

421.11 (2) - Committee on Branch Group &
Chain Banking

FRBank New York

TRANSFER

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Miss Hammel
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96573

Mr. Beatty

421.11(2)

September 21, 1933

Personal

Governor G. L. Harrison
Federal Reserve Bank
New York City

My dear Governor Harrison:

You made some reference the other day to the revision of the summary of the reports on branch, group, and chain banking. You appeared to have the impression that the summary had been revised because the Federal Reserve Board did not like it and that the revised summary had been distributed without having been submitted to the members of the committee. I feel that since I have some responsibility in this matter I ought to keep the record straight.

The summary, which was prepared in the autumn of 1932, was revised in the early part of 1933, chiefly for the purpose of bringing it in line with editorial revisions made in the underlying reports. There were no fundamental changes, and it was my conviction, as well as that of Mr. Smead, that the changes in the basic volumes were improvements. After all these changes had been made the summary was revised to conform to the changes in the underlying volumes. I sent it to the other members of the committee with a letter dated June 22, 1933, in which the following sentences occurred: "I am sending you also a new edition of the summary of the reports. 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 glad to hear from you whether the summary in its present form is satisfactory."

I received no comments from the other members of the committee, and in view of that fact and the fact that I did not think that the summary had been changed in any fundamental respect, I decided to include it with their signatures in the sets of the reports that went to the governors of the Federal reserve banks. The summary has not been given to anyone else.

With best regards, I am

Sincerely yours,

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

EAG DD

421,11(2)

August 9, 1933

Governor G. L. Harrison
Federal Reserve Bank
New York, New York

My dear Governor Harrison:

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.

421.11 (2)

**FEDERAL RESERVE BANK
OF NEW YORK**

August 29, 1932.

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

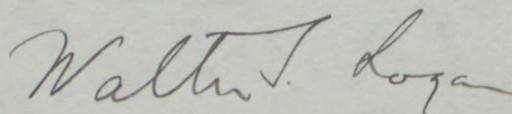
Dear Dr. Goldenweiser:

I am enclosing the digest prepared in my office of the laws of the State of New York pertaining to the questions submitted with your letter of July 9, 1932, to Mr. Case.

As you will see from the note I have added at the bottom of the first page, the New York Banking Law was revised as to arrangement by the act of April 16, 1914. This was the result of the work of a commission appointed in 1913 for the purpose. In this rearrangement section numbers were changed and matter was transposed from one section to another, so that it would be very difficult to analyze the substantive changes made by the act of April 16, 1914. In answering the questions in the summary we have, therefore, taken April 16, 1914, as the original date instead of January 1, 1914. I believe this will do just as well for the purposes which you have in mind, but if you think it is worth while to have the summary revised so as to show also the changes effected by the act of April 16, 1914, we will be glad to do this.

The citations of sections refer to the Banking Law of New York. The Constitution of New York does not permit savings banks to issue capital stock so that the digest does not cover savings banks.

Very truly yours,



Walter S. Logan,
Deputy Governor and General Counsel.

Enc.

Mr. Warburton
file

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
RECEIVED
JUL 12 1932
DIVISION OF RESEARCH
AND STATISTICS.

July 11, 1932.

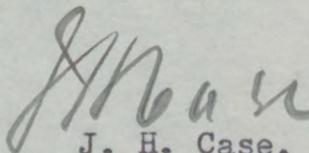
Dear Dr. Goldenweiser:

Receipt is acknowledged of your letter of July 9 asking us to furnish you with certain information as to important changes from 1914 to 1932 in State laws relating to banks and trust companies.

I have asked our General Counsel's office to compile this information and will send it to you as soon as it is available.

I understand that descriptions of the important changes are what you particularly wish, and that it will not be necessary to abstract the laws, if there are any, with respect to which there have been no important changes since January 1, 1914.

Very truly yours,



J. H. Case,
Federal Reserve Agent.

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

421.11(2)

July 9, 1932

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

Dear Mr. Case:

The Federal Reserve Committee on Branch, Group and Chain Banking is very anxious to obtain a summary of the important changes in State legislation regarding banks and trust companies since the inauguration of the Federal Reserve System. This is for use in a study of the effects upon our banking structure of competition between various classes of banking institutions.

For some phases of banking legislation (e.g., reserve requirements and the operation of branches) our information is already fairly complete. In other respects, however, it is inadequate, and we should like to ask your assistance in filling in these deficiencies.

The enclosed mimeographed forms outline specifically the information desired. Would you be able to obtain for us this information from the banking departments of the States whose capitals lie within your district, or from your legal department? It is not necessary that we have all the details of every law bearing upon the points enumerated. We want to know what changes have occurred since 1914 which have a significant bearing upon the operations of banking institutions and upon the types of assets held by banks.

Very truly yours,

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

Enc.

H
H

Office Correspondence

Date July 6, 1932

To Dr. Goldenweiser

Subject: 421-11(2)

From Mr. Riddle

GPO 2-8495

J.R.

It was on June 4th that we wrote to Mr. Case regarding the reasons for changes in bank charters from State to national, or vice versa, in the case of certain consolidations and conversions. A copy of that letter is attached. We have now heard from all districts except New York. Do you think it would be advisable to call Mr. Case on the telephone, or perhaps Mr. Dilliston, and find out if they are going to get this material for us?

*Done
J.R.**Yes, you do it
Riddle*

421. 11 (2)

June 10, 1932

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

Dear Mr. Case:

The Committee on Branch, Group and Chain Banking wishes to know the basis of the classification, in the reports of the Comptroller of the Currency, of State banking institutions into State (commercial) banks on the one hand and loan and trust companies on the other. The office of the Comptroller informs us that this classification is made by the respective banking departments when the figures are reported to him.

Could you, therefore, find out from the banking department of New York the basis for the distinction between commercial banks and loan and trust companies?

Very truly yours,

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

421. 11(2)

June 4, 1932

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

Dear Mr. Case:

In recent years there have been many changes among banking institutions from national charter to State charter and vice versa. These changes have occurred through both conversions and consolidations. The Committee on Branch, Group and Chain Banking, in connection with its study of the dual banking system, is desirous of obtaining accurate information as to the motives for these changes.

We are enclosing herewith a selected list of these conversions and consolidations in your district, and should appreciate it if you will address an inquiry to each institution asking for a statement of the reasons or considerations which prompted them to convert from one charter to the other, or, in the case of consolidations, why one charter was chosen in preference to the other for the continuing institution. If we can secure from these institutions frank and adequate replies to this question, it will doubtless shed much light on the competitive factors between the two banking systems. While we expect to tabulate and comment on the general results of the replies received, the answers of the individual banks will be held in strictest confidence and, of course, no banks will be mentioned in our report, or designated in such manner as to be recognized.

We are submitting this question to nearly one hundred banks in the various districts in order to secure a fair sample for the country as a whole.

Very truly yours,

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

Enc.

H.

District No. 2 (Cont'd)

Jamestown, N. Y. 1931
American National Bank (6))
Bank of Jamestown (7)) Bank of Jamestown

New York City. 1931
Chatham Phoenix National Bank and Trust Co. (227)) Manufacturers
Manufacturers Trust Co. (227)) Trust Co.

Albany, N. Y. 1926
First National Bank (11))
Albany Trust Co. (9)) First Trust Co.

New York City. 1928
Bowary and East River National Bank (77)) Bank of America National
Bank of American (95)) Association
(Later taken over by Na-
tional City Bank)

New York City. 1926
Coal and Iron National Bank (21)) Fidelity Trust Co.
Fidelity International Trust Co. (23)) (Later - Marine Midland Trust Co.)

New York City. 1922
Bank of New York, N. B. (43)) Bank of New York and
New York Life Insurance and Trust Co. (26)) Trust Co.

New York City. 1929
Chemical National Bank (206))
U. S. Mortgage and Trust Co. (63)) Chemical Bank and Trust Co.

New York City. 1929
National Bank of Commerce (532))
Guaranty Trust Co. (620)) Guaranty Trust Co.

New York City. 1921
Liberty National Bank (90))
New York Trust Co. (72)) New York Trust Co.

New York City. 1928
Hamilton National Bank (17)) Interstate Trust Co.
Interstate Trust Co. (13)) (Later taken over by Chase National
Bank)

New York City. 1930
Broadway National Bank and Trust Co. (7))
Park Row Trust Co. (2)) Broadway and Plaza Trust Co.
Plaza Trust Co. (6)) (Later - Hibernia Trust Co.)

District No. 2 (Cont'd)

Niagara Falls, N. Y. 1929

National Bank of Niagara Falls and Trust Co. (6)) Niagara Falls
Niagara Falls Trust Co. (6)) Trust Co.

Rochester, N. Y. 1921

Lincoln National Bank (19)) Lincoln Alliance Bank
Alliance Bank (16)) (Later - Lincoln Alliance Bank
and Trust Co.)

Utica, N. Y. 1926

First National Bank and Trust Co. (16)) First Bank and Trust Co.
Oneida County Trust Co. (4)) (Later - First Citizens
Bank and Trust Co.)

Newark, N. J. 1921

Union National Bank (29))
Fidelity Trust Co. (32)) Fidelity Union Trust Co.

Newark, N. J. 1927

Merchants and Manufacturers National Bank (21)) Merchants and
Newark Trust Co. (3)) Newark Trust Co.

File

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

April 6, 1932

Mr. J.H. Riddle,
Federal Reserve Board,
Washington, D.C.

Dear Mr. Riddle:

Enclosed is a copy of Mr. Snyder's latest, which quotes from J.M. Keynes.

The material quoted bears directly upon the question we discussed at Boston last November, and it occurred to me that you might be interested in this presentation of the viewpoint that, after all, the primary factor in the great numbers of bank failures has been the general economic situation.

I have no doubt that in every bank failure it is possible, after the fact, to point at some particular weakness to which the failure may be attributed, but in an increasing number of cases the banking difficulties we have observed here have been in institutions which, up to a few years ago, were reported as well managed institutions. Under more normal conditions, any difficulties which arose in such institutions would be sporadic and could probably be rectified without serious difficulty. Unless the weaknesses are such as can be definitely identified by examiners, under normal business conditions, it seems to us that to attribute the bank closings to various faults of the management subsequently does not get anywhere in the solution of the problem.

At any rate, it seems to me that there are two main problems to be met in the efforts to reduce the rate of mortality among the banks - the first I quite agree is to attempt to create a banking structure which will be able to go through anything short of a major decline in the volume of business and in the price structure, and the other, equally important, is to attempt to avert periods of serious inflation and deflation in the business and price structure.

Sincerely yours,



H.V. Roelse,
Manager, Reports Department.

LGD

Enc.

Confidential
April 5, 1932
(With Chart)

THE BANKERS AND DEFLATION

What the Continued Contraction of Credit Means to the Solvency
Of the Banks Themselves

One of our officers has suggested that the following quotations might be of interest to the officers and Directors of this bank. The quotations are from the new volume of economic essays entitled, "Essays in Persuasion," by the English economist, John Maynard Keynes. It is significant that the copy of the volume should have been presented by one of the leading bankers and financiers of this country. The first quotation is from the section of the book devoted to "Inflation and Deflation," and is entitled:

"The Consequences to the Banks of the Collapse of Money Values"

(Written August, 1931)

"There is scarcely any class of property however useful and important to the welfare of the community, the current money value of which has not suffered an enormous and scarcely precedented decline. This has happened in a community which is so organized that a veil of money is, as I have said, interposed over a wide field between the actual asset and the wealth owner. The ostensible proprietor of the actual asset has financed it by borrowing money from the actual owner of wealth. Furthermore, it is largely through the banking system that all this has been arranged. That is to say, the banks have, for a consideration, interposed their guarantee. They stand between the real borrower and the real lender. They have given their guarantee to the real lender; and this guarantee is only good if the money value of the asset belonging to the real borrower is worth the money which has been advanced on it.

"It is for this reason that a decline in money values so severe as that which we are now experiencing threatens the solidity of the whole financial structure. Banks and bankers are by nature blind. They have not seen what was coming. Some of them have even welcomed the fall of prices towards what, in their innocence, they have deemed the just and 'natural' and inevitable level of pre-war, that is to say, to the level of prices to which their minds became accustomed in their formative years.

"A 'sound' banker, alas! is not one who foresees danger and avoids it, but one who, when he is ruined, is ruined in a conventional and orthodox way along with his fellows, so that no one can really blame him.

"But today they are beginning at last to take notice. In many countries bankers are becoming unpleasantly aware of the fact that, when their customers' margins have run off, they are themselves 'on margin.' I believe that, if today a really conservative valuation were made of all doubtful assets, quite a significant proportion of the banks of the world would be found to be insolvent; and with the further progress of Deflation this proportion will grow rapidly.

"Fortunately our own domestic British Banks are probably at present--for various reasons--among the strongest. But there is a degree of Deflation which no bank can stand. And over a great part of the world, and not least in the United States, the position of the banks, though partly concealed from the public eye, may be in fact the weakest element in the whole situation. It is obvious that the present trend of events cannot go much further without something breaking. If nothing is done, it will be amongst the world's banks that the really critical break-ages will occur.

"The present signs suggest that the bankers of the world are bent on suicide. At every stage they have been unwilling to adopt a sufficiently drastic remedy. And by now matters have been allowed to go so far that it has become extraordinarily difficult to find any way out.

"It is necessarily part of the business of a banker to maintain appearances and to profess a conventional respectability which is more than human. Lifelong practices of this kind make them the most romantic and the least realistic of men. It is so much their stock-in-trade that their position should not be questioned, that they do not even question it themselves until it is too late. Like the honest citizens they are, they feel a proper indignation at the perils of the wicked world in which they live,--when the perils mature; but they do not foresee them. A Bankers' Conspiracy! The idea is absurd! I only wish there were one! So, if they are saved, it will be, I expect, in their own despite."

To the writer one of the most interesting pages of this same volume is that from an essay written in 1919, on the effects of Inflation:

"Lenin is said to have declared that the best way to destroy the Capitalist System was to debauch the currency. By a continuing process of inflation, Governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and, while the process impoverishes many, it actually enriches some. The sight of this arbitrary rearrangement of riches strikes not only at security, but at confidence in the equity of the existing distribution of wealth. Those to whom the system brings windfalls, beyond their deserts and even beyond their expectations or desires, become 'profiteers,' who are the object of the hatred of the bourgeoisie, whom the inflationism has impoverished, not less than of the proletariat.

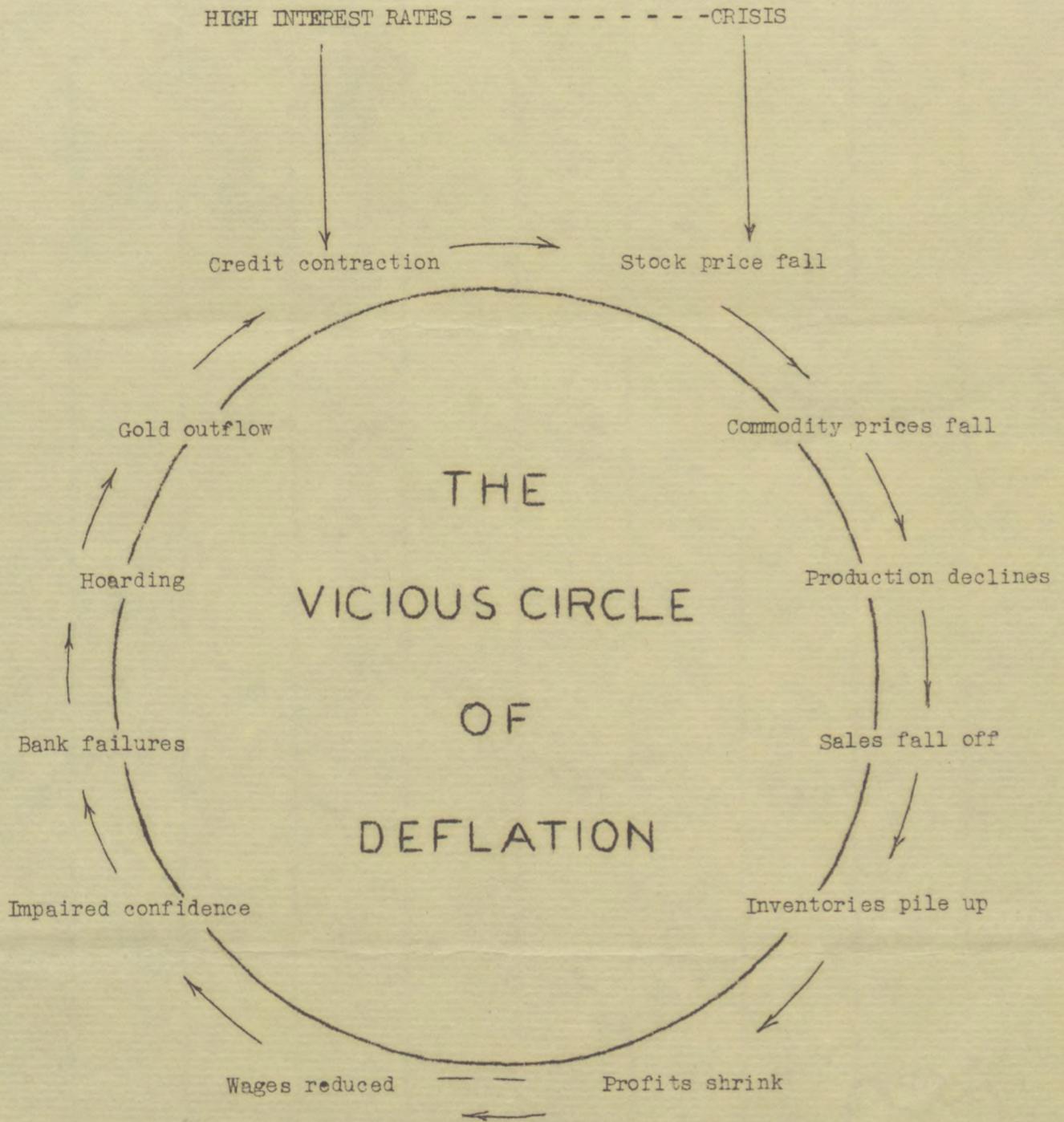
"As the inflation proceeds and the real value of the currency fluctuates wildly from month to month, all permanent relations between debtors and creditors, which form the ultimate foundation of capitalism, become so utterly disordered as to be almost meaningless; and the process of wealth-getting degenerates into a gamble and a lottery."

The currency of a nation may be "debauched," that is to say, the normal and equable "relations between debtors and creditors which form the ultimate foundation of capitalism" may be equally disordered, if not destroyed, by the process of Deflation. This is what has been happening in this country in the last twenty-four months or more, the process of which the present writer has endeavored to set forth pictorially in the graph on the following page.

The relationship between the general level of prices and the volume of credit appears now to be firmly established; and some day perhaps we may learn, that the twin evils of Inflation and Deflation may alike be avoided through the scientific, that is to say, the statistical Control of Credit.

VICIOUS CIRCLE
OF
DEFLATION

April 5, 1932.



421 RECEIVED 11 (2)
MAR 18 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

Mr. Blatner

March 17, 1932.

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

Dear Mr. Goldenweiser:

In response to the request contained in your letter of March 12, 1932, to Mr. Rounds, I am pleased to submit herewith nine separate tables as follows, which have been compiled from the "Analysis of Bank Earnings" schedules prepared here last year:

Net Addition to Profits (Item J)	- Connecticut
" " " "	" " - New Jersey
" " " "	" " - New York
Loans and Investments (Item K)	- Connecticut
" " " "	" " - New Jersey
" " " "	" " - New York
Gross Deposits (Item N)	- Connecticut
" " " "	" " - New Jersey
" " " "	" " - New York

The required figures of Loans and Investments were already available to us in even thousands of dollars, from schedules heretofore prepared, (Table V-e), so in order to expedite the completion of these new tables we merely transferred these round amounts to the new form and trust that this will be satisfactory to you.

Very truly yours,

W. H. Dillistin

W. H. Dillistin,
Assistant Federal Reserve Agent.



MAR 18 1932 AM

FEDERAL RESERVE BANK
OF NEW YORK

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MAR 15 1932
DIVISION OF RESEARCH
AND STATISTICS

March 14, 1932

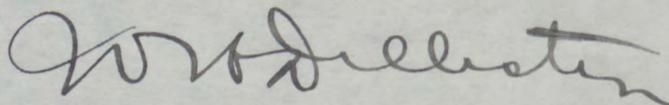
Mr. E. A. Goldenweiser,
Chairman, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Goldenweiser:

Your letter to Mr. Rounds³⁻¹²⁻³² regarding "Analysis of Bank Earnings", has come to my attention due to his absence from the city.

We will start at once to prepare the tables and make every effort to complete the tabulation without any undue delay.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

421.11(2)

March 12, 1932

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

Dear Mr. Rounds:

For the purpose of assembling certain requested information in connection with proposals for guaranteeing bank deposits, we have prepared the attached tables calling for three items to be taken from the "Analysis of Bank Earnings" schedules which you prepared for the Committee last year. You still hold these schedules in your files and the items desired are J., K. and N. on page two. You will note that the tables call for aggregate dollar amounts for all national banks in each size group. This entails arranging the analysis blanks for each year by size of loans and investments, if they are not already so arranged, and then tabulating the figures for each year for each size group. In the case of each item a separate table should be prepared for each State or fraction of State in your district.

In view of the purpose for which these data are needed it will be appreciated if you can expedite the compilations.

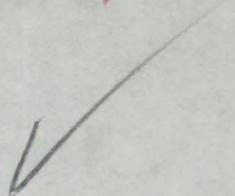
Very truly yours,

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

Enc.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK



IN REPLY PLEASE REFER
TO

March 8, 1932.

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

Dear Mr. Riddle:

Thank you very much for the copies of the Committee's
progress report which I needed and which you so kindly sent me.

11-28-31

Very truly yours,

Clay Parker

Chief, Files Division.

Linen Bond Bro
S.A.

421. 11 (2)

March 7, 1932

Miss Mary C. Parker
Filing Department
Federal Reserve Bank
New York, New York

Dear Miss Parker:

In accordance with your letter of March 4th I
am sending you herewith two copies of the Committee's
progress report to the Conference of Governors and Chair-
men dated November 28, 1931.

Very truly yours,

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

Enc.

R:H

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER
TO Files - MP

March 4, 1932.

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

My dear Mr. Riddle:

We need two copies of your progress report of
November 28, ^{Filed 421.11} to the Conference of Governors and Chairmen on
November 30, 1931.

Mr. Rounds seems to have no extra copies and while
I hesitate to trouble you to have them sent to me my need and
desire for the reports is greater than my hesitation.

I would appreciate receiving them very much indeed.

Very truly yours,

Henry C. Fowler

FEDERAL RESERVE BANK
OF NEW YORK

421.112
RECEIVED
DEC 16 1931
DIVISION OF RESEARCH
AND STATISTICS

December 15, 1931.

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

Dear Mr. Goldenweiser:

On November 23 you wrote us asking if we would review the examination reports of a number of closed banks going back for a period of ten years and send you a digest of this review together with certain other information.

We are sending you under separate cover the complete information requested with respect to seven banks as follows:

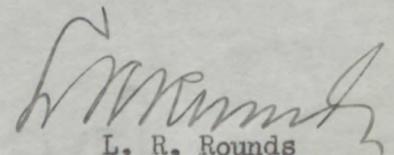
- Linden Natl Bk & Trust Co.*
1. First National Bank, Champlain, N.Y.
 2. Manufacturers National Bank, Mechanicville, N.Y.
 3. ~~First National Bank, Linden, N.J.~~
 4. First National Bank, North Rose, N.Y.
 5. First National Bank, Ripley, N.Y.
 6. American Union Bank, New York City
 7. Peoples Banking & Trust Co., Elizabeth, N.J.

You will note that the first two and last two of these banks are the same as on the list you sent us. We omitted banks 3, 4 and 5 on your list for the reason that the situation in those banks so closely paralleled other banks on the list that it seemed to us it would be largely a matter of duplication, and we took the liberty instead of selecting the national banks at Linden, North Rose and Ripley, three situations which differ quite materially from any others on the list.

As I have reviewed the work of our Examination Department in getting this data out, I was impressed with one fact, namely that a prime cause for difficulty in several of these cases, and it has been so in a number of others that have come to our attention, has been the outside interests of the principal officer of the bank, particularly when these outside interests took the form of borrowing customers.

If there is any further information desired about any of these cases, or any questions you would like to ask, do not hesitate to let us hear from you.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

421.11(2)
~~421.1~~FEDERAL RESERVE BANK
OF NEW YORK

December 4, 1931.

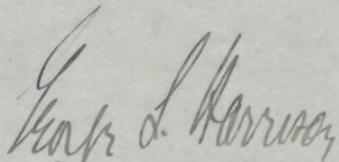
Mr. Chester Morrill,
Secretary, Federal Reserve Board,
Washington, D.C.

Dear Mr. Morrill:

I have received and want to thank you for your letter of December 2, with which you sent me a copy of the confidential data prepared by the Federal Reserve Committee on Branch, Group and Chain Banking and recently submitted to the Subcommittee of the Committee on Banking and Currency of the United States Senate.

I am glad to have the information and shall, as you request, regard it as confidential.

Faithfully yours,

George L. Harrison,
Governor.

421.11(2)

December 2, 1931.

Mr. Geo. L. Harrison, Governor,
Federal Reserve Bank,
New York, N. Y.

Dear Governor Harrison:

During the meeting today with the Governors' Conference of the Federal Reserve Committee on Branch, Group and Chain Banking a request was made that each Governor be furnished with a copy of the confidential data submitted recently to the Sub-committee of the Committee on Banking and Currency of the United States Senate which is engaged in a survey of the operation of the National and Federal Reserve banking systems.

A copy of this data is enclosed herewith and it is requested that you also regard it as confidential.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary.

Ans 12-4-31



EMM/rkt

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FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
RECEIVED
NOV 30 1931
DIVISION OF RESEARCH
AND STATISTICS

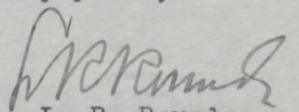
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November 28, 1931.

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

Dear Dr. Goldenweiser:

This will formally acknowledge your letter of November 23 together with enclosures which you left with me on the 24th, with the request that we assemble data representing case studies with respect to a number of banks which have closed this year. We have already started this work and will endeavor to forward the information within the next two weeks.

Very truly yours,


L. R. Rounds,
Deputy Governor.

421. 11 (2)

November 23, 1931

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

Dear Mr. Rounds:

In the early part of this year the Committee initiated a study into the causes of bank failures which consisted in compiling the case histories of 120 banks for several years prior to suspension. These 120 banks were selected from suspensions during 1921-1930 and the material is now being analyzed.

In view of the large number of suspensions during 1931, however, as well as the differences in location and factors involved, it is felt that no study of suspensions would be adequate unless it covered this year. Therefore, 100 banks suspending in 1931 have been selected in a manner which should make them representative of this year's fatalities. Those selected from your district are given on the attached list, and we should appreciate it if you would give us the recent histories of these banks in accordance with the instructions. The information desired consists of four parts.

First, the comments of the national or State bank examiners, as the case may be, from the beginning of 1920 till suspension. The form in which these comments should be drawn up is explained in the enclosed mimeographed instructions to which is attached Exhibit I, an illustration. As an aid to interpretation these comments are interspersed with certain figures showing in a general way the condition of the bank at the time of each examination. Certain other data are also called for, such as population figures and earnings. These are covered in the mimeographed instructions.

Second, the comments of Federal reserve examiners regarding these banks during the same period, together with any correspondence, memoranda or other material in the files of the Federal reserve bank which will aid in understanding the condition and operation of these banks prior to failure. No special form has been drawn up for compiling this material, but in so far as feasible it should be listed

Mr. L. R. Rounds, #2

November 23, 1931

chronologically as in the case of the comments of the national and State bank examiners.

Third, a photostat copy of each bank's bond and other security holdings on three different dates; (1) at or just prior to suspension; (2) approximately one year prior to suspension; and (3) approximately two years prior to suspension.

Fourth, detailed statistical data taken from the examiners' reports and recorded on "Form F" from 1920 to the date of suspension. A copy of this form and comments regarding its preparation are enclosed, and a supply of the forms is being forwarded to you under separate cover.

In case the history of any bank in the list is not available for any reason a substitution should be made of some other typical suspended bank in your district.

In view of the urgent necessity of completing this report at an early date we hope you will have this material compiled and forwarded to us as soon as possible. Perhaps you can let us have it by the 15th of December.

Very truly yours,

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

Enc.

$\frac{R}{H}$

Suspended Banks Selected for Case Studies

New York District

- | | |
|---------------------------------------|----------------------|
| 1. First National Bank | Champlain, N. Y. |
| 2. Manufacturers National Bank | Mechanicville, N. Y. |
| 3. *Globe Bank & Trust Co. | New York, N. Y. |
| 4. *International Madison Bk & Tr Co. | New York, N. Y. |
| 5. *Federation Bank & Trust Co. | New York, N. Y. |
| 6. *American Union Bank | New York, N. Y. |
| 7. *Peoples Banking & Trust Co. | Elizabeth, N. J. |

* These are State banks and if their histories are not sufficiently complete for our purposes please substitute national banks. We suggest the Queensboro National Bank of New York, the Rockaway Beach National Bank, The First National Bank of Ripley, N. Y., and the Belvedere National Bank of Belvedere, N. J.

*See revised list in Mr. Raunk's letter
of Dec. 15, 1931.*

421.11(2)

October 14, 1931

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

Dear Mr. Rounds:

Would it be possible to get for the Committee's use the approximate number of correspondents which the New York banks have in each state in the Union? We are not interested in names of banks or deposits but merely the number of correspondent accounts in each state.

Very truly yours,

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

R:H.

421.11(2)

September 22, 1931

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

Dear Mr. Rounds:

As you doubtless know, the Federal Reserve Committee on Branch, Group and Chain Banking expects to include in its report a chapter on the competition encountered by banks on the part of non-banking institutions, notably building and loan associations, savings and loan associations, and similar societies conducted on the mutual or cooperative principle. Several of the Federal reserve banks have been good enough to compile and transmit to us much valuable information, which in the main will be sufficient for our purposes. We are anxious, however, to make sure that the report shall not fail to take account of any new developments of importance which may have occurred in recent months, particularly with respect to the manner in which building and loan associations have met the conditions arising out of banking crises in various localities.

Since we hope to complete this part of the report in a few weeks, manifestly there will not be time for an extended inquiry; but we shall be glad to have any information you can furnish, without too much trouble, as to conditions in your district. We should like to know, for example, to what extent the assets of building and loan associations are "frozen," whether more or less seriously than the real estate loans of the banks; whether in general the associations have been obliged to invoke the full extent of their privileges under the law in the matter of requiring notice for payment of the withdrawal value of their shares, or of their deposits, as the case may be, and whether there has been in the past twelve months any considerable increase in building and loan failures, as compared with the years 1928 and 1929.

We shall greatly appreciate a reply along the lines indicated at your earliest convenience.

Very truly yours,

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

R
F

421.11(2)

September 1, 1931

Mr. W. H. Dillistin
Assistant Federal Reserve Agent
Federal Reserve Bank
New York, New York

Dear Mr. Dillistin:

This will acknowledge with thanks your two letters of August 24th and August 28th, respectively, answering our questions about affiliations involving the Citizens Trust Company of Utica and the relationship between the Title Guarantee and Trust Company of New York City and the Westchester Title and Trust Company of White Plains.

Very truly yours,

H/F

C. B. Hammond
Committee on Branch, Group
and Chain Banking

Sept 1 1931

421.11(2)

August 19, 1931

Mr. W. H. Dillistin
Assistant Federal Reserve Agent
Federal Reserve Bank
New York, New York

Dear Mr. Dillistin:

On the C forms you recently sent us with your letter of July 2nd reporting affiliations in New York, the Citizens Trust Company of Utica is described as owning 25 per cent of the capital of the Oneida National Bank & Trust Company, also of Utica. Since my understanding of the New York law (Bank Law, section 190, paragraph 9) is that a trust company cannot invest more than 10 per cent of its own capital and surplus in any other corporation nor invest in more than 10 per cent of the stock of another moneyed corporation, I wonder, accordingly, if the proper description in this case should not be that the ownership of the Oneida National Bank & Trust Company is exercised through the Citizens Utica Corporation or some other affiliate.

It is also reported on the C forms that the Title Guaranty & Trust Company of New York City controls the Westchester Title & Trust Company of White Plains through "investment of 30 per cent and common officers' holdings of over 20 per cent." Is my understanding of the law as above stated correct, or can the Title Guaranty & Trust Company own so much of its subsidiary stock through virtue of the fact that they both have other than the ordinary banking and trust company powers?

Very truly yours,

C. B. Hammond
Committee on Branch, Group
and Chain Banking

H.F.

Miss Hammill
file

421, 11(2)

FEDERAL RESERVE BANK
OF NEW YORK

August 12, 1931

Mr. C. B. Hammond,
Committee on Branch, Group and Chain Banking,
Federal Reserve Board, Washington, D. C.

Dear Mr. Hammond:

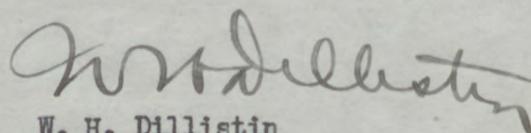
In reply to your letter of August 10, 1931 we would state that we were in error in reporting "Life Insurance" as the function of the Home Title Insurance Company instead of "Title Insurance".

In regard to a Life Insurance Company, connected with the Midwood Trust Company you probably have in mind the Guaranty Life Insurance Company, organized in October 1929 by interests identified with the United Thrift Plan, Inc., with a paid in capital of \$150,000 and surplus of \$750,000. The United Thrift Plan, Inc. was organized in 1925 for the purpose of enabling its subscribers to guarantee their financial future, through a combination of thrift deposits, and life, health and accident insurance on a monthly payment basis, and it was understood that the Guaranty Life Insurance Co. was organized to handle the insurance business of that company. At its inception the Life Insurance Co. was 45% owned by the United Thrift Plan, Inc.

The connection between the Guaranty Life Insurance Company and the Midwood Trust Company hinged directly upon the connection between the United Thrift Plan and the Midwood Trust Company. After searching through our records we found that the United Thrift Plan, Inc., was during 1929 and 1930, rather closely connected with the Trust Company but at the time of our compilation the only connection was the fact that the Trust Company acted as trustee for the United Thrift Plan's Funds, these funds being invested in first mortgages and first mortgage certificates on which the Home Title Insurance Company guarantees the principal and interest. The last examination report of the Trust Company makes no mention of the United Thrift Plan, Inc. and we understand that the relations between the Trust Company and the above corporation are not as close as they once were. The United Thrift Plan, Inc. does not advertise any connection with the Midwood Trust Company other than that the bank acts as trustee. There are no interlocking officers and/or directors between those two companies. After weighing the foregoing we decided that an affiliation as explained in Mr. Goldenweiser's letter of May 2, 1931 did not exist and so we eliminated both the United Thrift Plan Inc. and the Guaranty Life Insurance Company from our report to you.

For your information the Midwood Trust Company was absorbed by the Manufacturers Trust Company (Member) New York, N. Y., as at the close of business August 10, 1931.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

421, 11(2)

August 10, 1931

Mr. W. H. Dillistin
Assistant Federal Reserve Agent
Federal Reserve Bank
New York, New York

Dear Mr. Dillistin:

With your letter of July 2nd you sent us on our Form C information we had requested on non-banking affiliates of banks in your district and also on affiliations between two banks. In the case of the Midwood Trust Company, the Home Title Insurance Company is reported, and in the column under the head "function" is described as a life insurance company. This would seem obviously to be an error for title insurance company, but it supports my recollection that the Midwood Trust Company has, or at any rate did have, a life insurance company affiliated with it which it organized either in 1929 or early in 1930.

We should be much obliged if you would let us know whether this company is still in existence, and if so what its name is and how it is controlled.

Very truly yours,

C. B. Hammond
For the Committee on Branch,
Group and Chain Banking.

H:H

21.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

July 13, 1931.

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

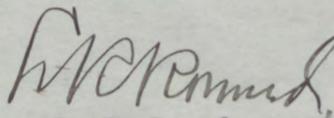
Dear Mr. Riddle:

In accordance with your request for a detailed description of the method followed by us in the analysis of banks' investment securities accounts, we are pleased to enclose -

1. A copy of a bank's investment securities account as it would appear in an examination report after the issues have been rated.
2. A table of analysis upon which the issues included in the foregoing account have been spread.
3. A memorandum setting forth in detail how investment securities accounts may be analyzed according to the method followed by us.

We shall endeavor to answer any questions that may come up concerning the mechanics of this method of investment securities analysis. The American Bankers Association Journal for August 1931 will contain an article by Mr. Osterhus on this subject and may prove of interest.

Very truly yours,


L. R. Rounds,
Deputy Governor.

Enc.

P.S. If you purpose sending to the other Federal Reserve Banks Mr. Osterhus' memorandum attached outlining the plan, I think it would be just as well if you omit mention of the Federal Reserve Bank of New York.

421.11(2)

July 8, 1931

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

Dear Mr. Rounds:

We acknowledge with thanks your letter of
July 3rd enclosing a schedule on the suspension of
the Joseph Vet private bank.

Very truly yours,

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

G.H

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

July 3, 1931.

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

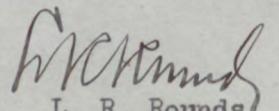
Dear Mr. Riddle:

Kindly refer to our letter of June 6 with which we sent you seven schedules with respect to closed private bankers.

We have just received from the New York State Banking Department the schedule with respect to the liquidation of the private bank of Joseph Vet, which is enclosed herewith.

The Department also stated in their letter that they will send us the schedules for the four banks which closed in the year 1930 as soon as completed.

Very truly yours,


L. R. Rounds
Deputy Governor

Enc.

LAL

421.11(2)

July 3, 1931

Mr. W. H. Dillistin
Assistant Federal Reserve Agent
Federal Reserve Bank
New York, New York

Dear Mr. Dillistin:

We acknowledge with thanks your letter of July 2
enclosing the reports on Form C covering non-banking af-
filiates of banks in your district and also affiliations
between two banks only.

Very truly yours,

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

CBH
F

✓ 421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

July 2, 1931

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

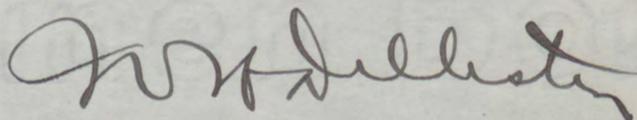
Dear Mr. Goldenweiser:

With reference to your letter of May 2, 1931, we are pleased to hand you herewith a set of reports on your Form C covering non-banking affiliates of state and national banks in District No. 2, and also affiliations between two banks only.

To get the information together, we used the filled-in sheets which you sent to us, as work sheets, and then had the data typed in duplicate on the supply of forms received with Mr. Riddle's letter of June 9, 1931. In a few instances names in your compilation were omitted in ours because of lack of evidence and the belief that leaving them in would constitute confirmation by us, or because of loss of identity through mergers, but on the whole the enclosed result represents an elaboration of the sheets you had prepared and a considerable number of additional cases picked up from our files.

In assembling the information we have used our own credit files, examination reports, and Moody's Manual, but have not questioned any of the banks or other corporations involved. Where corporation names have changed, original charter dates have been used.

Very truly yours,



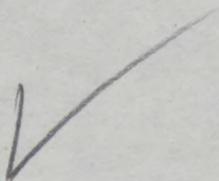
W. H. Dillistin
Assistant Federal Reserve Agent

Enc.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

June 19, 1931.

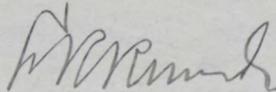


Mr. J. H. Riddle, Secretary,
Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

Yours of yesterday received, enclosing a scale
of typical ratios on the quality index of investment se-
curities. The duplication in the heading was a typographical
error and you have interpreted it correctly.

Very truly yours,


L. R. Rounds.

421.11(2)

June 18, 1931

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

Dear Mr. Rounds:

Thank you for your letter of June 16th with the schedule indicating the quality index of investment security holdings of 535 national banks located in your district grouped according to size. I think this will serve our purpose.

You show on the schedule two groups in the \$250,000 to \$500,000 class and no group in the \$150,000 to \$250,000 class. I assume that this was a typographical error and that the first grouping of the \$250,000 to \$500,000 class consisting of only 8 banks is in fact the \$150,000 to \$250,000 grouping and have treated it accordingly. Please advise if that is correct.

Attached is a table showing the median or typical ratio in each of the size groups.

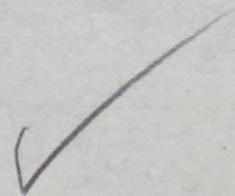
Very truly yours,

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

Enc.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK



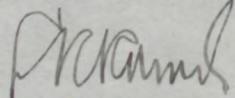
June 16, 1931.

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

Dear Mr. Riddle:

Enclosed herewith is a schedule indicating the quality index of the investment security holdings of the national banks located in this district with respect to whose holdings we have calculated the index. While I have not counted them, I understand there are about 500 indexes listed. This includes without exception all banks examined during the past several months. As I previously explained, it has for some time been our practice to calculate this index as the examination reports are received. The work will probably not be completed with respect to the remainder of the banks, for several months. I imagine, however, this list is sufficiently comprehensive to cover your requirements.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

FEDERAL RESERVE BANK
OF NEW YORK

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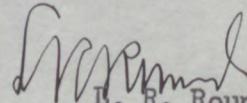
June 12, 1931.

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

Dear Mr. Riddle:

Your letter of June 5 was duly received regarding supplying you with the ratings of the bonds held by member banks in this district classified according to the earning assets of the banks. Up to this time we have analyzed the bond lists of roughly about half the banks in this district, and we are analyzing them now as the reports come in, but for the past two months the examiners have been working in New York City among the larger banks continuously so that for the next few weeks we will be receiving very few out of town reports. I imagine it may be as much as four to six months before the list will be all in. However, I think that even the partial list which we can now furnish will reasonably well cover your requirements, so I have asked our department to make it up and we will forward it within a few days.

Very truly yours,


E. R. Rounds
Deputy Governor

LAL

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

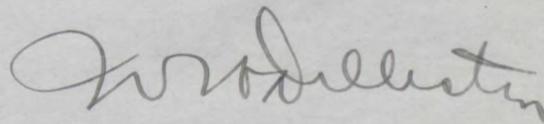
June 11, 1931

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

Dear Mr. Riddle:

We wish to acknowledge your letter of June 9 and the therein mentioned supply of Form C. We believe that we will be able to forward to you the completed data on this form by the end of next week.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

421.11(2)

June 9, 1931

Mr. W. H. Dillistin
Assistant Federal Reserve Agent
Federal Reserve Bank
New York, New York

Dear Mr. Dillistin:

In accordance with the request in your letter of June 8th we are sending you herewith 600 additional copies of Form C.

Would it be possible for you to estimate approximately the time it will take you to prepare this material on affiliations? We are waiting on this data from your district before preparing similar material for the other Reserve banks and it would be helpful to us if we had some idea about when we could expect it.

Very truly yours,

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

Enc.

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
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DIVISION OF RESEARCH
AND STATISTICS.

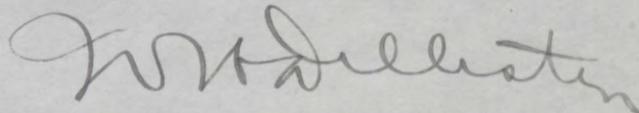
June 8, 1931

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

Dear Mr. Goldenweiser:

With reference to your letter of May 2, 1931, will you kindly see to it that we are supplied with about 600 of Form C, Affiliations, Supplementary Information.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

421.11(2)

June 8, 1931

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

Dear Mr. Rounds:

We acknowledge with thanks your letter of June 6th enclosing schedules covering the suspension of seven private banks in New York state.

Very truly yours,

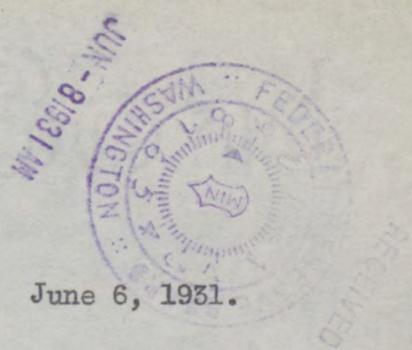
J. H. Riddle
Secretary, Committee on Branch,
Group and Chain Banking

G
W

421.11 (2)

Mr. Garlock

FEDERAL RESERVE BANK
OF NEW YORK



June 6, 1931.

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

Dear Mr. Riddle:

The New York State Banking Department have furnished us with seven schedules with respect to closed private bankers as follows:

- Imbrie & Company
- I. Sillitte & Son
- V. Barjardi & Co.
- Orazio Ciaccia
- L. Scotto & Son
- James V. Lago
- Garfunkel & Tauster

They advise us that with one exception this includes all of the banks on the list you furnished us which come under the supervision of the State Banking Department. The exception is Joseph Vet, schedule for which they have promised to send us within a few days.

For your information, prior to 1930 the laws of New York State with reference to supervision of private bankers were quite indefinite and resulted in a number of apparent inconsistencies in that there were a very considerable number of private bankers who did not come under the supervision of the State Banking Department at all.

We have taken up with the Department the matter of the completion of the schedules for the four State banks closed in the latter part of 1930 and hope to be able to forward these very shortly.

Very truly yours,

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

Encs.
LAL

ans. June 8, 1931

421.11 (2)

June 5, 1931

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

Dear Mr. Rounds:

Referring again to the quality index of investment holdings of banks in your district, I probably did not make it sufficiently specific when you were in Washington as to just what figures we should like to have.

I think it would be very useful if you could have the index for each bank in your district grouped according to the size of the bank, that is, the size of loans and investments. In our other studies we have arranged banks in ten size groups, as shown on the enclosed form. If you could classify all the banks in your district according to this grouping and then give us the quality index of each bank in each group, we could make whatever comparisons or combinations necessary. We do not, of course, need the names of the banks. If, for example, there are 150 banks in the fourth size group, \$500,000-\$749,999, all we need is the quality index of each of the 150 banks. We can then use whatever method we deem necessary in finding the typical or average quality ratio in that group.

For our purposes I think we need merely the index for the investment portfolio for each bank as a whole and not the indexes for the various classes or maturities of securities.

I presume it will be a matter of only a few weeks until you have the rating for each bank in the district.

Very truly yours,

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

Enc.

R.H

421.11 (2)

May 26, 1931

Mr. Riddle
Mr. Garlock

State Bank Suspensions in New York
during the last half of 1930.

The four attached schedules have been partially filled from information reported to the Division of Bank Operations. Information entered in pencil should be verified by the New York State Banking Department and those sections of the schedules marked () should be completed, if possible.

We have not received an explanation from New York relative to the statutory priority of various types of deposits in that state or just what classes of deposits are reported on the schedules as secured, preferred or general. Request for this information might be made in the same letter accompanying these schedules.

May 2, 1931

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

Dear Mr. Rounds:

We are enclosing for your examination certain material on bank affiliations in New York which we have compiled on a special form (Form C) for use with the Federal Reserve Board's records on the subject. It covers securities companies and other non-banking affiliates as well as affiliations between two banks. The Board's existing records on chains and groups, which are based on reports furnished by the Reserve Banks in compliance with the Board's letter, St. 6386, November 18, 1929, do not include information on these two items.

Specifically, this compilation has been prepared to include the following kinds of affiliates of banks:

(1) All non-banking affiliates of state and national banks, including securities companies, mortgage companies, investment trusts, insurance companies, holding companies, foreign banking companies and safe deposit companies. In each case the name of the bank and the names of its subsidiaries or affiliates are given.

(2) All affiliations between two banks only. This affiliation may exist either through common stockholding interest, trustee stock, direct ownership, or other means. The commonest examples of this are the affiliation of a trust company with a national bank and of a savings bank with a commercial bank.

The compilation has been made principally from three general sources-- Moody's Manual of Banks, the directory of Security Dealers of North America, and Rand McNally's Bankers' Directory. We have also used in the case of your district the confidential summary prepared by you on Chain and Group Banking, November 18, 1930. Our request is that you check our compilation, make the necessary corrections and additions indicated by your credit files, examiners'

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Mr. L. R. Rounds, #2

May 2, 1931

reports, and other sources of information, including reference where advisable to the organizations themselves, and return the revised material to us.

It is anticipated that most trouble may be encountered in correcting the description of the Transamerica affiliation. The listings we enclose are taken mainly from their last annual report, which appears however not to mention all their subsidiaries. It is hoped that you can procure from them a complete statement of their present structure.

A memorandum is enclosed which explains the terms used in the compilation, and gives such other information as is necessary to interpret and correct it properly.

We are taking up this matter of affiliations with you in advance of the other Reserve Banks, because the subject is more important in your district than elsewhere, and also because we believe you have given the subject more attention than the other banks. For this reason we trust you will make such comments as to procedure, classification, terminology, etc., as your experience suggests.

Very truly yours,

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

Enc.

May 2, 1931

AFFILIATIONS

Explanation of Information compiled on Form C

Form C has been prepared for the purpose of compiling information regarding the following types of affiliates of banks:

(1) All non-banking affiliates of state and national banks, including securities companies, mortgage companies, investment trusts, insurance companies, holding companies, foreign banking companies and safe deposit companies. In each case the name of the bank and the names of its subsidiaries or affiliates are given.

(2) All affiliations between two banks only. This affiliation may exist either through common stockholding interest, trustee stock, direct ownership, or other means. The commonest examples of this are the affiliation of a trust company with a national bank and of a savings bank with a commercial bank.

The information described is intended to supplement the existing records of the Federal Reserve Board on the subject of chain and group affiliations, which at present include only affiliations comprising three or more banks. It is desired that the material compiled on Form C be examined by the Reserve Bank, checked for accuracy and completeness with its records, and returned to the Committee. It is assumed that the Reserve Banks already have records of this information in some form for their own use, but if not, perhaps a check may be made by reference to credit files and examiners' reports, or, where advisable, by direct reference to the organizations which are listed.

The compilation has been made as of current date in so far as possible. Changes and corrections in the information may be made directly on the face of the Form itself if desired. A supply of blank forms is also enclosed for recording affiliations that need to be added.

Perhaps the most important single item of information is the mode of control of affiliates, which is set down in the second column of Form C. In the majority of affiliations there is one bank or corporation which is dominant over the other affiliates, and which is controlled not by any other bank or corporation, but by its own general stockholders. Accordingly wherever the name of the dominant member of an affiliation appears,

the words "General stockholders" have been used in the column headed "How controlled." It makes no difference whether the stock is closely held or not. Thus, for example, the First National Bank of New York is controlled by its general stockholders, so far as this study is concerned. The First Securities Company, however, is controlled by the First National through trusteeship of the securities company's stock. Accordingly, in the proper column the words "General stockholders" are used to describe the control of the bank itself, which is dominant, and the words "Stock trusted for First National" are used to describe the control of its affiliate.

In summary, the means or manner of control will come under the following five heads:

- I Ownership of controlling stock by general stockholders. This applies to the dominant member of the affiliation.
- II Trusteeship of the stock of one member of the affiliation for the stockholders of another member of the affiliation
- III Ownership of controlling stock of one member of the affiliation by another member, the stock being a direct asset of the latter member.
- IV Ownership of the controlling stock of the different members of the affiliation by an individual or group of individuals.
- V Control of one member of the affiliation by another member, not through ownership or control of stock, but through the fact that the officers of the dominant member are also officers of the controlled member. This applies in the case of mutual savings banks. Apparently this type of affiliation does not occur in New York.

In the case of II, III, and IV the per cent of a subsidiary's stock that is owned should be given where it is known, even though the compilation as it stands shows only "majority" or "minority" interest. In cases where the per cent of stock owned is not known, the terms, "minority interest" or "majority interest" should be used.

Examples of designations of the five different forms of control as shown in the compilation follow:

- I "General stockholders"; as in the case of the Chase National Bank, indicating that it is the dominant member of the Chase affiliation.

- II "Stock trusted for Chase National"; indicating how the Chase Securities Company is controlled.
- III "Majority interest owned by Irving Trust"; as in the case of Irving Investors Management Company.
- IV "Majority interest owned by same stockholders"; as in the case of the Putnam County National and the Mahopac National, the names of the members of the affiliation being bracketed.
- V "Same Management"; as in the case of Bath National Bank, and Bath Savings Institution (a mutual savings bank) of Bath, Maine.

In the absence of definite knowledge it is often difficult to tell whether a given interest should be called an investment or an affiliation. Affiliation implies participation in management, whereas investment, as a rule, does not. If as much as 25 per cent of the stock of a bank or corporation is owned, therefore, the presumption is strong that there is participation in management, and that the interest may be called an affiliation. But if there is less than 25 per cent control there is much more question whether to call the interest one of affiliation or simply investment. In any given case where the facts are known as to the extent of participation in management the interest should be classed accordingly, regardless of the per cent of control; but in the absence of knowledge of such facts, the interest should be considered an investment if the control is less than 25 per cent. It is not the purpose, of course, to include investments in the compilation.

It will be apparent from the foregoing paragraphs that certain terms are used in a special and perhaps novel sense. The term affiliation, which is often used in a general sense implying the fact of a connection, is here used in a particular sense as designating the group or system itself which is made up of the affiliates. Thus the "National City affiliation" consists of the National City Bank, the National City Company, the City Bank Farmers Trust Company, International Banking Corporation, etc., all of these corporations being "members of the affiliation." The National City Bank is the "dominant member of the affiliation," and the others, directly or indirectly, are "controlled or subsidiary members." The term affiliation as used therefore will apply to the case of two institutions linked together as well as to a "group" or "chain" of any number of institutions.

The function of the concerns listed has been indicated as "bank" which means also a trust company engaged in commercial banking, "securities," "holding," "insurance," "mortgage," etc.

The information regarding the state issuing the charter and the date of the charter is desired for non-banking affiliates only and is not necessary in the case of banks.

It is desired that the figures for capital stock and loans and investment be supplied by the Federal Reserve Bank. In the case of banks the figures should be taken from the March call report, if practicable. In the case of affiliates, for which capital stock alone is to be given, the figures should be taken from the date nearest the March call report.

It should be made clear in all cases whether it is the bank or a non-banking affiliate that holds control. It is also necessary to indicate all intermediate means of control, as in cases where a concern that has a subsidiary is in turn the subsidiary of another.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

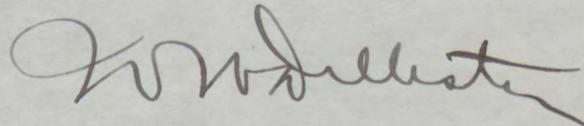
April 30, 1931

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

Dear Mr. Riddle:

In reply to your letter of April 27, 1931, we are pleased to enclose adjusted tables IIe and IIIe covering analysis of earnings of all the national banks in the State of New York for 1926.

Very truly yours,



W. H. Dillistin,
Assistant Federal Reserve Agent

Enc.

421. 11(2)

April 27, 1931

Mr. W. H. Dillistin
Assistant Federal Reserve Agent
Federal Reserve Bank
New York, New York

Dear Mr. Dillistin:

We acknowledge receipt of your letter of April 23 sending in revisions of Tables I-e, II-e, and III-e.

Our records still indicate one small discrepancy between Tables I and II for New York in the year 1926.

Very truly yours,

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

B
F

Office Correspondence

FEDERAL RESERVE
BOARD

Date April 24, 1931

To Dr. Goldenweiser

Subject:

421.11(2)

From Mr. Riddle

2-8495

J.R.R.

I am not sure whether you have seen the attached letter ⁴⁻⁹⁻³¹ and tables from Mr. Rounds, summarizing results of a questionnaire sent to a selected list of banks in the Second District in order to ascertain the extent of their activities outside the field of straight commercial banking. It was suggested at the last meeting of the Committee on Branch, Group and Chain Banking that some of the other reserve banks might be asked to collect similar information. I can't quite make up my own mind as to whether this would be worth while. Perhaps you may have some suggestions to make.

*Take this up with the
Committee.*

421. 11 (2)

FEDERAL RESERVE BANK
OF NEW YORK

✓

April 24, 1931.

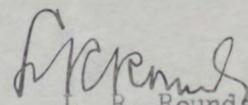
Mr. J. H. Riddle, Secretary
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Riddle:

This morning I have talked with Deputy Superintendent of Banks Pawling with reference to the schedules for state bank suspensions in the State of New York during the last half of the year 1930, also the list of twenty suspended private banks. He has promised to check this up and forward the forms as soon as possible.

I shall also undertake to send you the revised memorandum on bank failures in the near future.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

April 23, 1931

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

Dear Mr. Riddle:

Enclosed are eleven (11) adjusted tables compiled in connection with our analysis of bank earnings:

1. Table Ie covering all national banks in the State of New York for 1926
2. Table Ie " " " " " " New Jersey for 1926
3. Tables IIe and IIIe covering all national banks in " " " 1926
4. Table Ie covering all national banks in the State of New York " 1927
5. Table Ie " " " " " " New York " 1928
6. Table Ie " " " " " " New Jersey " 1928
7. Tables IIe and IIIe covering all national banks in " " " 1928
8. Table Ie covering all national banks in the State of New York " 1929
9. Table Ie " " " " " " New Jersey " 1929

Very truly yours,

W. H. Dillistin,
Assistant Federal Reserve Agent

Enc.

421.11 (2)

April 22, 1931

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

Dear Mr. Rounds:

We have not yet received schedules for state bank suspensions in the state of New York during the last half of 1930. There are also about twenty suspended private banks which were under the supervision of the State Superintendent of Banks for which we have not received schedules. Would it be possible to expedite the preparation of these schedules?

I hope you will find time shortly to revise your memorandum on bank failures so that we may have a copy.

Very truly yours,

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

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
APR 10 1931
DIVISION OF RESEARCH
AND STATISTICS.

Acknowledged
April 9, 1931. *by C. B. N.*
421.11 (2)

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

Dear Dr. Goldenweiser:

Quite some time ago ¹⁰⁻⁶⁻³⁰ you asked us to undertake a study in behalf of the Committee on Branch, Group and Chain Banking, with a view to ascertaining the extent to which activities outside the straight commercial banking field are engaged in by our commercial banks and for what purposes.

This proved to be a rather more difficult thing to get at than we had anticipated, but we selected 38 banks, 23 of them independent unit banks, and 15 members of groups, and submitted to those banks a questionnaire, and are pleased to enclose herewith a tabulation of the replies. This tabulation shows that a majority of the banks to which we sent the questionnaire engage in about half the activities about which we inquired, and in a surprising number of cases the replies at least indicate that the business is profitable and that that is the reason for doing it. There does not appear to be any decidedly different trend as between the banks, members of groups, and the independent banks.

If there is any further information which you think would be useful in this connection, please let us know.

Very truly yours,

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

Encs.

LAL

CONFIDENTIAL REPORT TO
FEDERAL RESERVE BANK OF NEW YORK

Code No. - - - - -

Please check in the appropriate column the activities engaged in by your bank or by subsidiary corporations and indicate by "Yes" or "No" the purpose and results of each activity in which you engage.

Type of Service	By the bank?		By a subsidiary corporation?		Purpose of maintaining specified activity									
	Yes	No	Yes	No	** For profit?		To attract additional account?		compete with other banks previously offering such service?		Does it now yield a profit?		**If not, do you anticipate later profits?	
					Yes	No	Yes	No	Yes	To No	Yes	No	Yes	No
Trust service for individuals - - - - -	15				15		5	1	2	3	13	2	2	
Trust service for corporations - - - - -	14	1			14		4		2	1	13	1	1	
Purchases and sales of securities - - - - -	12	1	4*		12	2	4	2	2	3	10	2	1	
Investment advice and execution of orders - - - - -	13	2	2*		6	7	6		2	1	5	1	1	
Safe deposit boxes - - - - -	12		3		15		3	3	1	3	15			
Storage for silverware and/or furs, rugs, etc. - - - - -	9	3	3		11	1	2	3	1	3	11			
Management of real estate - - - - -	3	12			2		1				2			
Placing of mortgages - - - - -	4	11			3	1	1	1		2	3			
Insuring of real estate titles - - - - -	2	13			2						2			
Selling of insurance - - - - -		15												
Tours, tickets, and travel information - - - - -	7	8			6	1	1	1	1	1	6			
Making small personal loans - - - - -	4	11			4		1	1	1	1	4			
Operating an investment trust - - - - -		14	1		1			1		1	1			
Additional activities other than ordinary banking operations (Please specify) -														
None														

If you have previously conducted any of the above operations and have subsequently discontinued them please indicate type of activity and reason for discontinuance.

*Two of the banks reported activity in the purchase and sale of securities and investment advice and execution of orders not only by the bank but also by their subsidiary corporations.

**One bank not reporting.

CONFIDENTIAL REPORT TO
FEDERAL RESERVE BANK OF NEW YORK

Code No. - - - - -

Please check in the appropriate column the activities engaged in by your bank or by subsidiary corporations and indicate by "Yes" or "No" the purpose and results of each activity in which you engage.

Type of Service	By the bank?		By a subsidiary corporation?		Purpose of maintaining specified activity						**Does it now yield a profit?		**If not, do you anticipate later profits?	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
					For profit?	To attract additional account?	compete with other banks previously offering such service?	To	To	To	To	To	To	To
Trust service for individuals - - - - -	23				23		8	2	4	2	19	3	3	
Trust service for corporations - - - - -	18	5			18		5	2	4	1	15	2	1	
Purchases and sales of securities - - - - -	13	6	5*		13	4	7	1	5	1	11	1	1	
Investment advice and execution of orders - - - - -	17	2	4		11	10	10	2	7	2	9	2	1	1
Safe deposit boxes - - - - -	19		4		23		8	1	4	2	16	2	1	
Storage for silverware and/or furs, rugs, etc. - - - - -	14	5	4		17	1	7	1	2	1	14	2	1	
Management of real estate - - - - -	4	18	1		5		1	1		1	5			
Placing of mortgages - - - - -		22	1		1						1			
Insuring of real estate titles - - - - -		22	1		1						1			
Selling of insurance - - - - -		23												
Tours, tickets, and travel information - - - - -	5	18			4	1	2		1	1	3	1	1	
Making small personal loans - - - - -	10	13			10		3	1		2	6	1	1	
Operating an investment trust - - - - -		21	2		2			1		1	1	1	1	
Additional activities other than ordinary banking operations (Please specify) - - - - -														
None														

If you have previously conducted any of the above operations and have subsequently discontinued them please indicate type of activity and reason for discontinuance.

*One bank reported activity in the purchase and sale of securities not only by the bank but also by their subsidiary corporation.

**Several banks did not report under this column.

F. R. B. of N. Y.
Reports Department
Division of Tabulation
April 8, 1931.

421.11(2)

April 8, 1931.

Mr. W. H. Dillistin
Assistant Federal Reserve Agent
Federal Reserve Bank
New York, New York

Dear Mr. Dillistin:

We have received your letter of April 6th enclosing four copies of Tables I-e, II-e and III-e, and also four copies of Tables IV-e and V-e together with four corresponding copies of the work sheets for these two tables.

Very truly yours,

C. B. Hammond
For the Committee on Branch,
Group and Chain Banking.

7 H

FEDERAL RESERVE BANK
OF NEW YORK

April 6, 1931

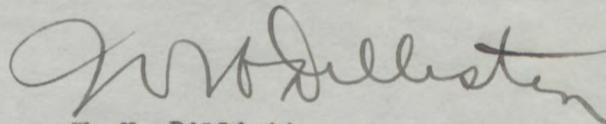
Mr. J. R. Riddle,
Secretary, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

In accordance with the request contained in your letter of January 16, 1931 we have completed the analysis of the reported earnings for 1930 of the national banks in this district and summarized the findings on attached five groups of tables.

1. Four copies of table Ie, one covering all the national banks in this district, another those in New York, a third those in the twelve northern counties of New Jersey, and a fourth those located in Fairfield County, Connecticut.
2. Four copies of table IIe, covering the same as above.
3. Four copies of table IIIe.
4. Four copies of table IVe, together with four corresponding copies of our worksheets.
5. Four copies of table Ve, and four copies of the corresponding worksheets.

Very truly yours,



W. H. Dillistin,
Assistant Federal Reserve Agent

Enc.

Miss Hammel
421.11(2)

421.11 (2)

March 21, 1931.

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

Dear Mr. Rounds:

Receipt is acknowledged of your letter of March 18th enclosing the table prepared by the Peoples Trust & Guaranty Company of Hackensack showing the institutions controlled by the Hackensack Securities Company. I am inclined to agree with you that this is about all we can expect from this group and that it would be useless to follow the matter up further.

Very truly yours,

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

R:H.

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)

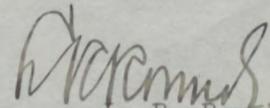
March 18, 1931.

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

Dear Mr. Riddle:

We have today received from the Peoples Trust & Guaranty Company of Hackensack, form #11 which accompanied our questionnaire on group banking systems. This has been filled in completely with regard to the institutions controlled by the Hackensack Securities Company. They have not, however, answered any of the questions in the questionnaire. Since it has taken about five months to get this information, I am rather inclined that this particular group will be able to contribute little if anything to the sum total of human knowledge on this subject even if they had answered all of the questions, and am, therefore, not disposed to follow the matter up unless you think it will be especially helpful to the committee to do so.

Very truly yours,


L. R. Rounds
Deputy Governor

Enc.

LAL

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

March 3, 1931

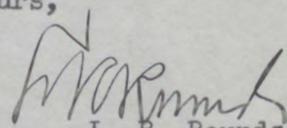
Mr. J. H. Riddle, Secretary
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Riddle:

Your letter of February 28 is received inquiring as to the existence of statistics concerning the income accounts of state banks. New York is the only State, the Capital of which falls in our district.

We shall be glad to take the matter up at once and will report as soon as possible.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

421.11(2)

February 28, 1931

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

Dear Mr. Rounds:

In connection with the earnings project of this Committee, we are anxious to be informed as to the existence of statistics concerning the income accounts of state banks. Our best information at present is that those state banking departments that have collected statistics covering the income accounts of state banks are very exceptional. One important exception of which we know is that of the Kansas department, the reports of which have contained data annually for the thirty years of the century in which we are interested. For the state banks of Kansas, information is furnished which will allow for the computation of the annual rate of gross and net earnings on invested capital, the rate of expenditures for interest on deposits, salaries and wages, other expenses, and losses. In other words, there is available over a long period of time a rather full consolidated annual income account of all the state banks of Kansas.

We should be glad if you will make a check of all the states whose capitals lie within your district and describe to us what material, if any, exists in each with respect to items of consolidated income accounts for all or part of the state banks. Please tell us at the same time in what sources such material may be found.

Very truly yours,

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

421.11(2)

February 27, 1931

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

Dear Mr. Rounds:

In accordance with the telephone request from
your office, I am sending you six additional copies of
the schedule on group banking systems.

Very truly yours,

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

Enc.

CAH.

421. 11 (2)

February 20, 1931.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

Receipt is acknowledged of your letter of
February 18th enclosing six Analysis of Bank Earnings
blanks, four of which cover the First National Bank of
Argyle, New York, for the years 1926-1929, and two the
Port Newark National Bank of Newark, New Jersey, for
the years 1928 and 1929.

Very truly yours,

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

CAN

421.11 (2)

FEDERAL RESERVE BANK
OF NEW YORK

February 18, 1931

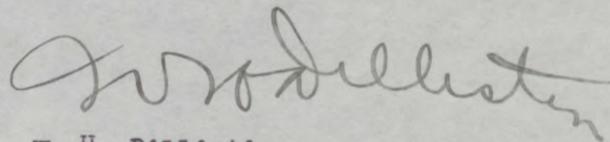
Mr. J. H. Riddle,
Secretary, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

In reply to your letter of February 16 regarding earnings experience of failed banks, we enclose six Analysis of Bank Earnings blanks. Four of them cover the First National Bank of Argyle, New York, for the years 1926 to 1929 inclusive, and two the Port Newark National Bank of Newark, New Jersey, for the years 1928 and 1929.

These are the only two national banks which failed during 1930. The Port Newark National Bank was organized in 1927.

Very truly yours,



W. H. Dillistin,
Assistant Federal Reserve Agent

Enc.

421, 11(2)

February 16, 1931.

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

Dear Mr. Rounds:

We have in mind making some analysis of the earnings' experience of failed banks prior to the date of suspension. In connection with this project, please forward us the Analysis of Bank Earnings blanks for each of the years 1926-1929 for each of the national banks in your district, which suspended payments during the year 1930. It may be that you will wish to retain the originals for your files, sending us copies. Our plan comprehends working out here various groupings of the banks involved, some 160 for all twelve districts together.

Very truly yours,

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

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

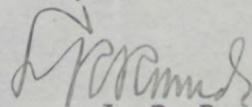
February 10, 1931.

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

Dear Mr. Riddle:

I have today received from the Marine Trust Company of Buffalo very complete information in response to the questionnaire on group banking systems. I want to look this over a bit here before it is sent down, but will try to get it off to you within a few days. In the meantime wanted you to know we had it.

Very truly yours,


L. R. Rounds

LAL

421.11 (2)

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER
TO Ref.Lib:MB

February 7, 1931

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

Dear Mr. Riddle:

Before I had time to answer your letter of February 4, I received a letter from Mr. Piquet himself yesterday morning. I am, therefore, enclosing a copy of my reply to him for your information. Our book dealer was at first unable to recall where he received his information, until I mentioned the League of Building and Loan Associations, whereupon he recalled what had happened. As his inquiry was made over the telephone, he has nothing in writing that could be used to fasten the blame upon any one person. However, I feel convinced that the book dealer is not to be blamed in the case. He was unable to say what the inaccuracies referred to were but was under the impression that they had to do with the physical printing of the book and not with the text itself.

Sincerely yours,

Marguerite Burnett,
Librarian.

HB

Copy for Mr. Riddle

421.11(2)

Ref.Lib:MB

February 6, 1931

Mr. Howard S. Piquet,
Department of Economics, and Social Institutions
Princeton University,
Princeton, New Jersey.

My dear Mr. Piquet:

In regard to your book "Building And Loan Associations in New Jersey" Mr. Riddle had already written me about the mistake in the information that I received, and I got in touch with the book dealer at once. He has just told me today that the information he gave us was received over the phone from someone in the office of the League of Building and Loan Associations In New Jersey. He called them because he did not know who published the book.

As the information was given orally, there is no way to prove exactly what was said by the League, but I feel sure the substance was as I reported to our officer. The dealer assures me that ours was the only inquiry for the book that he had received, and that we were the only ones, therefore, to whom this information was passed along, so that you need not be concerned about the further spread of this mis-information from this particular source.

I might say that the letter received from the Princeton University Press (which was read to me over the phone) seemed to confirm what had been said, or at least had the effect of discouraging sales. It said that the book "was temporarily withdrawn from sale" and that "as we do not know when copies will be available we are returning the order, as it is not advisable to hold the order indefinitely." This letter must have been written rather recently, since my memorandum containing the information was dated January 23. If the book is to appear within a few weeks, it would seem that the order could have been placed on file.

I hope that this will clarify the situation.

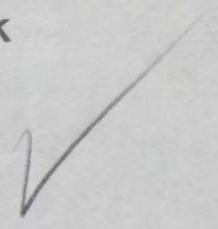
Very truly yours,

MB

Marguerite Burnett,
Librarian.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK



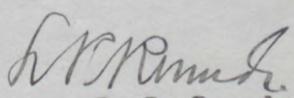
February 6, 1931.

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

Dear Mr. Riddle:

This will acknowledge receipt of your
letter of February 3 requesting that we use the 1930 population
figures in grouping banks for table II-e for the year 1930. We
will endeavor to do this.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

421. 11(2)

February 4, 1931.

Miss Marguerite Burnett, Librarian,
Federal Reserve Bank of New York,
New York, New York.

Dear Miss Burnett:

Mr. Rounds sent me the memorandum which you wrote him saying that Piquet's book on Building and Loan Associations in New Jersey had been withdrawn from sale and unsold copies destroyed because of inaccuracies. I am enclosing herewith a letter from Mr. Piquet asking the name of the book dealer who said that his book had been withdrawn from circulation. He tells me that the first edition has been exhausted and that the second edition should be off the press within a few weeks. I think it would be interesting if you could pursue this further with the book dealers and try to find who had withdrawn it from circulation and what were the inaccuracies spoken of.

The fact is that there is quite a history back of this situation. The League of Building and Loan Associations in New Jersey paid for the publication of this book which Mr. Piquet wrote as a doctoral thesis. He had a written agreement with them beforehand that they would give him a free hand and that they would print the book whatever he wrote, but apparently when it came time to publish it they either didn't like some of his views or thought he wasn't enough of an advocate and there was much objection to its publication. They finally went through with the agreement, however. Now apparently they are trying to prevent the distribution of the book and I should like very much to know what parts of it they claim to be inaccurate.

Very truly yours,

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

Enc.

421.11(2)

February 3, 1931.

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

Dear Mr. Rounds:

In our letter of January 16th we requested that you extend the earnings project to include the year 1930 working out Tables I-e, II-e, III-e, IV-e, and V-e for that year as was done for each of the previous four years. In grouping banks for Table II-e according to the size of the community in which located we had suggested in our letter of October 20th that you use with respect to each of the four years 1926-1929 the population figures given in the January 1928 edition of Rand McNally's Bankers Directory. In connection with Table II-e for the year 1930, however, we believe it desirable to use the new census figures of population for 1930 which we understand are now available.

Very truly yours,

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

421. 11 (2)

February 2, 1931.

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

Dear Mr. Rounds:

Receipt is acknowledged of your letter of January 30th with the enclosed answer to the questionnaire on group banking which you received from the Montclair Trust Company, Montclair, New Jersey.

Very truly yours,

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

421.11/21

FEDERAL RESERVE BANK
OF NEW YORK

January 30, 1931

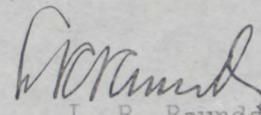
Mr. J. H. Riddle, Secretary
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Riddle:

I am enclosing herewith answer to questionnaire on group banking as received from the Montclair Trust Company, Montclair, N.J. This is a comparatively small group, the Montclair Trust Company, a relatively large suburban institution, exercising control of four other comparatively small banks.

You will note that the two schedules have been completed, but the numerous questions asked have not been answered, I assume probably because there has been no very definite policy back of the growth of this small group, and probably also no very definite policy as to the future. This was not one of the groups mentioned in your letter, but rather one of those which we added, and the answer will obviously not be very helpful to the Committee, but it is sent forward for what it is worth.

Very truly yours,


L. R. Rounds
Deputy Governor

Encs.

LAL

421. 11(2)

January 30, 1931.

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

Dear Mr. Rounds:

We acknowledge with thanks your letter of
January 27th containing forms A-2 and A-3 covering the
changes in the number of state banks in the State of
New York since 1920.

Very truly yours,

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

421.1(2)

January 29, 1931.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

We are in receipt of your letter of January 28th with enclosures representing Tables IV-e and V-e for the year 1929 for each state in your district including the work sheets requested by us, as well as typical ratios on each of these tables for the district as a whole with the work sheets and a sheet showing average deviation with respect to the typical ratios.

We are pleased to note your plans for the early completion of the year 1930.

Very truly yours,

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

Mr. Riddle
Please refer acknowledgment 421.11/2

FEDERAL RESERVE BANK
OF NEW YORK

January 28, 1931

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

Dear Mr. Riddle:

We have now completed the analysis of the 1929 earnings of the national banks in this district and enclose the following tables upon which has been entered the information obtained :

1. Table IVe covering all the national banks in this district
2. " " " those located in the State of New York
3. " " " " " " " State of New Jersey
4. " " " " " " " State of Connecticut
5. Table Ve covering all national banks in this district
6. " " " " those located in the State of New York
7. " " " " " " " State of New Jersey
8. " " " " " " " State of Connecticut
9. Eight copies of our work sheets covering the above
10. A tabulation showing the average deviations of the component ratios to the average ratios recorded upon tables IVe covering all national banks in this district
11. A tabulation showing the average deviations of the component ratios to the average ratios recorded upon tables Ve covering all national banks in this district

We have commenced the work of analyzing the 1930 earnings of the banks and hope to finish before the end of February.

Very truly yours,

W. H. Dillistin,
Assistant Federal Reserve Agent

Enc.

File

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

January 28, 1931

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

Dear Mr. Riddle:

Replying to your letter of yesterday inquiring about the questionnaires from the group banking organizations in this district, your letter of July 18, 1930, named six groups from whom you suggested we endeavor to secure data. Two of these I omitted in sending out the questionnaires, as follows:

The Manhattan Company for the reason that it did not seem to me that it came within the type of organization we were interested in. The Manhattan Company at that time as a holding company, owned control of the following:

- Bank of Manhattan Trust Company
- International Acceptance Bank
- American Trust Company
- County Trust Company of White Plains

control of the last two named being exercised through the title and mortgage company which they owned. As a matter of fact, the American Trust Company has since been merged with the Bank of Manhattan Trust Company, leaving only the County Trust Company and the International Acceptance Bank. The first named has been controlled by the title company for a long time, while the last named is a specialty business and does not do a general banking business. So far as any information we have, the Manhattan Company does not function in any sense as a holding company for banks, and has no particular ambitions along this line beyond those already held, and I doubted that they would have any definite policies or could give us any particular information in reply to the questionnaire that would be helpful to the committee.

Goldman Sachs Trading Corporation was also omitted, first because current information would lead one to think they are not likely to expand in the banking field. In fact, they appear to be more desirous of getting out of it than into it, and second, because in any case I doubt if they have any policies or anything else that they could express on paper that would be worth the time it would take to read it.

I did, however, add three names to the list as follows:

✓ The Humphrey group controlling a number of banks in western New York State.

✓ The Montclair Trust Company, controlling a number of institutions in its vicinity.

The American Foreign Shares Corporation which controls some half-dozen banks up-state including one in Vermont.

You will be interested in a digest of the replies received as follows:

From Mr. Humphrey -

"Replying to your letter, it would seem that the grouping of our banks has not developed far enough to enable giving you any data that will be of value.

As yet we have no holding corporation and members of my family, with some of those actively associated in the business, and I own at least a working control in the various banks in which we are interested.

I would be very glad indeed to give you the data you want if it were possible."

From Mr. Cooley, President of the American and Foreign Corporation -

"After questioning the folks around the office, I have come to the conclusion that the questionnaire sent to us was destroyed and not answered because this Corporation no longer controls any banks.

While we have stock holdings in three banks they are considerably under amounts necessary for control, being respectively 1.4%, 23.8%, and 23.9%. As it is our policy to dispose of all bank stock holdings it will be only a question of time when we will own no stocks of National or State banks.

In view of this situation, if you still want us to fill out the questionnaire, we shall be glad to do so if you will send us a duplicate."

The fact is that two of Cooley's banks have closed and a third has had to receive a substantial contribution, so that I imagine these developments have dampened his enthusiasm considerably.

The Montclair Trust Company replied that it would be glad to answer the questions, but we have not yet received the questionnaire.

As a matter of fact, I had followed up all of these people within the last two weeks, and three of those on your original list have since replied to my follow-up. The answers to these are also of some interest so I am quoting from these letters as follows:

Transamerica Corporation

"As Mr. Walker is away from New York City at the present time, I am answering your letter to him dated January 24, 1931, with reference to the questionnaire on the subject of branch, group and chain banking.

Our reply to the questionnaire has been delayed, not through any unwillingness on our part to cooperate with the Federal Reserve in its study, but rather owing to the detailed nature of the information requested and the urgency of other matters.

At the present time we are working on the questionnaire and hope that shortly we will be in a position to furnish some data that will be useful for your purpose."

Marine Midland Group, Inc.

"We are very sorry that we have not been able to place the data of your questionnaire upon Group Banking in your hands by January 22nd, as promised.

The delay has been occasioned by unexpected developments in Buffalo, and the desire on our part to revise all data and information to the status of December 31, 1930.

We plan to have this data completed and in your hands by the end of the present week."

First Securities Corporation of Syracuse

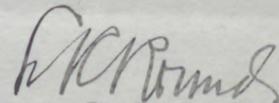
"Replying to your letter of January 14th regarding the questionnaire on the subject of Branch Banking, we wish to advise that we have not overlooked the matter and have spent considerable time upon it. However, several of our officers have taken a hand in the matter and it has been difficult owing to an unusual press of business to get together for a final draft of our reply.

We hope to have it in your hands shortly."

These replies, while interesting, nevertheless indicate that we may expect to receive a questionnaire some time in the future. I have also followed up the Hackensack Securities Corporation. My present disposition is to follow up all of these people until we get it. On the other hand, I doubt that you need to await the writing of your chapter on group banking because I rather doubt that anything will be disclosed that will be material.

Answering the second paragraph of your letter regarding the private bank suspensions, we sent this list to the State Banking Department promptly with the supply of suspension schedules. As a matter of fact, about half the private banks on your list were not under the supervision of the State Banking Department, but we asked them to give us the schedules with respect to those that were under their supervision, and they replied that they would do so. Our State Banking Department has been just about snowed under with work the last two or three months and I expect that has delayed the preparation of these schedules. We will, however, follow the matter up and endeavor to get them as promptly as possible. In the meantime of course we have sent them the suspension schedules to be filled out with respect to banks closed during the last six months of 1930.

Very truly yours,



L. R. Rounds
Deputy Governor

LAL

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

January 27, 1931.

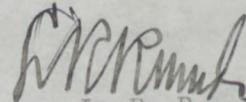
Mr. E. A. Goldenweiser, Chairman
Committee on Branch, Group & Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Goldenweiser:

We are sending you herewith completed Form A-2, summary of changes in the number of active State banks since 1920 in the State of New York, also Form A-3 detailing the changes in State banks during the same period.

This I think completes the information requested in your letter of November 5, 1930.

Very truly yours,



L. R. Rounds
Deputy Governor

Encs.

LAL

421.11 (2)

January 27, 1931.

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

Dear Mr. Rounds:

We have not received reports from any of the group banking organizations in the Second District to which you sent questionnaires last summer. Do you think we will eventually get replies from some of them or had we better forget it? We should like to get busy fairly soon and write up our report on group banking, but the response so far hasn't been quite as good as we anticipated.

On November 13th we wrote to you regarding the possibility of obtaining suspension schedules on twenty private banks in New York State which closed during the past ten years. Your reply of November 24th informed us that you were endeavoring to secure the schedules from the State Banking Department and would forward them as soon as they were received. We should appreciate knowing whether there have been any subsequent development regarding this matter and the approximate date these schedules will be available to us.

Very truly yours,

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

421.11 (2)

January 27, 1931.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

In accordance with your request for 800 copies of the blank form Analysis of Bank Earnings we forwarded to you on January 23rd 150 copies. We are enclosing herewith the remaining 650 copies.

Very truly yours,

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

Enc.

FEDERAL RESERVE BANK
OF NEW YORK

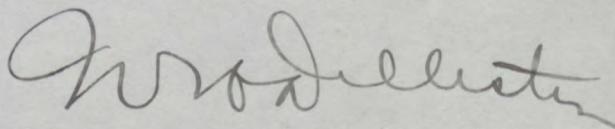
421.11(2)
✓
January 26, 1931

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

Dear Mr. Riddle:

I wish to acknowledge and thank you for your letter of January 23 together with the enclosures mentioned therein. I note that you will forward us the remainder of the supply of analysis of bank earnings forms which we requested as soon as you receive your supply from the printers.

Very truly yours,



W. H. Dillistin,
Assistant Federal Reserve Agent

421.11(2)

January 24, 1931.

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

Dear Mr. Rounds:

In accordance with your request over the tele-
phone this morning, I am sending you herewith 15 copies
of the suspension schedule.

Very truly yours,

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

Enc.

421, 11 (2)

January 23, 1931.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

In accordance with a telephone request from your office we are sending you herewith 50 copies each of Tables I-e, II-e, III-e, IV-e and V-e.

You also requested 800 copies of the Analysis of Bank Earnings blank, but we find we do not have that many on hand at this time. We are enclosing 150 copies and will forward the remainder as soon as we can have some more printed which will probably be about next Tuesday.

Very truly yours,

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

Enc.

FEDERAL RESERVE BANK
OF NEW YORK

421. 11(2)
RECEIVED
JAN 20 1931
DIVISION OF RESEARCH
AND STATISTICS.

January 19, 1931

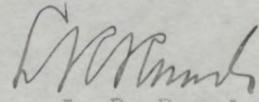
Mr. E. A. Goldenweiser, Chairman
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Goldenweiser:

Your letter of the 16th is received asking
if we would prepare the earnings data for the year 1930 in the
same manner as heretofore prepared for the years 1926-29 inclusive.

We shall be glad to do this and will forward
the tables as promptly as possible.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

Brookdale Line

421. 11(2)

January 19, 1931.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

In accordance with a telephone request received
from your office today we are sending you herewith 50
additional copies of form A-3 for listing bank changes.

Very truly yours,

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

Enc.

421.11(2)

January 16, 1931.

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

Dear Mr. Rounds:

In connection with the earnings project of this Committee upon which you are working, it has been decided to request the Reserve banks to supply us for the year 1930 with the tabulations heretofore requested for the years 1926, 1927, 1928 and 1929. Accordingly Tables I-e, II-e, III-e, IV-e and V-e should be compiled in the same way for 1930 as was done for each of the other four years. As our original request with respect to deviations required that work for one year only, the present request entails nothing additional on deviations.

Very truly yours,

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

421. 11 (2)

January 8, 1931.

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

Dear Mr. Rounds:

We are in receipt of your letter of January 7th and thank you for the material on form A-4 covering changes in the number of private banks in New York State since 1920.

The principle you have followed in determining whether or not to count given organizations as private banks is in accord with our own judgment of the matter and the record submitted was consequently entirely satisfactory for our purposes.

Very truly yours,

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

421.11(2)

January 8, 1931.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

Receipt is acknowledged of your letter of
January 7th with Tables IV-e and V-e for the year
1928 together with copies of your work sheets.

Very truly yours,

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

421, 11 (2)

January 8, 1931.

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

Dear Mr. Rounds:

Receipt is acknowledged of your letter of
January 7th enclosing forms B-3, B-4, B-5, B-6, B-8
and B-9 which give certain classifications for state
and private banks in New York.

Very truly yours,

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

Mr. Hammond:
Please prepare reply
note

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

January 7, 1931

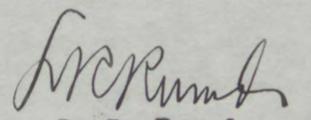
Mr. E. A. Goldenweiser,
Chairman, Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Goldenweiser:

In compliance with the request in your letter of November 20, 1930, I am forwarding herewith a report on Form A-4 showing year to year changes from 1921 to 1930 in the number of private banks in New York State, and also supporting statements on Form A-4 for the individual bankers or firms added to or subtracted from the total number during those years.

All private banks under the jurisdiction of the New York State Banking Department have been included and also all other individuals or firms listed as private banks in Rand McNally and Company's Bankers Directory. The Bankers Directory list of private bankers in New York City includes only those under the supervision of the New York State Banking Department. The list of New York City investment dealers which immediately follows in the Bankers Directory contains a number of firms which are generally thought of as bankers, for instance Brown Brothers and Company and J. P. Morgan and Company, and a number of firms which have been considered private bankers within the meaning of Section 8 of the Clayton Act (see Board's definition on page 588 of Federal Reserve Bulletin for November 1916.) But it is so difficult to decide whether these firms are private bankers or not (usually involving in Clayton Act cases our sending a copy of the Board's definition to the firm for self-analysis and reply) that we have not attempted to include in the enclosed tables any of these firms.

Very truly yours,


L. R. Rounds
Deputy Governor

Encs.

421. 11(2)

FEDERAL RESERVE BANK
OF NEW YORK

January 7, 1931

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

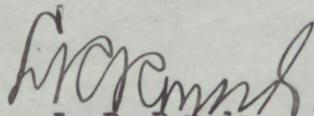
Dear Mr. Goldenweiser:

In line with the requests contained in your letters of November 12 and November 22, 1930, I am pleased to transmit herewith on the following listed forms comparative figures for June 30, 1920, June 30, 1925, and June 30, 1930 on State banks (including trust companies) and private banks in New York State.

- B - 3 State banks by size of loans and investments
- B - 4 State banks by size of capital stock
- B - 5 Private banks by size of loans and investments
- B - 6 Private banks by size of capital stock
- B - 8 State banks by size of community
- B - 9 Private banks by size of community

You will notice that the total number of private banks reported on these forms for each period is something less than the number reported on Form A-5 and summarized on Form A-4 for the year-ends of 1920, 1925 and 1930 (forwarded with separate letter of this date.) This is because on forms B-5, B-6, and B-9 we have used only those private banks for which dollar figures were available, the others being impossible of classification.

Very truly yours,


L. R. Rounds
Deputy Governor

Encs.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

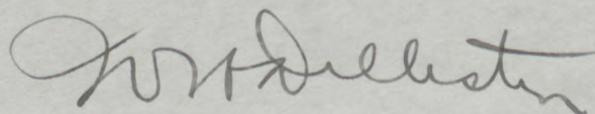
January 7, 1931

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

Dear Mr. Riddle:

Attached are four copies each of tables IVe and Ve,
upon which we have shown various operating ratios for the year
1928 of the national banks located in the Second Federal Reserve
district. Together with these copies are eight duplicates of
our work sheets.

Very truly yours,



W. H. Dillistin,
Assistant Federal Reserve Agent

Enc.

421.11(2)

December 30, 1930. ✓

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

Receipt is acknowledged of your letter of December 29th enclosing four copies each of tables IV-e and V-e upon which you have shown various operating ratios for the year 1927 of the national banks located in the Second Federal Reserve District. We also note that you have enclosed with these copies eight duplicates of your work sheets.

Very truly yours,

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

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

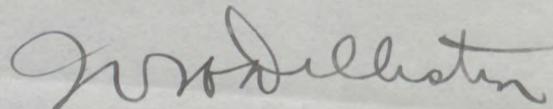
December 29, 1930

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

Dear Mr. Riddle:

Attached are four copies each of tables IVe and Ve,
upon which we have shown various operating ratios for the year
1927 of the national banks located in the Second Federal Reserve
district. Together with these copies are eight duplicates of
our work sheets.

Very truly yours,

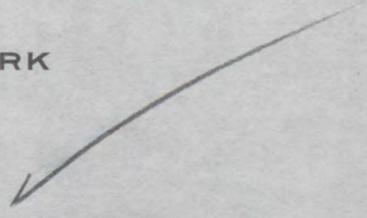


W. H. Dillistin,
Assistant Federal Reserve Agent

Enc.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK



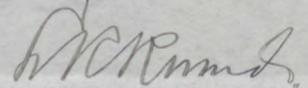
December 24, 1930.

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

Dear Mr. Goldenweiser:

Your letter of December 19 is received with respect to expenses incurred by the Federal Reserve Banks in connection with the investigations of the Committee on Branch, Group and Chain Banking. We note that actual out-of-pocket expenses incurred are to be reimbursed by the Committee, and will be governed accordingly. Statement of our expenses, if any, will be submitted at a later date.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
DEC 26 1930
BUREAU OF RESEARCH
AND STATISTICS.

421.11(2)

December 24, 1930.

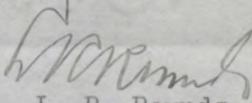
Mr. E. A. Goldenweiser, Chairman
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Goldenweiser:

Your letter of December 20 is received asking that we secure from the State Banking Department suspension schedules for any banks which have suspended during the second half of the year 1930, thus bringing the period down to December 31, 1930, with respect to this study.

We shall be pleased to do this and will forward them as soon as possible after the first of the year.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

421.11(2)

December 30, 1930.

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

Dear Mr. Rounds:

In our letter of July 25, 1930, submitting the schedule on suspensions you were requested to ask the state banking departments to prepare a schedule for each suspension from January 1, 1921, to June 30, 1930. At a recent meeting of our Committee it was decided that the period should be extended to the end of 1930 in order to bring the information up to date and round out the full ten year period. Therefore, we should like for you to have schedules prepared for the failures during the second half of 1930, in addition to those which have been prepared or are being prepared in the states whose capitals are located in your district.

Your bank or the various state banking departments will doubtless have on hand a sufficient supply of forms to cover the additional suspensions. If not, we can make arrangements to supply them.

Very truly yours,

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

421.11(2)

December 19, 1930.

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

Dear Mr. Rounds:

The question of the expense incurred by the various Federal reserve banks in connection with the investigations of the Committee on Branch, Group and Chain Banking was brought before the full meeting of the Committee on December 16, 1930. It was the view of the Committee that all payments by the Federal reserve banks to state commissioners of banking or other outside agents or individuals for compiling data or for other services in connection with the Committee's work should be borne by the Committee.

Wherever the expense represents work done by the bank itself, however, even though it entails the hiring of additional help, the Committee felt it should be borne by the bank. It was suggested in this connection that if the work done by the Federal reserve banks for the Committee cannot be taken care of by their regular budgets, then the expense incurred on account of the work of the Committee should be shown as a separate item.

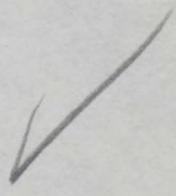
I suggest that at your convenience you send us an itemized statement of your payments for outside assistance, if any, in order that we may reimburse your bank and carry the amount as a Committee expense.

Very truly yours,

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

421. 11(2)

FEDERAL RESERVE BANK
OF NEW YORK



December 19, 1930

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

Dear Mr. Riddle:

This will acknowledge with thanks your letter of December 18,
enclosing 50 additional blank forms each for tables IV-e and V-e.

Very truly yours,

H. S. Downs
Assistant Federal Reserve Agent

421. 11(2)

December 18, 1930.

Mr. H. S. Downs,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Downs:

Receipt is acknowledged of your letter of December 17th enclosing copies of tables IV-e and V-e for the year 1926 together with duplicates of your work sheets.

In accordance with your request we are sending you herewith 50 additional ~~blanks~~ each for tables IV-e and V-e.

Very truly yours,

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

Enc.

421.11(2)

✓ FEDERAL RESERVE BANK
OF NEW YORK

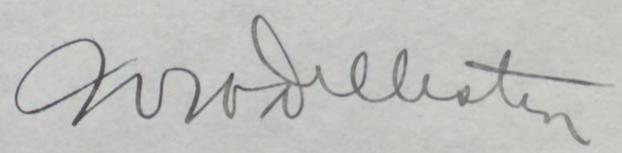
December 18, 1930

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

Dear Mr. Riddle:

We acknowledge with thanks your letter of December 17, enclosing
100 copies of Form A-5.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

421.1(2)

FEDERAL RESERVE BANK
OF NEW YORK

December 17, 1930

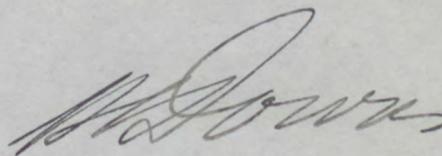
Mr. J. H. Riddle,
Secretary, Committee on Branch, Group & Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

Attached are four copies each of tables IVe and Ve, upon which we have shown various average operating ratios for the year 1926 of the national banks located in the Second Federal Reserve district. Together with these copies are eight duplicates of our work sheets.

As we are running low on the supply of these forms, kindly send us about 50 additional blanks of each kind.

Very truly yours,



H. S. Downs,
Assistant Federal Reserve Agent

Enc.

421.11 (2)

December 17, 1930.

Mr. H. S. Downs,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Downs:

In accordance with your letter of December 16th
we are sending you herewith 100 additional copies of Form
A-5 for use in reporting private bank changes.

Very truly yours,

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

Enc.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

December 16, 1930

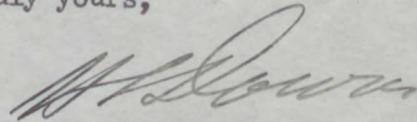
Mr. J. H. Riddle,
Secretary, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

We find we need about 100 more copies of Form A-5 for use
in reporting private banker changes.

Will you please forward these.

Very truly yours,



H. S. Downs
Assistant Federal Reserve Agent

421. 11(2)

December 12, 1930.

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

Dear Mr. Rounds:

In tabulating the data reported on the suspension schedules by the various states it is apparent that in the case of certain items the material reported is not uniform for all states, and that for purposes of comparison an explanation of what is included is needed. This is true of sections 7, 8, 9 and 10. Would it be possible to secure the following information for each state in your district which has prepared or is preparing suspension schedules?

- (1) The statutory priority of lien of the various types of deposits in each state
- (2) Precisely what type or types of deposits are reported on the suspension schedules as (a) secured, (b) preferred and (c) general

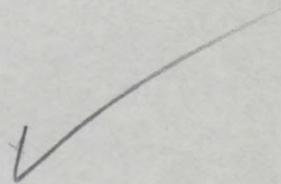
The schedules ask for reports on deposit claims only, but in case other claims have been included by any state this fact should be stated, and the information requested above should likewise be furnished for these other claims.

Very truly yours,

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

421.1121

FEDERAL RESERVE BANK
OF NEW YORK



December 8, 1930

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

Dear Mr. Riddle:

We acknowledge with thanks your letter of December 6, trans-
mitting 200 additional copies of form A-5.

Very truly yours,

W. H. Dillistin
Assistant Federal Reserve Agent

421.11(2)

December 6, 1930.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

In accordance with your letter of December 5th
we are sending you herewith 200 additional copies of
form A-5.

Very truly yours,

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

Enc.

421, 11(2)

FEDERAL RESERVE BANK
OF NEW YORK

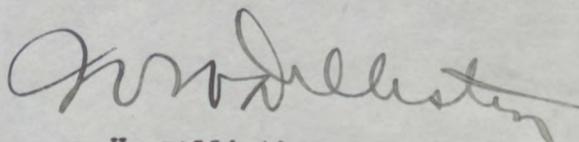
December 5, 1930

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

Dear Mr. Riddle:

Will you please let us have about 200 copies of form
A-5 designed for reporting private banker changes.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

421.11(2)

November 26, 1930.

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

Dear Mr. Rounds:

In accordance with the telephone request
from your office on Monday, I am sending you here-
with 30 additional copies of the bank suspension
schedule.

Very truly yours,

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

Enc.

421.11(2)

November 26, 1930.

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

Dear Mr. Rounds:

In response to a telephone call from your office
this morning, we are sending you herewith 300 additional
copies of form A-3 and 10 additional copies of form A-2.

Very truly yours,

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

Enc.

421. 11(2)

November 26, 1930.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

Many thanks for your letter of November 25th
enclosing a copy of your revised list of chain and
group banking. This will be very useful to us.

Very truly yours,

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

421. 11(2)

FEDERAL RESERVE BANK
OF NEW YORK

November 25, 1930

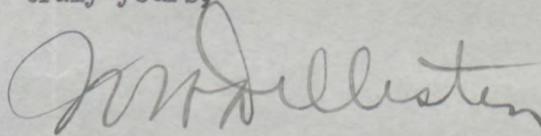
Mr. J. H. Riddle,
Secretary, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

Perhaps you will be interested in seeing the enclosed copy of a revised list of chain or group banking which we have recently made up.

Since the list was prepared mainly for our own reference, we have included all affiliations of two or more banks; and also, to facilitate reference, we have run the items in one straight alphabetical list instead of in divisions by type of control. We have tried to include only those affiliations where there have been indications of at least a considerable influence in the management of two or more banks by a person, group or company.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

Enc.

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
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NOV 25 1930
DIVISION OF RESEARCH
AND STATISTICS

✓
November 24, 1930.

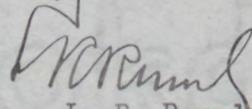
Mr. E. A. Goldenweiser, Chairman
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Goldenweiser:

Your letter of November 22 is received enclosing forms B-8 and B-9 for classifying state and private banks according to population on three different dates.

We shall be glad to have these forms prepared and will forward them to you as early as possible.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
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NOV 25 1930
DIVISION OF RESEARCH
AND STATISTICS

November 24, 1930.

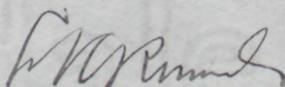
Mr. E. A. Goldenweiser, Chairman
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Goldenweiser:

This will acknowledge receipt of your
letter of November 12 enclosing forms B-3, B-4, B-5 and
B-6 to be used in classifying state and private banks on
three different dates specified.

We shall be glad to compile the infor-
mation requested and forward to you as early as possible.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
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NOV 25 1930
DIVISION OF RESEARCH
AND STATISTICS

November 24, 1930

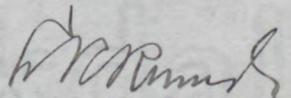
Mr. E. A. Goldenweiser, Chairman
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Goldenweiser:

Your letter of November 20 is received enclosing forms A-4 and A-5 for the preparation of statistics regarding the changes in the number of private banks.

We shall be glad to prepare these forms and return them to you as promptly as possible.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

November 24, 1930.

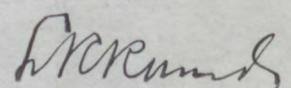
Mr. J. H. Riddle, Secretary
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.



Dear Mr. Riddle:

Your letter of November 13 was duly received enclosing a list of twenty private banks which closed in New York State during the past ten years. Checking with such information as is available to us, we believe that at least half of these banks did not come under the supervision of the State Banking Department. We are, however, transmitting the list to the department asking them to kindly supply us with the suspension schedules for those banks which did come under their supervision. We shall forward these as soon as they are received.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

421.11(2)

November 22, 1930.

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

Dear Mr. Rouns:

In our letter of November 12th we outlined a proposal for classifying the banks of the country according to size of loans and investments and according to size of capital stock. In order to supplement that data it seems desirable to make an additional classification, that is, according to the size of the towns or cities in which the banks are located. Accordingly we have prepared and are enclosing two additional forms, B-8 and B-9, for classifying state and private banks according to population on three different dates; June 30, 1920; June 30, 1925; and June 30, 1930. In accordance with previous practice you are requested to compile this information for the banks in those states whose capitals lie within your district.

For 1920 and 1930 the census figures of population should be used. The detailed 1930 figures for about half of the states have already been completed, and it is understood that by the end of December the figures for all states should be available. For 1925 the Bankers Directory will have to be relied upon.

Very truly yours,

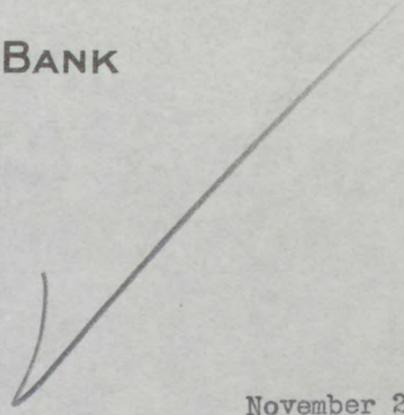
E. A. Goldenweiser,
Chairman, Committee on Branch,
Group and Chain Banking.

* Enc.

* See letter of same date in subject file
on Classification of Banks.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK



November 21, 1930

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

Dear Mr. Riddle:

We have your letter of November 20, and wish to thank you for
the supply of forms IV-e and V-e received under separate cover.

Very truly yours,

A handwritten signature in cursive script, appearing to read "W. H. Dillistin".

W. H. Dillistin
Assistant Federal Reserve Agent

421.11(2)

November 20, 1930.

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

Dear Mr. Rounds:

In our letter of November 5th we made a request for information to be procured from the state banking commissioners on changes in the number of state banks since 1920. In order to supplement that data and make the study more complete, it seems desirable to get similar information on changes in the number of private banks. It may be necessary, however, for the Reserve Bank itself to compile the greater part of these data for the reason that in many states the commissioners have no supervision over private banks at all, and in others they have only partial supervision. The unsatisfactory nature of available figures on private banks may be indicated by the fact that the Comptroller of the Currency reports 391 as of June 29, 1929, whereas the Bankers' Directory for January 1930 shows 616. Even in states where the commissioner has supervision, the number of private banks reported is sometimes only half the number shown in the Bankers' Directory. In spite of such discrepancies, however, it is apparent from a cursory examination of the available sources that private banks are almost always small institutions, and that they have been declining very rapidly in number and in relative importance.

The Committee believes that statistics of this decline should be assembled, and is making the request that each Federal Reserve bank compile, or have compiled, the figures for those states whose capitals lie within its district for the period from 1920 through 1930. Forms A-4 and A-5, copies of which are attached, have been prepared for this purpose; A-4 to show the summary of changes, and A-5 to give the supporting data for each bank making a change. Unless there is better information in your files or readily procurable from the state commissioners, the Bankers' Directory may be used as the basis of the study. We understand, of course, that in many cases all the information called for on Form A-5 will not be available, but in every case we should like to have at least the name or names of the banks involved in the change.

The Definition of Terms sent you with our letter of November 5th, 1930, in connection with the study of state bank changes may be followed in principle for private banks. The term "consoli-

Mr. L. R. Rounds #2

November 20, 1930.

dation" will apply to the absorption of a private bank by a state or national bank, as well as to the union of one private bank with another; and the term "conversion" will apply where a private bank incorporates and without union with another bank continues its business under state or national charter.

Very truly yours,

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

*Enc.

* See letter of same date in subject file on Bank
Changes.

421.11(2)

November 20, 1930.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

In accordance with your letter of November 19th

I am sending you herewith 50 additional copies each of
tables IV-e and V-e.

Very truly yours,

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

Enc.

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
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NOV 20 1930
DIVISION OF RESEARCH
AND STATISTICS.

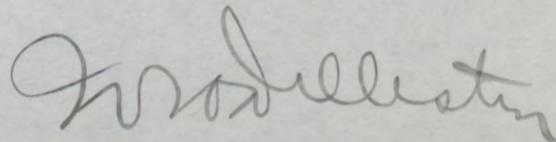
November 19, 1930

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

Dear Mr. Riddle:

Will it be possible for you to furnish us with an additional supply of forms IVe and Ve, say fifty copies each, for our use in making up the summary requested in your letter of November 12? We use these for work sheets as well as for final copies and have already about used up the supply which you sent us.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

421.11(2)

November 17, 1930.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

Receipt is acknowledged of your letter of November 13th with the enclosed copies of tables I-e, II-e, and III-e covering the year 1929 for national banks located in your district.

We note that this completes the tabulations in your district in so far as these three tables are concerned.

Very truly yours,

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

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

November 13, 1930

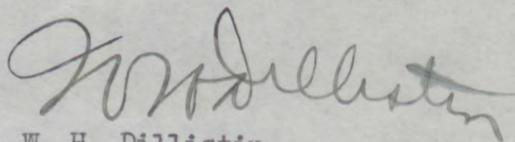
Mr. J. H. Riddle,
Secretary, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

Attached are three copies of tables Ie, IIe and IIIe, upon which has been grouped information relating to the earnings for 1929 of the national banks located in this district. This completes our tabulation as far as these three tables are concerned.

We also wish to acknowledge receipt of your letter dated November 12 enclosing supply of tables IVe and Ve for use in further tabulating information compiled on the analysis of bank earning forms.

Very truly yours,



W. H. Dillistin,
Assistant Federal Reserve Agent

Enc.

421.11(2)

November 13, 1930.

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

Dear Mr. Rounds:

Receipt is acknowledged of your letter of November 10th enclosing the suspension schedules prepared by the office of the commissioner of banking of the State of New York. These schedules agree with the Board's list of suspensions of state banks in New York during the period.

The Board's list, however, shows 20 private bank suspensions during the period for which no schedules have been prepared. Since private banks are under the supervision of the commissioner of banking in that state, I presume his records are such that he could give us at least a part of the information called for on the suspension schedules for these institutions. Attached is a list of private bank suspensions in New York according to the Board's records.

Very truly yours,

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

Enc.

PRIVATE BANKS WHICH SUSPENDED IN NEW YORK DURING THE PERIOD
January 1, 1921 to June 30, 1930

<u>Name and location</u>	<u>Closed</u>
Imbrie & Co.,	New York City 3-3-21
Bank of Honeye Falls	Honeye Falls 5-21-21
Homer Gray	Buffalo 10-19-23
Endicott Co., Bankers,	Endicott 1- -23
Vincenzo Tisbo & Bro.	New York City 4-14-23
Bank of Sodus	Sodus July or August 1923
Joseph Vet.	Mechanicsville 8-5-24
Garfunkel & Tauster	New York City 1-10-24
I. Sillitte & Son	New York City 2-9-24
V. Barjardi & Co.,	New York City 10-5-24
Orazio Ciaccia	Schenectady 12-8-24
J. B. Sturdevant	Avoca 12-27-27
George E. Lartman & Co.	Waterloo 5-24-27
L. Scott & Son	Brooklyn 9-29-28
James V. Lago	New York City 7-3-28
South & Wood	Plattsburg 1-3-28
W. S. & C. E. Housel	Bergen 3-27-29
Clarke Brothers	New York City 6-29-29
Charles H. Couch & Son	Odesa 11-12-29
Muller & Son	Truxton 1-6-30

The Riddle

4 21. 11(2)

Mr. Horbett:

Nov. 12, 1930

Questionnaires covering suspended state banks in New York agree with the records of this office. Our records, however, cover 20 private banks for which no questionnaires were received, as follows:

<u>Name and location</u>	<u>Closed</u>	<u>Reopened</u>
Imbrie & Co., New York City	3-3-21	
Bank of Honeoye Falls Honeoye Falls	5-21-21	
Homer Gray Buffalo	10-19-23	
Endicott Co., Bankers, Endicott	1- -23	
Vincenzo Tisbo & Bro. New York City	4-14-23	
Bank of Sodus Sodus	July or August 1923	
Joseph Vet Mechanicsville	8-5-24	
Garfunkel & Tauster New York City	1-10-24	
I. Sillitte & Son " " "	2-9-24	
V. Barjardi & Co., " " "	10-5-24	
Orazio Ciaccia Schenectady	12-8-24	
J. B. Sturdevant Avoca	12-27-27	
George E. Lartman & Co Waterloo	5-24-27	
L. Scotto & Son Brooklyn	9-29-28	
James V. Lago New York City	7-3-28	
South & Wood Plattsburg	1-3-29	
W.S. & C.E. Housel Bergen	3-27-29	
Clarke Brothers New York City	6-29-29	
Charles H. Couch & Son Odessa	11-12-29	
Muller & Son Truxton	1-6-30	

W.F.C.

421.11(2)

November 12, 1930.

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

Dear Mr. Rounds:

In connection with its various investigations the Committee on Branch, Group and Chain Banking finds it essential to have the banks of the country classified according to size of loans and investments and according to size of capital stock. This information is necessary in the study of banking concentration, as well as for comparisons in the study of failures and in the development of branch banking. Accordingly a set of blank tables has been prepared for making these classifications of state and private banks on three different dates, June 30, 1920, June 30, 1925, and June 30, 1930. Copies of these forms, which are labelled B-3, B-4, B-5, and B-6, are enclosed herewith and the Committee would like for you to have this information compiled for those states whose capitals lie within your district. A supply of these forms is being forwarded to you under separate cover.

In classifying the state banks you can probably use the reports of the state banking departments or even secure directly the assistance of these departments. If, however, it becomes necessary in any case to use the Bankers Directory for this material, you can doubtless first get from the banking department a list of all the banks in the state on the specified dates in order that your totals may agree with the official records. As to the private banks, the information may be somewhat more difficult to compile except where they are under the supervision of the state commissioner of banking. In other states, of course, the Bankers Directory will have to be relied upon.

In determining what items should be included in loans and investments we suggest that you follow the instructions given in articles 1 to 4 inclusive of the Board's Form 105a, a copy of which is enclosed. This will insure uniform treatment at the three dates in the various states.

Very truly yours,

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

*Enc.

* See letter of same date in subject file on
Classification of Banks.

421.11 (2)

November 12, 1930.

Mr. W. H. Dillistin,
Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

We are sending you herewith a supply of Tables IV-e and V-e which are to be used in further tabulating information compiled in connection with the earnings project outlined to you in our letter of August 11th. There is also enclosed a memorandum on the method of filling out these tables. You will note that we have used your description of the short cut method for finding the average deviation.

Very truly yours,

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

*Enc.

* See letter of same date in subject file on Earnings

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
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NOV 12 1930
DIVISION OF RESEARCH
AND STATISTICS

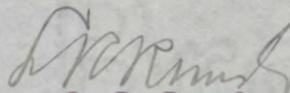
November 11, 1930.

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

Dear Mr. Goldenweiser:

Your letter of November 5 addressed to
Mr. Case and enclosing material for use in connection with the
compilation of changes in the number of State banks since 1920,
has been received and we have requested the Superintendent of
Banks of the State of New York to kindly compile the information
as soon as possible.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

421,11 (2)

FEDERAL RESERVE BANK
OF NEW YORK

November 10, 1930.

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

Dear Mr. Riddle:

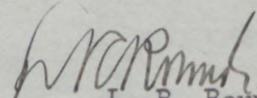
Enclosed we are sending you the bank suspension forms which have been prepared by the office of the Commissioner of Banking for the State of New York, with respect to the following four institutions -

- City Trust Company
- Citizens Bank of Griffin Corners
- Bank of Cuba
- Italian Discount & Trust Co.

these being all of the state banks which were closed by the Banking Department between January 1, 1921, and June 30, 1930.

We have reviewed the information furnished by the Superintendent of Banks and do not feel there is anything we can add to the record which he has provided. Two of these institutions were in effect branches of foreign banks, and the difficulty was precipitated by difficulties in the parent organization located abroad. In the case of the other two banks the difficulty can all be summed up in the words "rotten management". It will be noted that there was no loss to depositors in the case of any of these four banks.

Very truly yours,


L. R. Rounds
Deputy Governor

Encs.

LAL

ans Nov. 13, 1930

421.11(2)

November 6, 1930.

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

Dear Mr. Case:

I am sending you herewith the supply of forms referred to in Dr. Goldenweiser's letter of November 5th to be submitted to the Superintendent of Banks of the State of New York in connection with the study on bank changes.

Very truly yours,

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

Enc.

421. 11 (21)

November 5, 1930.

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

Dear Mr. Case:

We are sending you herewith an outline of a study regarding the changes in the number of banks since 1920 which the Committee on Branch, Group and Chain Banking has prepared as a part of its investigation of banking concentration in the United States. The figures regarding changes in national banks have already been compiled as shown on the attached forms and it is the desire of the Committee to complete this study by getting corresponding summaries of changes in the number of state banks. The enclosed material is self explanatory, and we request that you forward it to the Superintendent of Banks of the State of New York and ask him to give us the information indicated.

The period covered by the inquiry includes the year 1930, but it is our desire that the material for prior years be prepared and forwarded to us as soon as possible without waiting for the 1930 figures. The latter may be added as soon as possible after the end of the year.

Very truly yours,

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

* Enc.
* See letter of same date in subject file on
Bank Changes.

421.11(2)

November 4, 1930.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

We have received your letter of November 3rd with the enclosed tables I-e, II-e, and III-e with information relating to earnings for 1928.

In accordance with your request we are sending you today under separate cover 250 additional forms of Analysis of Bank Earnings.

Very truly yours,

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

421.11 (2)

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
NOV 11 1930
ANALYSIS

November 3, 1930

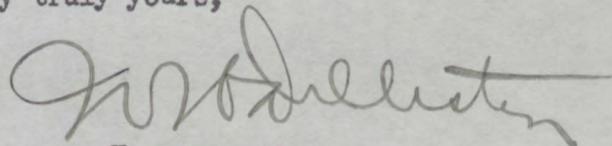
Mr. J. H. Riddle,
Secretary, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

Attached are three copies each of tables Ie, IIe and IIIe upon which has been grouped information relating to the earnings for 1928 of the national banks located in this district.

We are working on 1929 and will probably finish by the end of the week. We shall need about 250 more Analysis of Bank Earning forms, which please send us as soon as you can.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

Enc.

Brookdale Linen

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

November 3, 1930

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

Dear Mr. Riddle:

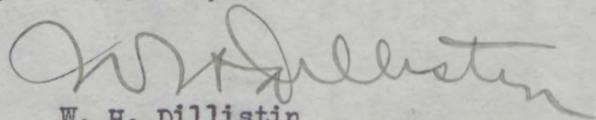
This is in reply to your letter of October 30, with regard to Tables IVE and VE designed for use in further recording data from the Analysis of Bank Earning blanks.

For the reasons that you state, I am inclined to believe that the arithmetic average method will be satisfactory for computing the representative ratios of the banks in the various groups of these tables. Mr. Roelse and Mr. Thomas are of the same opinion. //

The operation of calculating the average deviation of the component ratios from the average ratio may possibly be shortened somewhat by the following method:

1. From the sum of all component ratios greater than the average ratio deduct the product of the average ratio multiplied by the number of these greater components.
2. From the product of the average ratio, multiplied by the number of components which are less than the average, subtract the sum of these lesser components.
3. Add the results obtained in (1) and (2) and then divide by the total number of component ratios.

Very truly yours,


W. H. Dillistin
Assistant Federal Reserve Agent

Brookdale Line

421.11(2)

October 30, 1930.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

We are enclosing Tables IV-e and V-e, which have been designed for use in recording data taken from the "Analysis of Bank Earnings" blanks, and concerning which we should like to have your advice.

Table IV-e calls for the representative operating ratios for groups of banks classified by the rate of profit or loss. It is hoped that this table will reveal whether definite tendencies exist for certain operating ratios to be associated with particular rates of return on invested capital. We are having difficulty, however, in deciding how to pick the representative ratio for a group of banks in any particular case, say of the proportion of gross income paid out in wages. The simple arithmetic average of the ratios of each of the banks has much to recommend it for selection as the representative ratio, being much easier to compute and more susceptible to use in combinations. However, we are mindful of its limitations, especially with respect to emphasizing extreme items. For this reason, experiments have been made here with the median and the average of the two middle quartiles, with the result that about 5 or 6 times as much time is apparently required to obtain a representative ratio by a median method as by a simple arithmetic average. Getting the average of the two middle quartiles would take perhaps as much as 25% more time than does the median method even. Furthermore, the series of experiments performed here would indicate that in many cases the three types come out pretty close together, although at some points disparities of disturbing size appear.

However, taking into consideration the limitations in the fundamental data, the variety of accounting policies and practices which govern the reporting of balance sheet and earnings items from bank to bank, we are coming to feel that the use of a refined scheme, such as the median, in selecting representative ratios is not justified, particularly in view of the time required. We are, therefore, on the point of asking that the combinations incidental to Table IV-e be made by means of a simple arithmetic average but should like to have your advice before proceeding.

October 30, 1930.

It would be our plan to have each Federal Reserve Bank supply us with a completed Table IV-e for each state or fraction of a state in the district for each of the four years. Bearing in mind that the number of banks in some of the groups will be so small that no one ratio could be representative, it is expected that in the presentation of the national picture by us combinations of adjacent groups and of comparable states will be made so that no group used will contain a number of banks below some reasonable minimum.

We are anxious moreover to make tests as to how representative the simple averages are, and have been experimenting here with the average deviation of the items that compose a particular average. In this connection, we have in mind asking each Reserve Bank to work out, for one year say, the average ratios for the district as a whole combining all states and fractions of states, but observing the profits groupings of Table IV-e, and after that to work out the average deviations of the components of the average ratios. The point in combining all of the states would be by way of preventing some groupings from being too thin. This would put us in possession of a body of data giving some indication as to how representative the averages are and as to which ones could be generalized upon with the greatest assurance. We solicit your comments in connection with such a computation of deviations including observations as to how much time would be involved.

Table V-e, which is also enclosed, calls for the representative ratio of groups of banks classified on a size basis and does not, we believe, require any further comment, since its compilation follows the same general scheme as Table IV-e.

We shall appreciate it if the professional statisticians of your bank will give us the benefit of their opinions with respect to the tentative proposals outlined above as well as any suggestions that they may have as to other methods of tabulating and analyzing the body of data which has been prepared on the earnings schedules. Perhaps Thomas and Roelse could be prevailed upon to look over the above proposals and give us the benefit of their views also.

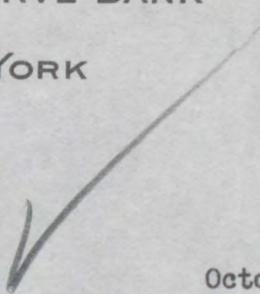
We shall be glad if you will expedite your reply as some of the banks have completed Tables I-e, II-e, and III-e and are waiting to take the next step.

Very truly yours,

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

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK



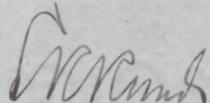
October 28, 1930.

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

Dear Mr. Riddle:

This will acknowledge your letter of October 20
regarding the population figures to be used in connection with
Table II-e. We note your request that the figures shown in Rand
McNally's Bankers' Directory for January 1928 be used, and we
shall be glad to be governed accordingly.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

421. 11/21

October 28, 1930.

Mr. H. S. Downs,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Downs:

We have received your letter of October 27th enclosing tables Ia, IIc, and IIIc relating to the earnings of national banks of your district for 1927.

In accordance with your request I am enclosing herewith 30 additional copies of each of these three tables.

Very truly yours,

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

Enc.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

October 27, 1930

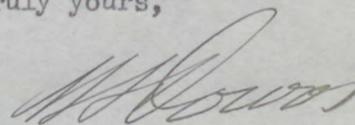
Mr. J. H. Riddle,
Secretary, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

Attached are three copies each of tables Ie, IIe and IIIe upon which has been grouped information relating to the earnings for 1927 of the national banks located in this district.

We are now working on 1928, which should be finished by the end of this week. As we are running low on forms, kindly send us a supply of 30 copies each of tables Ie, IIe and IIIe.

Very truly yours,



H. S. Downs
Assistant Federal Reserve Agent

Enc.

421.11(2)

October 24, 1930.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

This will acknowledge receipt of your letter
of October 23rd with the enclosed completed tables Ia,
IIe, IIIe for the year 1926. We hope to send you shortly
two additional tables for tabulating this material on a
different basis.

Very truly yours,

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

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

October 23, 1930

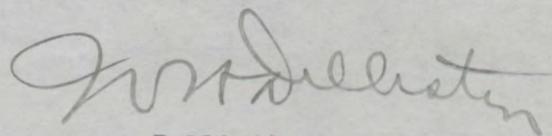
Mr. J. H. Riddle,
Secretary, Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:

Attached are three copies each of tables Ie, IIe and IIIe upon which has been grouped information relating to the earnings for 1926 of the national banks located in this district.

We are now working on 1927 and shall send you the tables as soon as they have been completed.

Very truly yours,



W. H. Dillistin
Assistant Federal Reserve Agent

Enc.

421.11(2)

October 20, 1930

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

Dear Mr. Case:

In connection with Table II-e which was submitted to you with our letter of October 10th, the question has been raised as to what population figures should be used in classifying the communities in which banks are located. We feel that for our purpose the population figures for one year will be sufficient to make the classifications for each of the four years. We suggest, therefore, that you use the population figures given in the January 1928 edition of Rand McNally's Bankers' Directory.

Very truly yours,

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

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

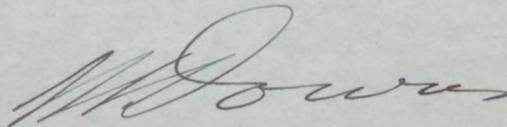
✓
October 18, 1930

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

Dear Mr. Riddle:

In response to your telephone request, we are sending to you today the separate tabulation sheets which we made up for each national bank in this Federal Reserve District for the year 1926 on earnings ratios.

Very truly yours,



H. S. Downs
Assistant Federal Reserve Agent

421. 11(2)

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER
TO Ref.Lib:MB

October 17, 1930

Mr. J. H. Riddle,
Federal Reserve Board,
Washington, D. C.



Dear Mr. Riddle:

Do you have among your possessions one of our pamphlets entitled "The Causes of Bank Failures and Some Remedies" issued by the American Bankers Association in 1927? This was charged out to you last March and no doubt you have long ago finished with it. If you no longer need it, we should like to have it returned so that we can clear up our records.

Sincerely yours,

Marguerite Burnett,
Librarian.

HB

421. 11(2)

FEDERAL RESERVE BANK
OF NEW YORK

October 17, 1930.

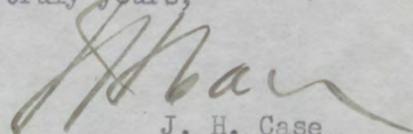
Mr. J. H. Riddle, Secretary
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Riddle:

Your letter of October 11 is received asking for an estimate of the time that would probably be required to complete work on the various subjects now undergoing investigation for the Committee on Branch, Group and Chain Banking.

By far the largest job is the digest of earnings of banks for the four year period, 1926-1929 inclusive. This work is now approaching completion and we estimate that it will take approximately two weeks longer. The reports on suspensions are being prepared by the State Banking Department and, while they have not given us a date, they have advised that it would have their prompt attention, and since there are so few of them in this district, we do not anticipate any delay. We believe we are safe, therefore, in saying that all of this work will be completed not much if any later than November 1.

Very truly yours,



J. H. Case
Federal Reserve Agent

421. 11(2)

FEDERAL RESERVE BANK
OF NEW YORK

October 17, 1930.

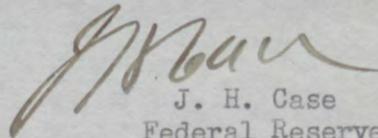
Mr. J. H. Riddle, Secretary
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Riddle:

This will acknowledge receipt of your letter
of October 10 enclosing copies of three tables, Ie, IIe, and
IIIe, for use in grouping information compiled on the "Analysis
of Bank Earnings" blanks. ✓

We shall be glad to tabulate the information
as requested and forward it as soon as possible. The tables for
the year 1926 will probably go forward next Monday, and tables
for the other years will follow as soon as possible.

Very truly yours,



J. H. Case
Federal Reserve Agent

421.11(2)

October 11, 1930.

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

Dear Mr. Case:

At the recent Conference of Governors and Agents it was suggested that the Committee on Branch, Group and Chain Banking make an estimate of the time when its report will be submitted. To do this it is necessary to have reports from the Federal reserve banks as to the status of information which they are compiling or having compiled for the Committee and an estimate as to the time when we may expect this information. Will you be good enough, therefore, to check up on the work in your district and give us an estimate as to when the material being prepared or collected on the following subjects will be completed:

Group banking (questionnaire)
Suspensions
Earnings

Very truly yours,

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

421.11(2)

October 10, 1930.

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

Dear Mr. Case:

Enclosed please find copies of three tables, Ie, Iie, and Iiie, for use in grouping information compiled on the "Analysis of Bank Earnings" blanks sent you with our letter of August 11th. A supply of these tables is being forwarded to you under separate cover. A copy of each table should be prepared for each state or fraction of a state in your district for each of the four years. These tables call for a primary grouping of banks according to the rate of net profits on invested capital and then regroupings according to the stubs.

It is requested that you send to us these tables for each year as you finish them without waiting for the completion of the whole project as this will enable us to begin reviewing the material. The grouping of the banks on the basis of net loss or net profit to invested capital should be kept in that form for a time, if possible, as we shall send you presently a table form for presenting the typical operating ratios of banks according to this grouping. The original forms on which you have worked out the ratios for the individual banks should, of course, be retained at your bank.

Very truly yours,

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

* Enc.
* See letter of same date in subject file on Earnings.

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)

[Handwritten signature]

September 27, 1930

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

Dear Mr. Riddle:

I have your letter of September 26 enclosing samples of instructions which you have sent to all Federal Reserve Banks on the handling of negative items on earnings blanks in connection with the analysis of earnings which is being compiled for all national banks in the country. I am pleased that you have found useful the suggestions made by Mr. Osterhus and Mr. Sattler.

Very truly yours,

[Handwritten signature of W. H. Dillistin]

W. H. Dillistin,
Assistant Federal Reserve Agent

421. 11(2)

September 26, 1930.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

When I was in New York, Mr. Osterhus and Mr. Sadler made some suggestions regarding the treatment of negative items on the forms for analyzing bank earnings and prepared some of the forms illustrating the suggested treatment of these exceptional cases.

You will note from the enclosed mimeographed statement that we have adopted their suggestions and have passed them on to the other Reserve Banks for their guidance.

Very truly yours,

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

Enc.

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
RECEIVED
SEP 23 1930
DIVISION OF RESEARCH
AND STATISTICS.

September 20, 1930.

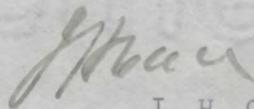
Mr. E. A. Goldenweiser, Chairman
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Goldenweiser:

This will acknowledge your letter of
September 17 enclosing a mimeograph with reference to the
preparation of the reports on bank earnings for the Committee
on Branch, Group and Chain Banking.

We shall be glad to be governed accordingly
in the instances referred to.

Very truly yours,



J. H. Case
Federal Reserve Agent

421.11(2)

September 17, 1930.

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

Dear Mr. Rounds:

This will acknowledge in Mr. Goldenweiser's stead
your letter of September 16th with its enclosure of reports
from banks in the Second District on accenats lost or gained
in recent years through business changes.

Very truly yours,

C. B. Hammond,
For the Committee on Branch,
Group and Chain Banking.

421. 11(2)

September 17, 1930.

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

Dear Mr. Case:

In connection with the earnings project of the Committee on Branch, Group and Chain Banking we have been asked to rule on certain points with respect to the elimination of banks from a particular year's compilation because of suspension, consolidation, or the like. We are enclosing for your information and guidance a mimeograph of the points raised and our replies thereto.

Very truly yours,

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

*Enc.

gwb/ch

* See letter of same date in subject
file on Earnings

9-17-30

1 Mr. Conrad,

This is the
final form of the general
letter on Suspensions which I
showed you, & subsequently
submitted to Mr. Riddle

CBH

421.11(2)

September 12, 1930.

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

My dear Mr. Case:

Now that actual work on the Suspensions Schedules, submitted to you with our letter of July 25th, is under way, questions are arising in certain states which reflect the different methods of keeping records and the difficulties in reporting exactly what is asked for. It is manifestly impossible to expect that any one schedule could be found equally well adapted to all states and to the Comptroller's office, and it is, therefore, unavoidable that in some states it will be much more difficult to fill out the Schedules than it is in others. To insure as much uniformity as possible, however, and to insure accuracy in interpreting the reports, it seems desirable to emphasize the following points:

1. Sections 9 and 10 of the schedule, as well as sections 7 and 8, call for data on claims by depositors only, but where the records are such that depositors' claims cannot be segregated from other claims, that is, bills payable and notes evidencing borrowed money, then total claims should be reported and a notation made to that effect.
2. Secured claims should include only those claims secured by collateral or by collateral and surety bond both, but not claims secured by surety bonds alone. The latter should be listed among general claims.
3. It is apparently the practice in some states not to list as claims those deposits which are secured by collateral, because they are assumed to be self-liquidating. For purposes of this schedule, however, all such deposits should be listed as secured claims allowed and the amounts realized by the depositors on the collateral should be shown as payments on these claims. The amounts realized on the collateral should also be shown under collections.

September 12, 1930.

4. In many cases it is difficult to show a figure for Secured Claims that does not include items which in part are present also as General Claims. The reason for this is that Secured Claims are assumed to be self-liquidating and, therefore, are not part of the receiver's direct responsibility, which covers only claims allowed for dividend purposes. Any portion of a Secured Claim not liquidated by the collateral segregated to it may, however, be allowed as a General Claim and, therefore, increase the claims allowed for dividend purposes. When this happens and a corresponding change is not made in what was originally reported as secured claims, it results in duplication. Where it is possible within a reasonable time to get accurate figures of Secured Claims that are net and do not include amounts also included as General Claims, it is desired that they be so reported. If this is not possible, however, and the only available figures of Secured Claims include amounts also present in General Claims, it should be clearly indicated on the schedule that this is the case.

5. Under section 10 the amounts shown as "offsets to claims" should not be included either under collections or under claims allowed.

6. If records are in such shape that the figures can not be supplied in exactly the form called for in the above sections or any other sections of the schedule, then the best figures available should be given and a notation made as to exactly what they represent. This is essential as a guide in tabulating this material in order that we may not compare wholly unlike figures from different states.

Very truly yours,

C. B. Hammond,
For the Committee on Branch,
Group and Chain Banking.

Enc.

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

August 12, 1930.

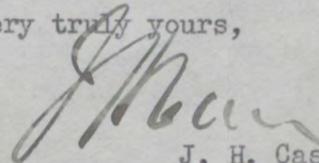
Mr. J. H. Riddle, Secretary
Committee on Branch, Group and Chain Banking
Federal Reserve Board
Washington, D. C.

Dear Mr. Riddle:

Your letter of August 11, outlining the program of your committee with respect to the securing of data on the earnings of banks for a four year period, has been received.

We will proceed at once with the compilation of the data asked for and will hold the forms here as requested for instructions concerning tabulating. We note that the committee is intending, in the first instance at least, to confine the compilation of this data to national banks. It would seem to us that such a compilation would probably give as good a picture as would be had if the state banks were included, but this question can perhaps best be answered after the material is more nearly complete.

Very truly yours,



J. H. Case
Deputy Governor

No copy

421.11(2)

August 11, 1930.

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

Dear Mr. Case:

The Committee on Branch, Group and Chain Banking has outlined a program for analyzing the earnings of national banks over a period of four years. At the heart of the discussion with respect to the changing nature of our banking structure is the matter of wholesale bank suspensions, repeatedly cited as evidence of the failure of the unit system in certain quarters. Back of the failure is, of course, the question of profits and losses. The motivating force of banks as of other business enterprises is profits and their success or failure is measured by their ability or lack of ability to show satisfactory earnings. This is especially significant with respect to banks, for a banker who is not showing a fair rate of earnings is under the constant temptation to take greater and greater risks, thereby jeopardizing the safety of his depositors' money.

It is very important, therefore, to know what type of banks are not justifying their economic existence, where they are located and why they are in this position. The problem is to approach these questions statistically for a period of years. Data should be available in such form that they can be classified in various ways in order to show any significant trends in earnings. Such material could be classified by states to indicate tendencies of success or failure in the different sections of the country and in the various types of industrial and agricultural communities, and cross classified to see if a degree of profitability is associated with size, either of the bank or of the community in which it is located. Having determined the classifications of banks not showing reasonable profits, it is desirable to know the operating conditions that are associated with such a situation. This requires a more detailed analysis of earnings, expenses, losses, composition of deposits and capital funds.

Many of the Federal Reserve Banks have devoted considerable time and effort to analyzing the earnings of banks in their districts. It

August 11, 1930.

is unfortunate, however, that there exists no body of statistical data on earnings covering the whole country for a period of years that would permit grouping banks in a variety of ways or that is strictly comparable in the various districts.

The present program has been worked out in consultation with several of the Federal reserve banks which have already been making investigations in this field. It consists in working out various operating ratios for each national bank for each of the years 1926, 1927, 1928 and 1929, and each Federal reserve bank is requested to compile the data for its district. A special form has been prepared and printed for transcribing the earnings data and recording the various ratios. The enclosed copy of this form has been filled out as a specimen and seems to be self explanatory.

Page 2 gives the primary items which are to be compiled from the reports of condition and reports of earnings, expenses, and dividends. On page 4 complete instructions are given as to the composition of these items and the reconciliations from call to call. The earnings and expense figures will, of course, be the sum of the figures on the two semi-annual reports of earnings, expenses, and dividends for the year in question. Report of condition figures will be the result of averaging the respective figures on the four reports of condition (Spring, June, Autumn, and December). In the year 1926 there were only three calls. On page 3 of the form provision is made for recording the desired operating ratios computed from combinations of figures set down on page 2.

I am sending you a supply of these forms equal approximately to four times the number of national banks in your district. We are aware that there will doubtless be various questions arising when the work gets under way about which you may wish to confer. There may be cases where a change in the status of a bank through merger or otherwise so affects the condition or earnings figures in a given year, that it should be omitted from the compilations of that year. It is hoped, however, that in each of these cases a special effort will be made to perfect a reasonably good set of the necessary income and balance sheet figures for the year in question. A too generous program of elimination of banks would obviously cause the loss of much valuable information.

We are working out plans for grouping and analyzing the various operating ratios after they have been computed. These plans will be sent you as soon as they are completed. It is suggested, therefore, that the blanks which are now being forwarded to you should not be returned to Washington when completed, but should be held for the purpose of making the various tabulations desired.

Mr. J. H. Case, #3

August 11, 1930.

For the time being this analysis of earnings is limited to national banks only, in the interest of time and economy. It is somewhat doubtful whether the inclusion of state member banks would add materially to the value of the study. The Committee is open to suggestions on this point, however, and it would be a simple matter to add the member state banks to the study at a later date if it should be deemed advisable.

Very truly yours,

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

*Enc.

* See letter of same date in subject file on Earnings.

421.11(2)

August 4, 1930.

Miss Marguerite Burnett, Librarian,
Federal Reserve Bank of New York,
New York, New York.

Dear Miss Burnett:

Referring to your letter of July 30th with reference to the hearings before the House Committee on Banking and Currency, I have been informed that part 13 is the latest to be printed. There will be at least two more parts. The final form of the hearings will be two bound volumes, volume one containing parts 1 to 8 and volume two parts 9 to 15. The bound volumes will contain an index in all probability.

The "Development of the Twin Cities" was published by the University of Minnesota and not Pennsylvania. I suggest, however, that you do not order this book now on my account, because I think I can get it here when I finally come to use it.

I will probably be in New York the first of next week and may have a few minutes to run in to see you.

Very truly yours,

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

421.1(2)

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER

TO Ref.Lib:MB

July 30, 1930

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

Dear Mr. Riddle:

May I call upon you for assistance in obtaining certain parts of the public hearings of the Branch Banking inquiry? The last one that we have received was part 13 for May 28 but I understand that the hearings continued until June 14. So far as I can discover no later parts have been received in the bank. If any are available I should like to get three copies of each issue to date.

In addition to our three complete sets we have another very incomplete one and if it is convenient to do so I should like to fill out the missing parts and thus have a complete set on hand in case there should be a future call for one other than the cataloged library copies. For this purpose I would need parts 1 and 6-12 as well as any parts that have issued later than part 13. It is, of course, not absolutely necessary to have this fourth set and if you cannot obtain the missing issues easily please do not trouble further about it.

Do you know whether a complete index to all the parts is to be published? I sincerely hope so as it should greatly facilitate the reference work that librarians are sure to have to do with these hearings. If you have any influence in the matter I hope you will recommend that this feature be incorporated. I understand that no volumes are to be issued in bound form by the Government Printing Office and I shall, therefore, have ours bound up as soon as I am assured that all the parts have been received.

We have been expecting you to come into the library for more material on Branch Banking but your long stay in Washington makes me think you have transferred your allegiance to the Federal Reserve Board library. I had intended to ask your advice when you did come in about a couple of books on Branch Banking. But we finally decided that it would be well to get everything as issued in order to have it available. For that reason we got the new Ostrolenk book, although we thought it disappointing in some respects, - for instance it has no sign of a bibliography. One thing that I wanted to ask you is about a book whose title you gave us as "Development of the Twin Cities," and which you thought was published by the University of Pennsylvania. The Dixie Bookshop was unable to locate this anywhere and I wonder if you could find out the author's name or verify the name of the publisher. It seems a little strange that the University of Pennsylvania would be publishing something about Minneapolis and St. Paul, which were the cities referred to, I presume. If you can give us any further clues we will be glad to make new inquiries.

Minneapolis

Sincerely yours,

Marguerite Burnett

Marguerite Burnett, Librarian.

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)

July 28, 1930

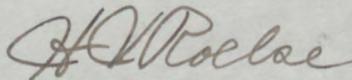
Mr. J.H. Riddle, Secretary,
Committee on Branch, Group and Chain Banking,
C/o Federal Reserve Board,
Otis Building,
Washington, D.C.

Dear Mr. Riddle:

In the absence of Mr. Case, I wish to acknowledge your letter of July 25, enclosing schedule to be used to obtain information concerning bank suspensions.

This has been turned over for attention to Mr. Rounds, who has just returned from his vacation.

Very truly yours,



H.V. Roelse,
Manager, Reports Department.

HVR-LGD

421.11(2)

July 25, 1930.

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

Dear Mr. Case:

The Committee on Branch, Group and Chain Banking decided some weeks ago that an essential part of its work should be a detailed analysis of bank suspensions since the beginning of 1921. The rapid growth in recent years in group and branch banking is regarded by many as an outgrowth of the large number of bank suspensions which have taken place during the past decade. Whether or not this is true, it is obvious that before the Committee can determine the full significance of this mortality among banking institutions and its relation to the new trends in banking it will be necessary to make a more complete analysis of failures than the data compiled at present will permit.

The program proposed is a substantial undertaking, and to be successful it is necessary to have the full cooperation of the various state banking departments, as well as the various Federal reserve banks. This program will entail considerable effort and expense on some of the state banking departments, but in view of the wide spread suffering caused by bank suspensions it is hoped that the state superintendents will give the System every possible assistance in this study. In each of sixteen states of the Union over twenty per cent of the banks in existence in 1920 have failed since that time, and in seven of these over forty per cent of the banks have failed. These failures are continuing at a high rate, more banks having suspended so far this year than in any similar period since 1924. This is one of the most important problems facing many states and certainly one of the major problems of the whole country, and many states are doubtless already struggling to devise ways and means for bringing about greater stability and security among the banks of their state. Under the circumstances it is anticipated that the states will welcome the opportunity to cooperate with the Committee in this work.

July 21 1930.

It is appreciated, of course, that many states are operating on very limited budgets and may find it somewhat difficult to undertake this extra work, but it is hoped that in no case will the difficulties prove insuperable. It may be advisable in certain cases for the Reserve Bank to offer its services in devising ways and means for collecting the data, and this cooperation, if necessary, might actually improve the quality of the information secured.

A tentative schedule for collecting information on bank suspensions was submitted for suggestions to the banking departments of some twelve or fifteen states in which suspensions have been unusually heavy. The response from these states and the apparent willingness to cooperate in compiling the data were very gratifying. At the same time a number of suggestions were made as to revisions of the schedule. Wherever possible these suggestions have been incorporated in whole or in part. In some cases, however, the suggestions could not be completely adopted because of the differences in terminology and records in the various states. It has been necessary to draw up the schedule in terms which would fit as nearly as possible the records of the various banking departments. The Comptroller of the Currency has given his full cooperation to the Committee and has expressed his willingness to furnish the information regarding national banks.

The schedule as finally adopted has been printed and a few copies are enclosed herewith. A supply is being forwarded to you under separate cover. The Committee would like you to present these schedules to the banking departments of those states whose capitals are located within your district with the request that they fill out a schedule for each bank which suspended between January 1, 1921, and June 30, 1930. It is hoped that the information will be supplied as fully and as carefully as possible and not in a perfunctory manner. The importance of the subject and the value to each state of the results of the investigation would seem to warrant special care in the preparation of the schedules.

As these schedules are completed and returned to you, you may wish to review them and supplement them with any special information which you may have. Your views as to the causes of the failures in your district would be especially valuable to the Committee.

Very truly yours,

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

* Enc.

* See letter of some date in subject file on Suspension Schedules.

July 18, 1930.

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

Dear Mr. Case:

The Committee on Branch, Group and Chain Banking has prepared a schedule for collecting information regarding the operation of group banking systems and would like to have it submitted to the more important groups of the country.

It is the desire of the Committee to secure as much information as possible as to the actual operations of group banking systems and such information as is available regarding their merits as compared with other forms of banking organizations. In the collection of this information the cooperation of the controlling agencies of the groups is solicited. This is purely a request, however, and in no sense a requirement. The purpose of the schedule is to indicate the specific information which is desired and to insure the collection of comparable data in some systematic form from the various institutions.

In view of the universal interest in this subject and the importance given to the development of group banking systems, those responsible for their operations will doubtless welcome the opportunity to state their views and to give the Committee the benefit of their experience.

Following its usual procedure the Committee would like you to present the schedule to the group systems in your district. The method of submission is a matter of your own discretion. In most cases it may be sufficient to send the schedule by mail, but in some cases better results might be secured by a personal visit from some representative of the Federal Reserve Bank to the head of the group system. When these schedules are completed and returned to you, perhaps you may wish to look them over and supplement them with any special information which you may have.

Mr. J. H. Case #2

July 18, 1930.

A number of copies of the schedule are enclosed, and if additional copies are desired they can be readily supplied. I suggest it be submitted to the institutions in your district listed below or to any others which you think would be productive of results. As a rule the names on the list are holding companies, but in a few cases the names of banks which control other banks directly were included.

A few of the principal group systems have recently submitted to the House Committee on Banking and Currency information similar to that now being requested, but many of the points raised in the schedule are not covered by that material. In other cases the questions asked are covered only by inference. Under the circumstances these groups would probably prefer to answer the questions themselves rather than have their answers constructed from the testimony given. Therefore they are included in the list to whom the schedule should be sent. Two of them have already expressed a willingness to supply the data called for.

Marine Midland Corp., Buffalo, New York
Manhattan Company, New York City
First Securities Corp., Syracuse, N. Y.
Peoples Trust & Guaranty Co., Hackensack, N. J.
Transamerica Corporation, New York City
Goldman Sachs Trading Corp., New York City

Very truly yours,

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

*Enc.

** See letter of same date on subject file on
Group Banking.*

421.11 (2)

July 11, 1930.

Mr. W. H. Dillistin,
Assistant Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, New York.

Dear Mr. Dillistin:

Thank you for your letter of July 9 with the enclosed data on branch banks operating in New York State during the years 1900, 1905, 1910 and 1915.

I note you have also enclosed data for that part of New Jersey which is within the Second District.

Very truly yours,

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

421.11 (2)

RECEIVED

JUL 11 1930

DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

July 9, 1930.

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

Dear Mr. Goldenweiser:

Mr. Case turned over to me some time ago your letter of June 4 requesting that branch data be obtained for the years 1900, 1905, 1910, and 1915 for banks and trust companies operating under state law in this Federal reserve district. A subsequent telegram from Mr. Smead told us to limit the study to those states whose capitals fall in this district. This left us only New York State to report on.

To avoid placing on the New York State Banking Department the burden of looking up and tabulating the information for banks in New York State, we adopted the plan of compiling the information ourselves from bankers' directories and annual reports of the State Superintendent of Banks. The results in the form prescribed by you are enclosed. You will notice that many of the banks which had branches in those earlier years were later closed or absorbed.

While information on New Jersey was not asked for, we did look up the information with regard to that part of New Jersey which falls in Federal reserve district two, and the results of that study are also enclosed in the thought that you may find it desirable to check them with the New Jersey data which you receive through the Federal reserve agent at Philadelphia.

Very truly yours,

W. H. Dillistin,
Assistant Federal Reserve Agent

FEDERAL RESERVE BANK
OF NEW YORK

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421.11(2)

June 25, 1930.

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

Dear Mr. Riddle:

We are at work on the compilation of the information requested in Mr. Goldenweiser's letter of June 4 with respect to "Banks Operating Branches". We hope to be able to get the information for the four years mentioned, namely 1900, 1905, 1910 and 1915, without much recourse to the State Departments, but we may have to call upon them before we get through. In any case, this is in process and will be forwarded as soon as possible.

We are also at work on the information requested in Mr. Goldenweiser's letter of June 3, which asked that we communicate with banks in some twelve or fifteen towns in an effort to obtain a list of accounts which they had either lost or gained as a result of either mergers, transfers of accounts, etc. Mr. Curtis has talked to me about this request also, he feeling that very few banks will have any information that they can readily transmit along this line, and that it is practically useless to make the attempt. While there is perhaps some reason for his point of view, on the whole it seems to me worthwhile to make the attempt, however. Again I think much depends on how it is put up to the banks. It is probably true that many banks would not be able to give any worthwhile information on this score, especially banks which have gained accounts, but the psychology is with us in dealing with those that have lost accounts, and I think especially the smaller banks will rise to the occasion to give a list, as they will feel it is an opportunity to air what they probably consider as a grievance. Anyway we will know better after we have tried it.

Very truly yours,

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

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FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN 27 1930
DIVISION OF RESEARCH
AND STATISTICS.
421.11(2)

June 25, 1930.

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

Dear Mr. Riddle:

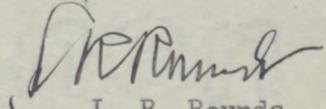
While Mr. Hammond was here yesterday and the day before I went over with him quite thoroughly the tentative information schedule which it is proposed to send out to banks operating branches outside of the city of the head office, and also to banks or companies operating groups of banks. Mr. Hammond will convey to you certain suggestions which were made as a result of our discussion, which suggestions are designed solely to eliminate, if possible, the questions which seemed to us here would not be likely to bring worthwhile information or which it would be very difficult, if not impossible, for the banks to answer. The changes we have suggested are not very great.

In this connection I have had three conversations with Mr. Curtis of Boston regarding the information the committee is requesting. Yesterday he told me that he had submitted the questionnaire on branches to a friend of his, the head of one of the banks operating a number of branches in, I think he said, Rhode Island, and he read to me a letter which he had received in reply, a copy of which I think he is sending you. Mr. Curtis seems to feel that these questionnaires are quite detailed and will impose a good deal of work on those receiving them. He is perhaps correct in this, but on the other hand I think that the job we are trying to do justifies thoroughness and that while we should strive to eliminate useless questions, nevertheless we ought, while we are at it, to get complete information. My personal view is that for the most part those receiving these questionnaires will be inclined to give us quite complete information. I think the psychology is favorable to that result since it provides an opportunity in the case of the two questionnaires under discussion, for those interested to state their views and to get across certain points which they would no doubt feel it to their interest to make. The important thing I think is, when sending these out, to have a rather carefully prepared letter accompany them, making clear that we solicit their cooperation in gathering this information and that it is not at all a requirement that they do this. I think much will depend upon the approach.

9 | Incidentally I am inclined to think that on the whole better results would be achieved if these two questionnaires are sent out directly by you to the banks and groups concerned. As I have it in mind, there would probably be not more than some thirty or forty of each of these two questionnaires, and I think you would get more uniform consideration and make a

contact which would enable you to correspond further with them should anything develop that made that necessary, by handling it direct rather than through the reserve banks of the districts where these banks or groups happen to be located. I am not sure which way you had intended to handle it, but this is a suggestion only.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

Mr Riddle

421. 11(2)

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN 14 1930
DIVISION OF RESEARCH
AND STATISTICS

JHP

June 13, 1930.

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

Dear Dr. Goldenweiser:

This will acknowledge receipt of your letter of June 4, requesting that we obtain information regarding the development of branches for the period from 1900 to 1915. We have also since received your telegram of June 9 regarding the collection of this information in cases where banks operate branches in two different Federal reserve districts within the same state.

We shall be glad to endeavor to secure the information in the manner requested.

Very truly yours,

J. H. Case
J. H. Case,
Federal Reserve Agent.

Mr Riddle
JHP

421. 11/21
RECEIVED
JUN 14 1930
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

June 13, 1930.

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 5 has been received advising that the Committee on Branch, Group and Chain Banking has been preparing and is about ready to send out various tables, schedules and forms for the collection of data to be used by the Committee.

Some of this material has, I think, come to hand and we shall be glad to do everything possible that will be of assistance to the Committee in its work, and shall give these reports our prompt attention as they are received.

Very truly yours,

J. H. Case
J. H. Case,
Federal Reserve Agent.

Brookings Camera

Hearings

2

FEDERAL RESERVE BOARD FILE
421.11(2)
~~421.11(2)~~

June 7, 1930. 421.11(2)

Dear Miss Burnett:

In reply to your letter of June 6th requesting bound volumes of the hearings before the Banking and Currency Committee, you are advised that these hearings will not appear in bound form. Congressional hearings are usually published in pamphlet form which may be bound if so desired. No doubt this can be taken care of in New York as cheaply as we could have them bound for you in Washington.

Very truly yours,

(Signed) J. C. Noell
J. C. Noell,
Assistant Secretary.

Miss Marguerite Burnett, Librarian,
Federal Reserve Bank,
New York, N. Y.

CLOX

FEDERAL RESERVE BANK
OF NEW YORK

421. 11(2)

421. 11(2)

IN REPLY PLEASE REFER
TO Ref.Lib:MB

June 6, 1930

Mr. J. C. Noell,
Assistant Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Noell:

Mr. Rounds has suggested that I ask you whether the hearings on the Branch Banking inquiry have been published yet in volume form. We have been getting the separate parts from Mr. Rounds and note that volume 2 has already begun. This may indicate that volume 1 has already appeared in bound form, and if so we should like to obtain two copies for the library. We would appreciate your arranging to get these for us.

Very truly yours,

Marguerite Burnett

Marguerite Burnett,
Librarian.

HB

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421.11(2)

June 5, 1930.

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

Dear Mr. Case:

As you doubtless know the Committee on Branch, Group and Chain Banking has been preparing during recent weeks a program for its investigation, and various tables, schedules and forms for compiling data are in course of preparation. Some of these have already been submitted to you either for suggestions as to form or for the actual collection of data, and others will follow shortly.

I am leaving Washington tomorrow and will be away about three months, spending most of that time in Europe. In my absence the secretary of the Committee, Mr. Riddle, will keep in touch with you and will submit to you other schedules and forms as they are worked into final shape. I, of course, have gone over the general scope of the study with the secretary and some other members of the Committee and it merely remains to work out the final details of the proposals. These schedules and forms will be passed upon by other members of the Committee, in my absence, and in special cases by other members of the System before they are finally adopted and submitted for the collection of data in your district. You may be assured, therefore, that they have received careful attention.

Very truly yours,

Chairman, Committee on Branch,
Group and Chain Banking.

421.11(2)

June 4, 1930.

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

Dear Mr. Case:

In the study of branch banking the Committee on Branch, Group and Chain Banking thinks it desirable to show something of the development of branches as far back as 1900 in order to give a fairly complete statistical story of this movement. Apparently no reliable statistics on branch banking have been compiled for years prior to 1919 or 1920, and it is proposed, therefore, to ask the various state banking departments and the Comptroller of the Currency for certain data for selected years during that earlier period. Accordingly a simple schedule has been prepared asking merely for the number of branches, loans and investments and total resources of each bank which operated one or more branches in any of those years. There were probably not more than two or three hundred such banks in the whole country and the compilation, in so far as the data is available, will not be a burdensome one.

A copy of this schedule is enclosed and I suggest that you request the appropriate state banking departments to supply this information for the states or parts of states which are included within your district. A separate schedule is to be made out for each bank operating under state law which had branches in any of the years mentioned. The data for national banks will be supplied by the Comptroller of the Currency.

The secretary of the Committee will forward to you in a few days a supply of these schedules for use in your district.

Very truly yours,

Chairman, Committee on Branch,
Group and Chain Banking.

*Enc.

* See letter of same date in subject file on Branch Banking Statistics

421.11(2)

June 3, 1930.

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

Dear Mr. Case:

One of the functions of the Committee on Branch, Group and Chain Banking is to determine, if possible, the principal causes for the present tendencies in banking. It is believed that changes which have been going on in the organization and structure of industrial and commercial enterprises throughout the country have resulted in a shifting of banking connections and have been a factor in the situation. In nearly all communities there have doubtless been independent enterprises with local banking connections which during the past five years have been amalgamated with or absorbed by other enterprises with headquarters in some other city, usually some metropolitan district, with the result that their principal banking connections have likewise been transferred to banks in the larger cities and only nominal accounts left in the local banks. Other industries have passed into the control of capitalists located elsewhere with a consequent shift in banking connections. In some communities this has probably resulted in a net loss of business to the banks, while in others the gain may have equaled the loss. In still other communities, especially the

June 3, 1900.

metropolitan areas, the result has perhaps been a net gain in banking connections or in the volume of business.

While it is clearly not feasible to make a complete tabulation of these changes in bank connections so as to show just how much particular communities have lost or gained by the process, it is possible to secure for selected cities or communities a list of instances where industrial or trade combinations have resulted in the loss of business to the banks of that area. In fact one banker while testifying recently before the House Committee on Banking and Currency read such a list of consolidations or mergers which had resulted in the loss of accounts to his group of banks.

Perhaps you can secure such lists from the member banks in certain selected cities or communities of your district, i.e., names of industrial and commercial enterprises which through either change of control or through consolidation or merger with other enterprises have transferred all or a part of their business away from the banks with which they have been accustomed to do business to banks in other cities. The name of the city to which the account has been transferred should likewise be given. In making the reports the banks might also note the accounts which have been gained by the same process. It is suggested that you request this information from the member banks in some twelve or fifteen towns or cities in your district varying in size from the very small towns to the larger cities. It will, of course, be treated confidentially. Attached is a suggested schedule for collecting the information requested.

Mr. J. H. Case #31 85

June 3, 1930.

Another factor which affects the banking situation in many communities is the change which has occurred in methods of distribution, especially the chain store, the chain restaurant and the chain service station. Perhaps the bankers from whom you request the above information would indicate roughly the extent to which they have been affected by this and similar developments.

Very truly yours,

Chairman, Committee on Branch,
Group and Chain Banking.

* Enc.

* See letter of same date in subject file on
Economic Changes

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.

198bmr

New York 347p Apr 28

Governor Young

Washington

Referring Board's telegram Aprile 24 advising that
the Board has voted subject to the approval of all
banks to change the committee on branch chain and
group banking from a board to a bank committee this
action is agreeable to this bank.

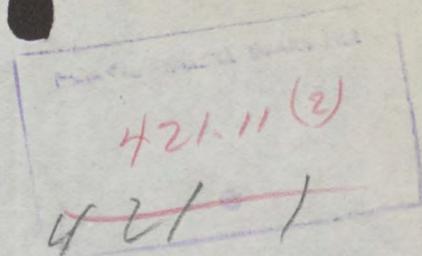
Harrison

252p

421.11(2)

Filed 421.11

2
FEDERAL RESERVE BANK
OF NEW YORK



March 24, 1930.

Dear Mr. Noell:

Thank you for the copy of Part 2, Volume 1, of the Hearings before the Committee on Banking and Currency of the House of Representatives on Branch, Chain and Group Banking, H. R. No. 141, enclosed with your letter of March 20.

Very truly yours,

J. H. CASE,
Chairman.

✓
Mr. J. C. Noell,
Assistant Secretary, Federal Reserve Board,
Washington, D. C.

#2
FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
~~421.1~~
March 21, 1930.

Dear Mr. Noell:

In Governor Harrison's absence I want to acknowledge and thank you for your letter of March 20, with which you were good enough to send a copy of Part 2 of Volume 1 of the Hearings before the Committee on Banking and Currency of the House of Representatives on Branch, Chain and Group Banking, H. R. No. 141.

Very truly yours,

W. McCavick

Secretary to
Governor Harrison.

Mr. J. C. Noell,
Assistant Secretary,
Federal Reserve Board,
Washington, D. C.

421.11(2)

March 20, 1930.

Dear Mr. Case:

For your information I am enclosing herewith a copy of Part 2 of Volume 1 of the Hearings before the Committee on Banking and Currency of the House of Representatives on Branch, Chain and Group Banking, H. R. No. 141.

Very truly yours,

(Signed) J. C. Noell

J. C. Noell,
Assistant Secretary.

Mr. J. H. Case, Chairman,
Federal Reserve Bank,
New York, N. Y.

ans 3-24-30

Prepared by

421.11(2)

March 20, 1930.

Dear Mr. Harrison:

For your information I am enclosing herewith a copy of Part 2 of Volume 1 of the Hearings before the Committee on Banking and Currency of the House of Representatives on Branch, Chain and Group Banking, H. R. No. 141.

Very truly yours,

(Signed) J. C. Noell

J. C. Noell,
Assistant Secretary.

Mr. G. L. Harrison, Governor,
Federal Reserve Bank,
New York, N. Y.

Enclosure.

Ans 3-21-30

Prepared by

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421 1

421.11(2)

FEDERAL RESERVE BANK
OF NEW YORK

March 18, 1930.

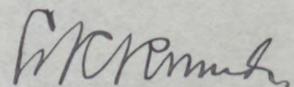
Mr. J. C. Noell, Assistant Secretary
Federal Reserve Board
Washington, D. C.

Dear Mr. Noell:

Thanks for your letter of yesterday ³⁻¹⁷⁻³⁰ enclosing

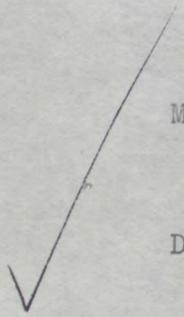
copy of part 2 of the hearings before the Committee on Banking
and Currency.

Very truly yours,


L. R. Rounds
Deputy Governor

LAL

Part 2



MP

2

FORM NO. 1

4211

421.11(2)

March 17, 1930.

Dear Mr. Rounds:

There is enclosed herewith a copy of Part 2 of the Hearings before the Committee on Banking and Currency of the House of Representatives on Branch, Chain, and Group Banking, H. Res. 141.

Very truly yours,

(Signed) J. C. Noell

J. C. Noell,
Assistant Secretary.

Mr. Leslie R. Rounds, Deputy Governor,
Federal Reserve Bank,
New York, N.Y.

Enclosure:

see letter 3-18-30

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FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
~~421.1~~

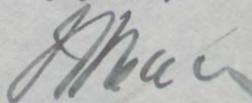
March 12, 1930.

Dear Mr. Noell:

Your letter of March 10 is received enclosing copy of the hearings held on February 25, 26, and 27, before the Committee on Banking and Currency, on Branch, Chain and Group Banking.

Please accept our thanks for this copy, and may we at the same time say that it would be very much appreciated if you could arrange to forward us a similar copy of the later hearings as the printed minutes become available. ✓

Very truly yours,


J. H. Case
Chairman

Mr. J. C. Noell, Assistant Secretary
Federal Reserve Board
Washington, D. C.

RECEIVED



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Keating Linen Bond

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FEDERAL RESERVE BOARD FILE
421-11 (2)
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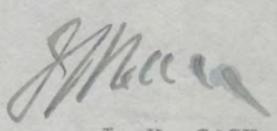
FEDERAL RESERVE BANK
OF NEW YORK

March 11, 1930.

Dear Mr. Noell:

We acknowledge with thanks the receipt of your letter of March 10 enclosing for our information a copy of the hearings held on February 25, 26 and 27 before the Committee on Banking and Currency of the House of Representatives, on Branch, Chain and Group Banking.

Very truly yours,



J. H. CASE,
Chairman.

Mr. J. C. Noell,
Assistant Secretary, Federal Reserve Board,
Washington, D. C.

2

FEDERAL RESERVE BANK
OF NEW YORK

421.11(2)
~~421.1~~

March 11, 1930.

✓
Mr. J. C. Noell, Assistant Secretary
Federal Reserve Board
Washington, D. C.

Dear Mr. Noell:

Thanks for your letter of March 10 enclosing
copy of the hearings of the Committee on Banking and Currency
on Branch, Chain and Group Banking.

Very truly yours,

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

LAL

ale Linen Bond

421. 11 (2)

March 10, 1930

Dear Mr. Rounds:

I am enclosing herewith, for your information, copy of Hearings held on February 25th, 26th and 27th, 1930, before the Committee on Banking and Currency of the House of Representatives, on Branch, Chain and Group Banking.

Very truly yours,

(Signed) J. C. Noell

J. C. Noell,
Assistant Secretary

Mr. L. R. Rounds,
c/o Federal Reserve Bank,
New York, N. Y.

Ans. 3-11-30

421. 11 (2)

March 10, 1930.

Dear Mr. Harrison;

Enclosed herewith for your information is a copy of the hearings held on February 25, 26 and 27, before the Committee on Banking and Currency of the House of Representatives, on Branch, Chain and Group Banking.

Very truly yours,

(Signed) J. C. Moell
J. C. Moell,
Assistant Secretary.

Mr. Geo. L. Harrison, Governor,
Federal Reserve Bank,
New York, N.Y.

Enclosure;

45

421.11(2)

March 10, 1930.

Dear Mr. Case:

Enclosed herewith for your information is a copy of the hearings held on February 25, 26 and 27 before the Committee on Banking and Currency of the House of Representatives on Branch, Chain, and Group Banking.

Very truly yours,

(Signed) J. C. Noell
J. C. Noell,
Assistant Secretary.

Mr. J. H. Case, Chairman,
Federal Reserve Bank,
New York, N.Y.

Enclosure:

ans. 3-12-30
115