Bank has no power to enforce correction, unless the member bank is asking for credit accommodations which may be withheld if the desired corrections are not made. In regard to State bank members, of course, the Reserve Board, under some circumstances, may expel a State member. Such action, however, would merely relieve the System of an undesirable member, thus turning it out either to suspend operations or to continue in bad condition or to indulge in practices which are harmful to public welfare.

Page 141, Line 23: This paragraph gives the impression that the amendment of 1918 gave National banks trust powers for the first time. It might be well to refer to the 1918 amendment as giving additional trust powers.

Page 152, line 17: Delete "i. e. branch banking and unification of the banking system." This savors of specific recommendation, which should be avoided.

Page 153, line 3: Delete "At the same time legislative sanction was given to the existing practice of National banks of accepting time deposits and paying interest thereon."

There is no inherent danger in a commercial bank accepting

time and interest-bearing deposits. The danger lies in a commercial bank investing time deposits in capital assets and paying too high a rate of interest.

It will be observed that the subject of this paragraph is "relaxing of Restrictions on National Banks."

Page 153, line 21: Change to read: "In practice, time deposits in banks doing both a commercial and savings business have almost invariably been payable and actually paid on demand."

Page 153, line 24: Change to read: "The fact that time deposits in commercial banks are in effect payable on demand is recognized" etc.

Page 154, line 21: Change to read: "In addition to 10% which may be loaned without security and the amount which may be loaned without limitation on bills of exchange and two-name business paper and obligations secured by commodities in process of shipment, National banks are now permitted to lend to one borrower up to 40% of their capital and surplus when the paper offered is secured by documents of title covering readily marketable non-perishable staples, and up to 15% when secured by Government obligations, together with an additional 15% against endorsed and guaranteed obligations and 15% against notes secured by livestock, aggregating in all 95%."

Page 156, line 21: Change to read: "Limited privileges of branch banking, that is, the establishment of extra offices in head office cities were extended, in such States as permitted branch banking, to National banks by the McFadden Act of 1927."

Page 156, line 24: Change to read: "Branch banking in this limited form, however, does not appear to have led to any lowering of safety standards."

Page 161, line 8: Change to read: "Furthermore, State member banks were relieved of the restrictions requiring them to keep within the limitations imposed upon National banks as to the amount which could be loaned to one person, firm or corporation, subject further, however, to the restriction that if the State bank had loaned to any one borrower more than the limitations governing a National bank, none of the paper of the borrower so accommodated could be rediscounted at the Federal Reserve Banks."

Page 161, line 21: Delete lines 22 to 26 inasmuch as the provisions of the Clayton Act were never imposed by the Federal Reserve Act upon State banks, whether or not members of the Federal Reserve System.

.....

Yours very truly,

cc. to Mr. Smead
Mr. Rounds
Mr. Fleming
Mr. Riddle

P. S. Page 26, line 9:

Insert after "borrowers" the words "indebted to the State bank."

Deputy Governor.

LOANS BY NATIONAL BANKS
TO ANY ONE BORROWER

Some Examples of What a National Bank May Lend at Any One Time to Any One Borrower Under the Provisions of Section 5200, United States Revised Statutes, Expressed in Terms of Percentage of the Bank's Capital and Surplus

		EXAMPLES							
		%	%	%	%	%	%	%	%
A.	Accommodation or straight loan.....	10	0	10	10	0	5	0	0
		(Maximum of A is 10%)							
Designations Section 5200 U. S. R. S.	4. Obligations as endorser or guarantor of notes owned by endorser (other than commercial or business paper). (Maturing within six months.)	15	25	0	0	0	20	0	0
	(Maximum of A + 4 is 25%)								
	7. Obligations secured by livestock. (See 15% margin of collateral required.)	15	15	15	15	15	15	25	0
		(Maximum of A + 7 is 25%)							
	8. Notes secured by not less than like amount of U. S. Government bonds or notes or certificates of indebtedness issued since April 24, 1917. (Comptroller may increase this limitation.)	15	15	15	0	25	15	0	0
		(Maximum of A + 8 is 25%)							
	(Maximum A + 4 + 7 + 8).....	55	55	40	25	40	55	25	0
	6. Obligations secured by readily marketable *non-perishable staples. (See 10 months' limitation.) (See also margin of collateral required.)	40	40	40	40	40	40	40	50
		(Maximum of A + 6 is 50%)							
	(Maximum A + 4 + 7 + 8 + 6).....	95	95	80	65	80	95	65	50
1.	*Drafts or "bills of exchange drawn in good faith against actually existing values."								
2.	†Commercial or business paper (of other makers) actually owned by the person, copartnership, association, or corporation negotiating the same.								
3.	Obligations secured by goods or commodities in process of shipment.								
5.	Bankers' acceptances of the kinds described in section 13 of the Federal Reserve Act.								

No limit imposed by law.

*The Federal Reserve Board has defined a readily marketable staple as "An article of commerce, agriculture or industry of such uses as to make it the subject of constant dealings in ready markets, with such frequent quotations of prices as to make (a) the price easily and definitely ascertainable; and (b) the staple itself easy to realize upon by sale at any time."

GOODS—The Federal Reserve Board has defined "Goods" to include wares, merchandise or agricultural products, including livestock.

*A bill of exchange BEFORE ACCEPTANCE may be treated as drawn against actually existing values only when it is accompanied by shipping documents, warehouse receipt, or other similar document securing title to the goods sold. An ACCEPTED BILL of exchange unaccompanied by shipping documents, or other similar paper, may be construed as drawn against actually existing values if drawn contemporaneously with, or within a reasonable time after, the shipment or delivery of goods sold. In this latter case, there must be reasonable ground to believe that the goods are in existence in the hands of the drawee either in their original form or in the shape of the proceeds of their sale. (See ruling page 1286, November, 1922, Federal Reserve Board Bulletin.)

Bills of exchange drawn by a principal on his agent, or vice versa, or drawn on or by a fictitious person, do not come within the provisions of this definition.

†Commercial or business paper means notes, drafts or bills of exchange which have been given by one person, firm or corporation to another in settlement of a commercial or business transaction. SUCH PAPER, THEREFORE, INVARIABLY WILL BEAR TWO SEPARATE NAMES, neither one represented as the agent of the other. One-name paper of the type usually purchased through bill dealers is not commercial or business paper of the kind exempt from limitations referred to in the Federal Reserve Act.

4011
721.11

NUMBER OF BRANCH SYSTEMS IN 7 STATES, JUNE 1930, ACCORDING TO SIZE OF BANK

State	Banks with loans and investments --										Total
	Under \$150,000	\$150,000 to 249,999	\$250,000 to 499,999	\$500,000 to 749,999	\$750,000 to 999,999	\$1,000,000 to 1,999,999	\$2,000,000 to 4,999,999	\$5,000,000 to 9,999,999	\$10,000,000 to 47,999,999	\$50,000,000 and over	
Arizona	--	--	3	2	--	1	3	--	1	--	10
California	--	--	4	4	2	11	11	3	7	10	52
Delaware	--	--	--	--	--	1	1	1	3	--	6
Maryland	--	--	--	3	2	5	6	4	6	2	28
North Carolina	1	1	4	7	4	7	6	3	3	--	36
South Carolina	--	1	--	1	1	1	3	2	2	--	11
Rhode Island	--	--	--	--	--	2	3	1	3	2	11

FURNISHED TO MR. HAMMOND (Former member of Branch, Group and Chain Banking Committee) for the use of SENATOR BULKLEY. Jan. 9, 1933.

Division of Bank and Currency
File No. B.O.

Office Correspondence

FEDERAL RESERVE
BOARD42-1-11
Date January 7, 1933To *Mumey* Mr. HarrisonFrom Mr. Rhodes *Gold*

Subject: _____

Letter from Mr. Clerk

GPO 2-8495

12-24-32

Mr. Goldenweiser suggests that the attached letter may be of interest to the Governor. It has been acknowledged and should be returned for reply.

1-6-33

FEDERAL RESERVE BOARD
WASHINGTON

Mr. Goldenweiser

Dr. Meyer has
noted this, but he doesn't
buy much of the
suggestion!

Chas

421.11

January 6, 1933

Mr. Ira Clerk
Deputy Governor
Federal Reserve Bank
San Francisco, Calif.

Dear Mr. Clerk:

Thank you for your letter of December 24, which I have read with interest. I am passing it on to other members of the staff for consideration, and shall see that it reaches the Governor's attention.

I will reply more fully at an early date.

Very truly yours,

E. A. Goldenweiser
Chairman, Committee on Branch, Group,
and Chain Banking