

421.11 (7) Committee on Branch Group &
Chain Banking ¹⁹³³
(Mar 1931 - date)
FRBank Chicago

TRANSFER

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421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

RECEIVED
SEP - 7 1933
DIVISION OF RESEARCH
AND STATISTICS

September 5, 1933

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

Dear Dr. Goldenweiser:

Upon returning from my vacation, I find your letter of August 8 regarding the desirability of printing the report of the Federal Reserve Committee on Branch, Group, and Chain Banking.

In view of the time and effort spent in the preparation of this report and also the large expenditures required in its preparation, it seems to me that the report should be preserved in proper form and, because it is so voluminous, that it should be printed, which would make it convenient to use for those interested in it. Such additional expense would not be a large item as compared with the expenditure which has already been made in the preparation of the report.

With kind regards, I am

Very truly yours,

C. R. McKay
C. R. McKay,
Deputy Governor.

J-

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

August 10, 1933.

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

My dear Mr. Goldenweiser:

In Governor McDougal's absence, I am pleased to
acknowledge receipt of your letter of August 8 and the various
reports which you forwarded under separate cover.

As requested, I am returning herewith the Summary
Report of the Committee on Branch, Group, and Chain Banking which
was distributed at the Governors' Conference last fall, and shall
advise you at a later date with respect to our opinion as to the
desirability of printing the reports of the Committee.

Thanking you, I am

Very truly yours,

J. P. Preston
Deputy Governor.

RECEIVED
AUG 11 1933
FEDERAL RESERVE RESEARCH
AND STATISTICS

421.11 (7)

August 8, 1933

Governor J. B. McDougal
Federal Reserve Bank
Chicago, Illinois

My dear Governor McDougal:

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(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LASALLE STREET

September
Thirty
1932

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

RECEIVED
OCT -4 1932
DIVISION OF RESEARCH
AND STATISTICS.

Mr. Green

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

I am enclosing the summary of important
changes from 1914 to 1932, in Wisconsin state laws
relating to banks and trust companies. This completes
these summaries for the states whose capitals are in
the Seventh Federal Reserve district.

Very truly yours,

Wm. H. Clevland
Federal Reserve Agent

HGP:FB

Encl.

421. 11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

September
Twenty-nine
1932

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

RECEIVED
OCT -1 1932
DIVISION OF RESEARCH
AND STATISTICS.

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

We received today from the Michigan State
Banking Department, the summary of important changes
from 1914 to 1932 in laws of that state relating to banks
and trust companies. I am sending you this report.

We shall complete Wisconsin today, and
hope to be able to forward it to you tomorrow or Saturday.

Very truly yours,

Angelo M. Sullivan
Federal Reserve Agent

HGP:FB

Encl.

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LASALLE STREET

September
Twenty-seven
1932

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

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SEP 28 1932
DIVISION OF RESEARCH
AND STATISTICS.

Federal Reserve Board
Washington, D. C.

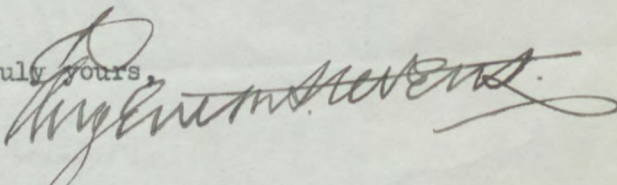
Attention : Mr. E. A. Goldenweiser, Chairman
Committee on Branch, Group, and
Chain Banking.

Dear Mr. Goldenweiser:

I am enclosing summary of important
changes from 1914 to 1932, in Indiana state banking
laws, as requested by the Committee.

You will note that under items 5-a,
6-a, and 9, "New provision" only is given, inasmuch as
we have been unable to locate any former provision re-
garding these particular phases of Indiana banking laws.

Very truly yours,



Federal Reserve Agent

HGP:FB

Encl.

421.11 (7)
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SEP 23 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

September
Twenty-one
1932

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

Mr. Green

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

I am enclosing the summary of important
changes from 1914 to 1932 in Iowa state laws relating to
banks and trust companies.

State Banking Commissioner Reichert of
Michigan assures me that the material for that state will
be forthcoming very shortly, and the information covering
Wisconsin and Indiana is being compiled here, as indicated
in my letter to you of September 14.

Very truly yours,

Wm. C. Miller
Federal Reserve Agent

HGP:FB

Encl.

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LASALLE STREET

421.11(7)
RECEIVED
SEP 16 1932
DIVISION OF RESEARCH
AND STATISTICS

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

September 14, 1932

Federal Reserve Board

Washington, D. C.

Mr. E. A. Goldenweiser

Gentlemen:

Replying to yours of the twelfth, relative to the questionnaire on changes in state banking laws, in Mr. Pett's absence for a few days, I have to report that we forwarded to you the information on the State of Illinois on August 26. The information on Iowa is just being completed, but is being held for Mr. Pett's personal review on his return the first of next week. The Michigan situation we are working out through the State Banking Commissioner there and are again taking the matter up with him to see if we cannot speed up his report. In Wisconsin and Indiana we are working out the situation through our own review of the statutes. I hope very much that we will have most of this information to you shortly after the first of next week.

You will realize that the state banking departments are exceedingly busy and it is a little difficult for us to press them too hard at this time, but we are doing the best we can.

Very truly yours,

Wm. M. Severance
Federal Reserve Agent

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421.11(7)

September 12, 1932

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

Dear Mr. Stevens:

On July 9th we sent you a questionnaire regarding the changes in State banking laws, and requested that you secure for us, if possible, this information for the States in your district. We realize that it is not easy to secure information of this nature from the overworked State banking departments. However, we are now trying to finish this report and should appreciate it very much if you could expedite the preparation of this material for those States which have not yet supplied it.

Very truly yours,

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

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H

421. 11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

August
Twenty-six
1932

Mr. Green

Federal Reserve Board
Washington, D. C.

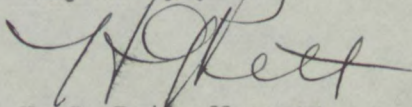
Attention : Mr. E.A. Goldenweiser, Chairman
Committee on Branch, Group, and
Chain Banking.

Dear Mr. Goldenweiser:

Mr. Stevens has asked me to send you the enclosed material which we have just received from the Illinois Bankers Association, setting forth the important changes from 1914 to 1932 in Illinois laws relating to banks and trust companies.

The material for the other states is in process of compilation and will be forwarded to the Committee as soon as possible.

Very truly yours,



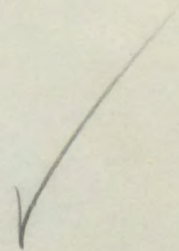
H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

421.11(7)

July 22, 1932



Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In accordance with the request contained in your
letter of July 21st we are enclosing for your use ten addi-
tional copies of the form for listing changes in State legis-
lation since 1914.

Very truly yours,

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

Enc.

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421.11(7)

RECEIVED
JUL 22 1932
DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

July
Twenty-one
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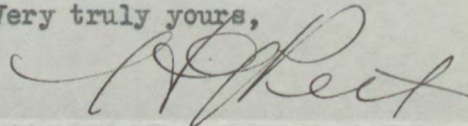
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

In connection with the work of tracing through important changes in state legislation in the five states including this district, which Mr. Stevens has turned over to me, I find that it will facilitate our work if the Committee will kindly supply us with about ten additional sets of the forms enclosed in your letter of July 9 to Mr. Stevens.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

July
Eleven
1932

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DIVISION OF RESEARCH
AND STATISTICS

421.11(7)

*Mr. Washington
to
file*

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Federal Reserve Board
Washington, D.C.

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

Dear Mr. Goldenweiser:

I am writing to acknowledge your letter
of July 9 and the accompanying forms on which you
desire summaries of important changes in State
legislation regarding banks and trust companies
since 1914. I shall endeavor to have this informa-
tion assembled for you and forwarded at the earliest
possible date.

Very truly yours,

Wm. H. Harrison
Federal Reserve Agent

HGP:G

421.11(7)

July 9, 1932

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

Dear Mr. Stevens:

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.

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421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
Thirteen
19 32

RECEIVED
JUN 15 1932
DIVISION OF RESEARCH
AND STATISTICS.

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

I am writing to acknowledge your letter
of June 10 asking that we obtain from the State Banking
Departments of Indiana, Iowa, Michigan, and Wisconsin in-
formation relating to the basis used for the classifica-
tion of State banking institutions into commercial banks
and loan and trust companies, in the abstracts of state-
ments of condition supplied by the several departments
to the Comptroller of the Currency. We are asking the
banking commissioners in the four states named for state-
ments covering this matter, which will be forwarded to you
as soon as received.

Very truly yours,

W. M. Stevens
Federal Reserve Agent

HGP:FB

421. 11(7)

June 10, 1932

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

Dear Mr. Stevens:

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 departments of the following States, the basis for the distinction between commercial banks and loan and trust companies?

Indiana
Iowa
Michigan
Wisconsin

Very truly yours,

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

H

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
Seven
19 32

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

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JUN -9 1932
DIVISION OF RESEARCH
AND STATISTICS

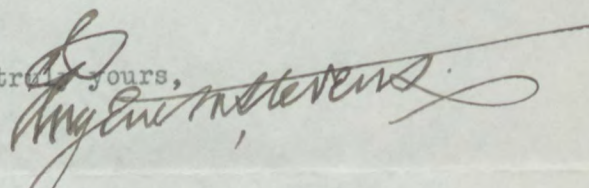
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

I am asking the banks listed in your
letter of June 4, for a statement regarding the reasons
or considerations which prompted them to convert from a
state to a national charter or vice versa. These re-
plies will be forwarded to you as soon as we receive
them.

Very truly yours,



Federal Reserve Agent

HGP:FB

421. 11(7)

June 4, 1932

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

Dear Mr. Stevens:

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.

A

District No. 7

Conversions from State to National Charters

Chicago, Ill. 1929

Peoples Stockyard State Bank - Peoples National Bank and Trust Co.

Chicago, Ill. 1928

Straus Trust Co. - Straus National Bank and Trust Co.

Conversions from National to State Charters

Consolidations where National Charter was Adopted

Detroit, Mich. 1929

Griswold First State Bank (39))	National Bank of Commerce
National Bank of Commerce (44))	(Later - Guardian National Bank of Commerce)

Detroit, Mich. 1931

Guardian Detroit Bank (105))	Guardian National Bank of Com-
National Bank of Commerce (64))	merce of Detroit

Detroit, Mich. 1931

Peoples Wayne County Bank (376))	First Wayne National Bank
First National Bank (142))	

Consolidations where State Charter was Adopted

Chicago, Ill. 1929

Continental National Bank and Trust Co. (491))	Continental Illinois Bank
Illinois Merchants Trust Co. (355))	and Trust Co.

South Bend, Ind. 1931

First National Bank (6))	Indiana Trust Co.
Indiana Trust Co. (1))	

* Numbers in parentheses indicate approximate loans and investments in millions of dollars.

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BANK EARNINGS IN THE SEVENTH FEDERAL RESERVE DISTRICT.

Material used:

Several analyses have been made by states of the statements of banks in the seventh reserve district, both member and non-member. For Iowa the study included national and state incorporated banks for the years 1924-7; in Illinois the same type banks were used but for the year 1928; in Indiana all national, state, private, trust and mutual savings banks were covered during 1927; and Wisconsin banks were all national and state institutions in that part of the state included in the seventh district in 1927. Some of the data was taken from questionnaires and some from call reports.

It was thought that a study of this data already compiled might throw some light on the fluctuations of bank earnings between banks of various sizes and between banks of various states. As 3 states, Iowa, Indiana and Wisconsin, had ratios for 1927 this year was used. In some cases Illinois in 1928 was included in the comparison. The banks were distributed according to size of earning assets.

Analysis by size of bank:

As a result of these analyses certain generalizations may be made about the effect of size on earning capacity of banks. Many of these conclusions reiterate and support prevalent concepts.

The larger the bank, from the standpoint of total loans and investments, the greater the net additions to profits measured in terms of capital funds. This rule held for banks having earning assets up to \$5,000,000; the larger banks ^{sometimes} received diminishing returns. The upward trend in profits was

due both to an increase in net earnings and to a considerable decrease in losses. The improvement in net earnings, in turn, was attributable to a decrease in expenses rather than an increase in gross earnings. Gross earnings from other sources than interest and discount showed a rather irregular movement in terms of size of loans and investments, decreasing for some states, increasing for others. The dominant factor in earnings was the interest and discount received. This source of income, given as a percentage of loans and investments, decreased in each state as the size of the banks increased, making gross earnings smaller as the banks increased in size.

Examining the factors bringing about declining expenses, it was found that salaries take up a smaller percentage of earning assets as the banks grow larger. In 2 states the interest paid on deposits was ^{irregularly} smaller for the larger banks. This paring of expenses more than compensates for the earning loss accruing to the larger institutions and leaves them with the largest proportion of net income to earning assets.

Analysis by states:

These are the tendencies to be found in all states, but the average size of the earnings items and their range vary from state to state. Before going on to compare these states with each other it might be well to note the banking facilities of the states, their allocation by size and the number of failures. Illinois has the most banks, but Iowa has the most banks per inhabitants; Wisconsin has the fewest. The greatest number of bank failures, and correspondingly, the greatest banking losses occurred in Iowa.

	Number of banks	Number of inhabitants per bank	Number of failures	Number of banks in chains	Resources per bank in chain
Iowa.....	1,327	183	75	90	900
Wisconsin.....	710	411	14	33	7,800
Indiana.....	928	339	25	10	3,900
Illinois.....	1,808 <u>1/</u>	409 <u>1/</u>	21	86	12,200
<u>1/</u> 1928.					

In each state the largest number -- around 20 per cent of the banks have earning assets of between \$250,000 and \$500,000. As the earning assets increase or decrease from that point the number of banks in each sized class decline. The percentage distribution of banks by size is very similar for all the states. Iowa and Illinois have the greatest number of chains, and banks in the chains. Average resources per bank in a chain is smallest for Iowa and largest for Illinois.

Bank profits vary considerably from state to state. The highest ratio of net additions to profits as percentage of capital funds in these states is to be found in Wisconsin, where the figure for all sized banks is 9.40. This compares with 6.92 for Indiana, about the same for Illinois in 1928, and 0.76 for Iowa. The range from small to large banks varies from 6 per cent to 13 per cent, ^{of their capital funds} depending on the state. The poor showing of Iowa banks is due to banks of all sizes; every group of banks having less than \$500,000 in earning assets showed a deficit and all larger institutions made less than 5 per cent of their capital funds. In Wisconsin and Indiana banks of earning assets over \$5,000,000 do not make quite as good a showing as those having between \$2,000,000 to \$5,000,000 in earning assets; Illinois' banks show steady improvement as the banks increase in size.

Correspondingly, losses were heaviest for the Iowa banks: net losses as a percentage of gross earnings amounted to 16.34 per cent while Wisconsin and Indiana had only 6.94 and 6.84^{per cent} respectively and Illinois about the same. The range was greatest for the Iowa banks too, as the smallest banks suffered ^{about} almost 4 times the loss of the largest. For the other states it was ~~around~~ ^{less than} 3 times the small banks' ratio.

It is these heavy losses which pull the net additions to profits of Iowa banks so out of line, for when gross earnings are compared with earning assets, the ratios for all sizes of banks in all of the several states are very close ^{and} although Iowa even leads ^{Wisconsin} a little. The average figure for Iowa is 6.65, for Wisconsin, 6.29 and for Indiana 7.07^{per cent}. Illinois shows the smallest differential between large and small institution (0.35³ per cent as against 2.51 per cent, 1.50 per cent, and 0.88 per cent for Iowa, Wisconsin and Indiana).

Analysis by years:

The Iowa study is the only analysis which covers a period of years (1924-7) and is, therefore, the only one which may be used both to test the typicalness of 1927 and to show the trend in banking practice. In this state net additions to profits in 1927 were but slightly larger than in 1924, interrupting the upward trend of 1925 and 1926. Measured in terms of capital funds, net profits for all Iowa banks were 0.54 per cent in 1924; 1.03 per cent in 1925; 1.63 per cent in 1926; and 0.76 per cent in 1927. The improvement during the whole period was due to the better showing of banks of over \$500,000 to \$750,000 in earning assets. The smaller institutions showed even greater deficits during these supposedly more prosperous years.

The increase in profits for the banks as a whole was due to a parallel movement in net earnings. Net earnings increased in 1925 and 1926 and then lost ground in 1927 although remaining above 1924. Losses were exceptionally heavy in 1927; they had been diminishing successively in 1925 and 1926, but in the following year were the largest for the period under survey. Increasing net earnings, in turn, were based on declining expenses in banks of every size. All except the very small banks with less than \$75,000 earning assets were paying slightly lower interest from year to year. The percentage allocated to salaries was fairly constant.

This saving on expenses was sufficient to more than compensate for a falling off of gross earnings. Part of the smaller gross earnings was attributable to the smaller income from interest and discount which was felt by all sized banks.

421. 11 (7)

March 30, 1932

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

Dear Mr. Stevens:

We have your letter of March 25th in which you indicate that the discrepancy between the earnings figures for our study and those reported by the Comptroller for the year 1929 arises out of your omission of the Continental National Bank.

We concur in your judgment with respect to the omission of this national bank since it was essentially a liquidating corporation after the merger in early 1929 resulting in the Continental Illinois Bank and Trust Company. Earnings ratios of the Continental National would not have been typical of an active bank. We do not believe that any further checking of your figures is required at this time.

Very truly yours,

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

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421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

March
Twenty-five
1932

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

RECEIVED
MAR 26 1932
DIVISION OF RESEARCH
AND STATISTICS

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

I have asked Mr. Pett to look into the discrepancy between the figures submitted to you with our letter of March 18 showing net additions to profits of national banks in this district in 1929, and those set forth in the annual report of the Comptroller of the Currency.

The explanation undoubtedly lies in the fact that while the Continental National Bank and Trust Company merged with the Illinois Merchants Trust Company on March 18, 1929 under the name of the Continental Illinois Bank and Trust Company, a state institution, the charter of the Continental National Bank and Trust Company is still in existence, and therefore the Comptroller received and included in his totals for that year for this district, an earnings report for each of the six months' periods. Copies of these reports I am enclosing. You will note thereon that for the first six months of 1929, the Continental National had net additions to profits of \$10,315,152.68, and in the second six months \$47,301.78. In compliance with your instructions to the effect that in cases where national banks merged with state banks under a state charter we eliminate them from our compilations, we did not include the Continental National, though technically its charter was and still is, in existence. While the addition to our compilations of the data for the Continental National would result in total net additions to profits in excess of the Comptroller's published aggregate, this probably can be explained by the fact that in a number of cases in each of the years covered by this study, at the Committee's request, we procured earnings figures of state banks which merged with national banks, thus bringing into our totals figures which the Comptroller did not receive. This probably explains the difference cited for the year 1927 in the last paragraph of your letter. If you wish us to do so, we will be glad to make an exhaustive check of all such cases in an attempt to reconcile our aggregates

with the Comptroller's, although we notice that the number of banks included in our study at no time agrees exactly with his as shown in his annual reports.

The inclusion by the Comptroller of data for the Continental National in his figures and their exclusion from ours, undoubtedly will be apparent in other aggregates submitted by us in connection with this study for the year 1929, when comparisons are made. If you should decide that in view of the large difference resulting from this exclusion, revisions should be made, we shall be very glad to comply with any request of such a nature you may wish to make.

Very truly yours,

Angene M. Stevens
Federal Reserve Agent

HGP:FB

Fed. Res. Dis. No. 7
Charter No. 2894

No. of Dividend 2

REPORT OF EARNINGS, EXPENSES AND DIVIDENDS OF

"The Continental National Bank and Trust Company," located at Chicago, in the State of Illinois
for the period of six months
ended June 30, 1929. Dividends declared (This report must cover the full six-month period)
0, 1929, payable 0, 1929

IMPORTANT.—A complete report, showing all the transactions in the profit and loss account during the preceding six-month period, must be rendered on this form to the Comptroller of the Currency semiannually, on June 30 and December 31, whether or not dividends are declared. Reports of dividends declared between these dates must be rendered on special Form No. 2133 (which will be furnished upon request) within ten days after date of declaration. (See Section 5212, U. S. R. S.) Note: Penalty prescribed by Section 5213, U. S. R. S.
(Dividends declared not more than ten days prior to June 30 and December 31, however, need not be reported on Form 2133, as reports thereof will be accepted as coming within the ten-day limit when shown in the regular semiannual report of earnings, expenses and dividends, Form 2129; but the dates of declaration and payment of each dividend, whether or not reported on Form 2133, must be entered in the heading of the semiannual report.)

(Where no figures are entered insert word "none.")

Capital stock paid in.....\$ 1500000
Total surplus fund (same as item 19).....\$ 300000
Dividends declared since last report.....\$ 0

PLEASE SEE THAT EACH SECTION BALANCES

SECTION ONE—EARNINGS AND EXPENSES, EXCLUSIVE OF LOSSES

SECTION 1 deals with the earnings, exclusive of recoveries on charged-off items, and also with expenses, exclusive of losses, paid during the 6-month period covered by this report only. No part of previously reported profits or expenses paid should be included in this section.

<p>1. Gross earnings:</p> <p>(a) Interest and discount on loans.....\$ <u>3966456.31</u></p> <p>(b) Interest (including dividends) on investments.....\$ <u>1446302.68</u></p> <p>(c) Interest on balances with other banks.....\$ <u>66660.28</u></p> <p>(d) Domestic exchange and collection charges.....\$ <u>108362.32</u></p> <p>(e) Foreign exchange department.....\$ <u>83825.36</u></p> <p>(f) Commissions and earnings from insurance premiums and the negotiation of real estate loans, authorized by the act of September 7, 1916, in towns of 5,000 population or less.....\$ <u>0</u></p> <p>(g) Trust Department.....\$ <u>250420.55</u></p> <p>(h) Profits on securities sold.....\$ <u>7950.00</u></p> <p>(i) Other earnings.....\$ <u>0</u></p> <p>(Please see that item 1 of section 1 agrees with the total of items 2 and 3.)</p> <p>TOTAL.....\$ <u>13872027.59</u></p>	<p>2. Expenses paid:</p> <p>(a) Salaries and wages.....\$ <u>849816.25</u></p> <p>(b) Interest and discount on borrowed money.....\$ <u>418235.40</u></p> <p>(c) Interest on bank deposits.....\$ <u>329941.90</u></p> <p>(d) Interest on demand deposits.....\$ <u>1078159.65</u></p> <p>(e) Interest on time deposits.....\$ <u>260953</u></p> <p>(f) Taxes.....\$ <u>1350946.2</u></p> <p>(g) Other expenses.....\$ <u>1453493.1</u></p> <p>3. Net earnings since last report. (Difference between totals of items 1 and 2; if a loss, enter in red.) \$ <u>10912820.89</u></p> <p>TOTAL.....\$ <u>13872027.59</u></p>
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SECTION TWO—LOSSES, AND RECOVERIES ON CHARGED-OFF DEBTS, CLAIMS, BANKING HOUSE AND EQUIPMENT

SECTION 2 deals with losses and depreciation charged off and recoveries on charged-off debts and claims during the 6-month period covered by this report only.

<p>5. Losses and depreciation charged off since last report:</p> <p>(a) On loans and discounts.....\$ <u>604204.75</u></p> <p>(b) On bonds, securities, etc.....\$ <u>1036194</u></p> <p>(c) On banking house, furniture and fixtures.....\$ <u>47000</u></p> <p>(d) On foreign exchange.....\$ <u>0</u></p> <p>(e) Other losses.....\$ <u>426234</u></p> <p>6. Net addition to profits from operations since last report (difference between the total of items 3 and 4 and item 5; if a loss, enter in red.) \$ <u>10315152.68</u></p> <p>TOTAL.....\$ <u>10980981.71</u></p>	<p>3. Net earnings since last report (must be same as item 3 of section 1; if a loss, enter in red).....\$ <u>10912820.89</u></p> <p>4. Recoveries on charged-off assets since last report:</p> <p>(a) Loans and discounts.....\$ <u>44046.20</u></p> <p>(b) Bonds, securities, etc.....\$ <u>240846.2</u></p> <p>(c) All other.....\$ <u>30</u></p> <p>TOTAL.....\$ <u>10980981.71</u></p>
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SECTION THREE—TOTAL CREDITS TO PROFIT ACCOUNT AND DISPOSITION OF PROFITS

SECTION 3 deals with the net profits (or loss) of current 6-month period (item 6) and the undivided profits (or loss), if any, of previous periods (item 15 of preceding report); and amounts obtained during current 6-month period as indicated by items 8, 9, 10, and 11, and the disposition of such amounts.

<p>12. Carried to surplus fund since last report.....\$ <u>0</u></p> <p>13. Total dividends actually paid since last report.....\$ <u>1400000</u></p> <p>14. Gross amount set aside since last report as reserved for <u>Reserve for Liquidation</u>.....\$ <u>4250317.58</u></p> <p>15. Amount of net profits undivided or loss to be carried forward to item 7 of next report. (If a loss, enter in red.) (This amount must agree with difference between total of items 12, 13, and 14, and the total of items 6, 7, 8, 9, 10, and 11.) \$ <u>3180608</u></p> <p>16. Net addition to profits from operations since last report (must be same as item 6 of section 2; if a loss, enter in red).....\$ <u>10315152.68</u></p> <p>17. Undivided profits or loss shown in item 15 of last report (if a loss, enter in red).....\$ <u>5572849.27</u></p> <p>18a. Amount withdrawn from surplus since last report.....\$ <u>29700000</u></p> <p>18b. Gross amount withdrawn from reserve accounts since last report.....\$ <u>5076167.07</u></p> <p>19. Authorized reduction of capital, not repaid to shareholders since last report.....\$ <u>33500000</u></p> <p>20. Paid assessment for impaired capital since last report.....\$ <u>0</u></p> <p>21. Voluntary contributions to surplus or profits since last report.....\$ <u>10921718.61</u></p> <p>TOTAL.....\$ <u>950908881.3</u></p>	<p>6. Net addition to profits from operations since last report (must be same as item 6 of section 2; if a loss, enter in red).....\$ <u>10315152.68</u></p> <p>7. Undivided profits or loss shown in item 15 of last report (if a loss, enter in red).....\$ <u>5572849.27</u></p> <p>8a. Amount withdrawn from surplus since last report.....\$ <u>29700000</u></p> <p>8b. Gross amount withdrawn from reserve accounts since last report.....\$ <u>5076167.07</u></p> <p>9. Authorized reduction of capital, not repaid to shareholders since last report.....\$ <u>33500000</u></p> <p>10. Paid assessment for impaired capital since last report.....\$ <u>0</u></p> <p>11. Voluntary contributions to surplus or profits since last report.....\$ <u>10921718.61</u></p> <p>TOTAL.....\$ <u>950908881.3</u></p>
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SECTION FOUR—TOTAL CREDITS TO PROFIT ACCOUNT SINCE ORGANIZATION, AND DISPOSITION OF PROFITS

SECTION 4 deals with the total credits to profit account from all sources since organization of bank, and their distribution into surplus fund, dividends, special reserve accounts, and undivided profits on hand.

<p>19. Total surplus fund at date of this report.....\$ <u>3000000</u></p> <p>20. Total dividends paid since organization as National Bank.....\$ <u>62925510</u></p> <p>21. Net amount reserved for <u>Capital Surplus</u>.....\$ <u>9264972930</u></p> <p>22. Amount of net profits undivided or loss (same as item 15; if a loss, enter in red.) \$ <u>3180608</u></p> <p>TOTAL.....\$ <u>45990704538</u></p>	<p>16. Total net profits as National Bank since organization. (Add item 6 of this report to item 16 of preceding report).....\$ <u>96513131.27</u></p> <p>17. Profits and surplus of old organization at date of conversion to national system.....\$ <u>0</u></p> <p>18. Total obtained by reduction of capital not repaid to shareholders, by assessment on shareholders and by voluntary contributions (since organization) (Add items 9, 10 and 11 of this report, to item 18 of preceding report.) \$ <u>5939391361</u></p> <p>TOTAL.....\$ <u>15590704538</u></p>
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PLEASE SEE THAT EACH SECTION BALANCES

I, R. B. Samuelson, of the above-named bank, do solemnly swear that the foregoing statement is true, to the best of my knowledge and belief.
State of Illinois
County of Cook
Sworn to and subscribed before me this 10th day of July, 1929

Notary Public.
SEAL
2-2815
MISSION EXPIRES
NOV. 19, 1929
GOVERNMENT PRINTING OFFICE

IMPORTANT.—BEFORE MAKING THIS REPORT READ CAREFULLY INSTRUCTIONS IN LETTER OF TRANSMITTAL

Fed. Res. Dis. No. 7

Charter No. 1894

No. of Dividend 0

REPORT OF EARNINGS, EXPENSES AND DIVIDENDS OF

Continental National Bank and Trust Company of Chicago, located at Chicago, in the State of Illinois
for the period of six months
ended December 31, 1929. Dividends declared (This report must cover the full six-month period)
0, 1929, payable 0, 1929

IMPORTANT.—A complete report, showing all the transactions in the profit and loss account during the preceding six-month period, must be rendered on this form to the Comptroller of the Currency semiannually, on June 30 and December 31, whether or not dividends are declared. Reports of dividends declared between these dates must be rendered on special Form No. 2133 (which will be furnished upon request) within ten days after date of declaration. (See Section 5212, U. S. R. S.) Note: Penalty prescribed by Section 5213, U. S. R. S.
(Dividends declared not more than ten days prior to June 30 and December 31, however, need not be reported on Form 2133, as reports thereof will be accepted as coming within the ten-day limit when shown in the regular semiannual report of earnings, expenses and dividends, Form 2129; but the dates of declaration and payment of each dividend, whether or not reported on Form 2133, must be entered in the heading of the semiannual report.)

(Where no figures are entered insert word "none.")

Capital stock paid in	\$	1500000
Total surplus fund (same as item 19)		300000
Dividends declared since last report		0

PLEASE SEE THAT EACH SECTION BALANCES

SECTION ONE—EARNINGS AND EXPENSES, EXCLUSIVE OF LOSSES

Section 1 deals with the earnings, exclusive of recoveries on charged-off items, and also with expenses, exclusive of losses, paid during the 6-month period covered by this report only. No part of previously reported profits or expenses paid should be included in this section.

\$	0	2. Expenses paid:	1. Gross earnings:		
	0	(a) Salaries and wages.	(a) Interest and discount on loans	\$	1217375
	0	(b) Interest and discount on borrowed money.	(b) Interest (including dividends) on investments		3464717
	0	(c) Interest on bank deposits.	(c) Interest on balances with other banks		44961
	0	(d) Interest on demand deposits.	(d) Domestic exchange and collection charges		0
	0	(e) Interest on time deposits.	(e) Foreign exchange department		0
	0	(f) Taxes.	(f) Commissions and earnings from insurance premiums and the negotiation of real estate loans, authorized by the act of September 7, 1916, in towns of 5,000 population or less		0
	0	(g) Other expenses.	(g) Trust Department		0
	0	3. Net earnings since last report.	(h) Profits on securities sold		3125
	0	(Difference between totals of items 1 and 2; if a loss, enter in red.)	(i) Other earnings		0
	0		(Please see that item 1 of section 1 agrees with the total of items 2 and 3.)		
\$	4730178	TOTAL	TOTAL	\$	4730178

SECTION TWO—LOSSES, AND RECOVERIES ON CHARGED-OFF DEBTS, CLAIMS, BANKING HOUSE AND EQUIPMENT

Section 2 deals with losses and depreciation charged off and recoveries on charged-off debts and claims during the 6-month period covered by this report only.

\$	0	5. Losses and depreciation charged off since last report:	3. Net earnings since last report (must be same as item 3 of section 1; if a loss, enter in red.)	\$	4730178
	0	(a) On loans and discounts.	4. Recoveries on charged-off assets since last report:		
	0	(b) On bonds, securities, etc.	(a) Loans and discounts		0
	0	(c) On banking house, furniture and fixtures.	(b) Bonds, securities, etc.		0
	0	(d) On foreign exchange.	(c) All other		0
	0	(e) Other losses.			
\$	4730178	6. Net addition to profits from operations since last report (difference between the total of items 3 and 4 and item 5; if a loss, enter in red.)	TOTAL	\$	4730178
\$	4730178	TOTAL			

SECTION THREE—TOTAL CREDITS TO PROFIT ACCOUNT AND DISPOSITION OF PROFITS

Section 3 deals with the net profits (or loss) of current 6-month period (item 6) and the undivided profits (or loss), if any, of previous periods (item 15 of preceding report); and amounts obtained during current 6-month period as indicated by items 8, 9, 10, and 11, and the disposition of such amounts.

\$	0	12. Carried to surplus fund since last report.	6. Net addition to profits from operations since last report (must be same as item 6 of section 2; if a loss, enter in red.)	\$	4730178
	0	13. Total dividends actually paid since last report.	7. Undivided profits or loss shown in item 15 of last report (if a loss, enter in red.)		3180608
	0	14. Gross amount set aside since last report as reserved for	8a. Amount withdrawn from surplus since last report		0
	7910786	15. Amount of net profits undivided or loss to be carried forward to item 7 of next report. (If a loss, enter in red.)	8b. Gross amount withdrawn from reserve accounts since last report		0
		(This amount must agree with difference between total of items 12, 13, and 14, and the total of items 6, 7, 8a and b, 9, 10, and 11.)	9. Authorized reduction of capital, not repaid to shareholders since last report		0
			10. Paid assessment for impaired capital since last report		0
			11. Voluntary contributions to surplus or profits since last report		0
\$	7910786	TOTAL	TOTAL	\$	7910786

SECTION FOUR—TOTAL CREDITS TO PROFIT ACCOUNT SINCE ORGANIZATION, AND DISPOSITION OF PROFITS

Section 4 deals with the total credits to profit account from all sources since organization of bank, and their distribution into surplus fund, dividends, special reserve accounts, and undivided profits on hand.

\$	300000	19. Total surplus fund at date of this report.	16. Total net profits as National Bank since organization. (Add item 6 of this report to item 16 of preceding report)	\$	9696043355
	62925510	20. Total dividends paid since organization	17. Profits and surplus of old organization at date of conversion to national system		0
	9464972930	21. Net amount reserved for (aggregate of all reserve balances).	18. Total obtained by reduction of capital not repaid to shareholders, by assessment on shareholders and by voluntary contributions (since organization)		5939391361
	7910786	22. Amount of net profits undivided or loss (same as item 15; if a loss, enter in red.)	(Add items 9, 10 and 11 of this report, to item 18 of preceding report.)		
\$	1595434716	TOTAL	TOTAL	\$	1595434716

PLEASE SEE THAT EACH SECTION BALANCES

I, R. S. Samuelson, of the above-named bank, do solemnly swear that

the foregoing statement is true, to the best of my knowledge and belief.

State of Illinois

County of Cook

Sworn to and subscribed before me this 10th day of January, 1930

Notary Public.

421.147
March 22, 1932

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

Dear Mr. Stevens:

You transmitted to us with your letter of March 18th the net profits of national banks by size groups in the various States of your district for each of the years 1926-1930. In totaling the figures we find that you report for the year 1929 aggregate net profits of \$29,186,000 for all national banks in the district. For that calendar year the Annual Report of the Comptroller of the Currency indicates a figure of \$37,603,000.

We were prepared for some difference in these figures owing to the fact that our study included in any one year only those national banks whose earnings figures were complete for the full year. New organizations, suspensions, and other bank changes are, of course, involved in creating the discrepancies between the Comptroller's compilation and ours. Owing to the size of the 1929 difference, we wonder whether you would be good enough to look at this situation and let us know what the major items of the difference are.

For the year 1927 the aggregate net profits for national banks as reported by you are \$26,744,000 while the Comptroller reported \$25,448,000.

Very truly yours,

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

B
H

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

March
Eighteen
1932

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

RECEIVED
MAR 21 1932
DIVISION OF RESEARCH
AND STATISTICS

Mr. Blathner

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

As requested in your letter of March 12,
I am sending, by air mail today, the tabulations showing
aggregate dollar amounts of loans and investments, gross
deposits, and net additions to profits, by size groups,
for national banks in each state or portion thereof in
the Seventh district, for the years 1926 to 1930, in-
clusive.

Very truly yours,

Augustus Stevens
Federal Reserve Agent

HGP:FB

Encl.

421.11(7)
RECEIVED
MAR 16 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

March
Fourteen
1932

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

I acknowledge your letter of March 12,
requesting three items from the Analysis of Bank Earn-
ings schedules prepared by us for the Committee last
year. The work is now under way and is being expedited
by all possible means. It will take several days, how-
ever, to complete the compilations.

Very truly yours,

Wm. H. H. H. H.
Federal Reserve Agent

HGP:FB

421. 11(7)

March 12, 1932

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

Dear Mr. Stevens:

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(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

January
Twenty-two
1932

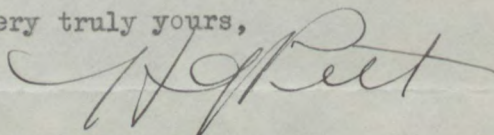
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

Thank you very much for your letter of January 21, which clears up in my mind the nature of Herman Wells' request. I have returned to Mr. Barr Mr. Wells' original letter to Mr. Symons, indicating that in view of the general willingness all around to give Mr. Wells what he may want, he will hear directly from you if he has not already done so.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(5)

January 21, 1932

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

Receipt is acknowledged of your letter of January 19th enclosing copies of letters from Mr. Barr and Mr. Wells. What Mr. Wells wants is a copy of the tabulations which we have made from the original suspension schedules in order that he may check them to see why our results differ from his.

Inasmuch as the State Banking Department of Indiana has authorized this, I shall send direct to Mr. Wells our compilations on Indiana suspensions. It is not necessary, therefore, for you to turn over your copies of the suspension schedules.

Very truly yours,

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

421. 11(7)

RECEIVED
JAN 20 1932
DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

January
Nineteen
1932

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

I am enclosing photostat copies of letter received today from Mr. Barr, Deputy Bank Commissioner of Indiana which, in turn, enclosed one from Herman Wells of the Study Commission for Indiana Financial Institutions. Both of these letters leave me at something of a loss to know just what, if anything, this bank ought to do in the situation. I presume the "documents" to which Mr. Barr refers are the forms prepared by the Indiana State Banking Department for the Committee in connection with each bank suspension since January 1921. We, as a special courtesy to Commissioner Symons, made two copies of this material, keeping one ourselves, sending one to the Committee, and returning the originals to Mr. Symons, so that the State Banking Department in Indianapolis has all the material that we have, in connection with that particular study.

Mr. Stevens is away, but I can take the responsibility for saying that we have not the slightest objection to Mr. Wells having access to this material; inasmuch as it was prepared by the State Banking Department, in so far as state banks were concerned, it would seem to be their property as much as anyone else's. On the other hand, I am quite unwilling to take the copies of this study which we have and turn them over to Mr. Wells, in view of the fact that Mr. Symons already has them.

If I have misunderstood this inquiry, I would appreciate your setting me right. I think that Barr has misunderstood the nature of Mr. Wells' request.

Very truly yours,

H. G. Pett
H. G. Pett, Manager

Division of Research and Statistics

HGP:FB

Encl.

Mr. Barr

OFFICE OF
DEPARTMENT OF BANKING OF INDIANA

ROOM 241 STATE HOUSE

LUTHER F. SYMONS, BANK COMMISSIONER
THOS. D. BARR, DEPUTY BANK COMMISSIONER

INDIANAPOLIS,

January 18, 1932

Federal Reserve Bank,
Statistical Department,
Chicago, Illinois.

Attention of Mr. Pett:

Dear Sir:

Enclosed please find a letter from Mr. H. D. Wells which is self explanatory. Kindly return same for our files when it has served your purpose.

If consistent with the policy and procedure of the Federal Reserve Bank of Chicago, you care to turn the documents over to Mr. Wells, the Department of Banking of the State of Indiana would be willing that the same should be done.

Yours very truly,

T. D. Barr
DEPUTY BANK COMMISSIONER

STUDY COMMISSION FOR INDIANA FINANCIAL INSTITUTIONS

108 NORTH PENNSYLVANIA STREET, INDIANAPOLIS

WALTER S. GREENOUGH, CHAIRMAN
FLETCHER TRUST COMPANY
INDIANAPOLIS
WILLIS S. ELLIS, VICE-CHAIRMAN
ANDERSON LOAN ASSOCIATION
ANDERSON
CURTIS H. ROTTGER, TREASURER
108 EAST WASHINGTON ST.
INDIANAPOLIS
PAUL N. BOGART
FIRST-MCKEEN NATIONAL
BANK AND TRUST COMPANY
TERRE HAUTE
FRANKLIN M. BOONE
THE BUILDING & LOAN ASSO-
CIATION OF SOUTH BEND
SOUTH BEND
MYRON H. GRAY
BRACKEN, GRAY & DEFUR
MUNCIE



CREATED BY SEVENTY-SEVENTH GENERAL ASSEMBLY
APPOINTMENTS BY GOVERNOR HARRY G. LESLIE

CHARLES KETTLEBOROUGH
INDIANA LEGISLATIVE BUREAU
INDIANAPOLIS
WILLIAM G. IRWIN
IRWIN-UNION TRUST COMPANY
COLUMBUS
HUGO MELCHIOR
THE DUBOIS COUNTY
STATE BANK
JASPER
WILLIAM F. MORRIS
THE PENDLETON BANKING COMPANY
PENDLETON
GEORGE WEYMOUTH
INDIANA FARMERS GUIDE
INDIANAPOLIS

HERMAN B. WELLS, SECRETARY
AND RESEARCH DIRECTOR
COMMERCE BUILDING
BLOOMINGTON

January 16, 1932

Mr. L. F. Symons:
Bank Commissioner
State House
Indianapolis, Indiana

Dear Mr. Symons:

I have just returned from a trip to New York and Washington in the interests of our commission. One of the principal purposes of this trip was to check our preliminary studies of bank failures (all based on the figures which you furnished us, of course) with the studies being made in Washington by the large committee working under the direction of Dr. H. J. Riddle, financed by the Federal Reserve Banks. Although many scientists and scholars have tried to get access to the findings of this committee, we were the first to be successful. Our studies were compared with theirs, and there is some difference of opinion as to original figures to be used, methodology of compilation, and findings. In other words, our studies seem to substantiate the Hoosier viewpoint that size, location, etc. have very little influence upon the rate of failure. I want to bring these ratios in and show them to you at an early date for I feel that both you and Mr. Barr will be much gratified by the fact that they substantiate many of the assertions which you have both made publicly in this connection in the past two or three years.

Mr. Riddle is, of course, eager to work out differences between his findings and our findings, if possible, prior to the publication of his study and to the publication of our study. Consequently, he wishes to do something which he has not done before, and that is to turn over to us all of the

STUDY COMMISSION FOR INDIANA FINANCIAL INSTITUTIONS

108 NORTH PENNSYLVANIA STREET, INDIANAPOLIS

WALTER S. GREENOUGH, CHAIRMAN
FLETCHER TRUST COMPANY
INDIANAPOLIS
WILLIS S. ELLIS, VICE-CHAIRMAN
ANDERSON LOAN ASSOCIATION
ANDERSON
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THE BUILDING & LOAN ASSO-
CIATION OF SOUTH BEND
SOUTH BEND
MYRON H. GRAY
BRACKEN, GRAY & DEFUR
MUNCIE



CREATED BY SEVENTY-SEVENTH GENERAL ASSEMBLY
APPOINTMENTS BY GOVERNOR HARRY G. LESLIE

CHARLES KETTLEBOROUGH
INDIANA LEGISLATIVE BUREAU
INDIANAPOLIS
WILLIAM G. IRWIN
IRWIN-UNION TRUST COMPANY
COLUMBUS
HUGO MELCHIOR
THE DUBOIS COUNTY
STATE BANK
JASPER
WILLIAM F. MORRIS
THE PENDLETON BANKING COMPANY
PENDLETON
GEORGE WEYMOUTH
INDIANA FARMERS GUIDE
INDIANAPOLIS

HERMAN B. WELLS, SECRETARY
AND RESEARCH DIRECTOR
COMMERCE BUILDING
BLOOMINGTON

Mr. L. F. Symons

- 2:-

all of the compilations which they have made on Indiana and let us check them both for fact and for method. Since the source of his figures was the Federal Reserve Bank of Chicago, which in turn drew upon your office largely, he feels that it will be necessary for him to have an official authorization from you before turning his study over to me for complete utilization. In case this should meet with your approval, I would appreciate it if you would write the agent of the Federal Reserve Bank of Chicago, informing him that it will be satisfactory to you for Mr. Riddle to give me the statistics on Indiana.

Very respectfully yours,

Secretary and Research
Director

HBW:EC

421. 11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LASALLE STREET

January 12, 1932

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

Federal Reserve Board
Washington, D. C.

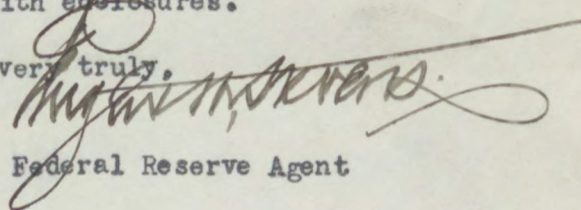
Gentlemen: Attention, Mr. E. A. Goldenweiser, Chairman,
 Committee on Branch, Group and Chain Banking.

Complying with the request contained in your letter of November 23, we are submitting herewith enclosures on the remaining six, out of a total of nineteen, banks selected by you, as follows:

1. Comments of the National or State bank examiners, as the case may be, from the beginning of 1920 to suspension.
2. Comments of Federal reserve examiners or this office regarding these banks during the same period.
3. Photostatic copy of each bank's bond and other security holdings on three different dates.
4. Detailed statistical data taken from examiners' reports and recorded on Form F from 1920 to date of suspension.
5. Key word for each bank.

There is also enclosed photostatic copy of bond and other security holdings of Bank No. 15, which was omitted in our letter of December 29, 1931 with enclosures.

Yours very truly,


Federal Reserve Agent

CSY L

Suspended Banks Selected for Case Studies

Chicago District

1. First National Bank	Fowler, Ind.
2. First National Bank	Doon, Iowa
3. First National Bank	Veedersburg, Ind.
4. Oconto National Bank	Oconto, Wisconsin
5. First National Bank	Downers Grove, Ill.
6. National City Bank	Ottawa, Illinois
7. Irving Park National Bank	Chicago, Ill.
8. First National Bank	Newton, Iowa
9. First National Bank	Coin, Iowa
10. First National Bank	Merrill, Iowa
11. First National Bank	Randolph, Iowa
12. First National Bank	Reed City, Mich.
13. First National Bank	Erie, Illinois
14. Citizens National Bank	Kokomo, Indiana
15. First National Bank	Logansport, Ind.
16. Washington Park Nat'l Bk.	Chicago, Illinois
17. First National Bank	Boyne City, Mich.
18. National Bank of	Sidney, Iowa
19. North Western Trust & Svgs. Bk.	Chicago, Illinois

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

December 29, 1931

Federal Reserve Board
Washington, D. C.

Gentlemen: Attention, Mr. E. A. Goldenweiser, Chairman,
 Committee on Branch, Group and Chain Banking.

13 banks
Complying with the request contained in your letter of November 23, we are submitting herewith enclosures as follows:

1. Comments of the National or State bank examiners, as the case may be, from the beginning of 1920 to suspension.
2. Comments of Federal reserve examiners or this office regarding these banks during the same period.
3. Photostatic copy of each bank's bond and other security holdings on three different dates.
4. Detailed statistical data taken from examiners' reports and recorded on Form F from 1920 to date of suspension.

There is also enclosed the key word for each bank.

As soon as possible, the other six banks selected by you will be studied and data will be forwarded.

Yours very truly,

C. S. Young
C. S. Young,
Assistant Federal Reserve Agent

CSY L

First National Bank	Fowler, Indiana	(Bank No. 1)
First National	Veedersburg, Ind.	3
Oconto National	Oconto, Wisc.	4
First National	Downers Grove, Ill.	5
National City	Ottawa, Ill.	6
Irving Park Natl.	Chicago, Ill.	7
First Natl.	Newton, Iowa	8
First Natl.	Merrill, Iowa	10
First Natl.	Reed City, Michigan	12
First Natl.	Erie, Ill.	13
First Natl.	Logansport, Indiana	15
Washington Park Natl.	Chicago, Ill.	16
Northwestern Tr. & Svgs.	"	19

TELEGRAM

421.11(7)

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

165gb

RECEIVED AT WASHINGTON, D. C.

Chicago 1244p Dec 28

Goldenweiser

Washn

Reference is made your letter november 23 (in which you requested data on nineteen failed banks in our district during year 1931 we have data prepared on thirteen of these institutions it may not be possible to complete the other six banks on list this week shall we forward data on the thirteen today

Young

152p

421.117

TELEGRAM
FEDERAL RESERVE BOARD
LEASED WIRE SERVICE
WASHINGTON

2-9454 o r o

December 29, 1931

C. S. Young
Chicago

Referring your telegram twenty-eighth suggest you
furnish data on thirteen banks.

GOLDENWEISER

#7 421.11(7)
FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

OFFICE OF THE GOVERNOR

December 4, 1931.

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

Dear Mr. Morrill:

af
This will acknowledge receipt of your letter
of the 2nd instant, accompanied by a copy of the confidential
data submitted to the sub-committee of the Committee on Banking
and Currency, which is engaged in a survey of the operation of
the National and Federal reserve banking systems. We are pleased
to receive the same, and your suggestion that this be regarded
as confidential will, of course, be observed.

Very truly yours,

J. M. McLaughlin
Governor.

421.11(7)

December 2, 1931.

Mr. J. B. McDougal, Governor,
Federal Reserve Bank,
Chicago, Illinois.

Dear Governor McDougal:

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.

EMM/rkt

Chester

FILE COPY

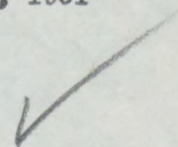
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421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

November 28, 1931



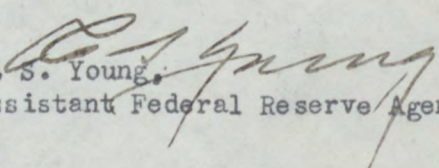
Federal Reserve Board
Washington, D. C.

Gentlemen: Attention, Mr. E. A. Goldenweiser, Chairman,
 Committee on Branch, Group and Chain Banking.

This will acknowledge receipt of your letter of November 23 with reference to reports of nineteen suspended banks in this district. Receipt is also acknowledged of the necessary blanks under separate cover.

It will take some time to prepare these data, which will be forwarded as soon as possible.

Yours very truly,


C. S. Young,
Assistant Federal Reserve Agent

CSY L



421. 11(7)

November 23, 1931

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

Dear Mr. Stevens:

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. Eugene M. Stevens, #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.

$\frac{K}{H}$

Suspended Banks Selected for Case Studies

Chicago District

- | | |
|--|-------------------------|
| 1. Lawrence Avenue National Bank | Chicago, Ill. |
| 2. First National Bank | Downers Grove, Ill. |
| 3. National City Bank | Ottawa, Ill. |
| 4. First National Bank | Veederburg, Ind. |
| 5. First National Bank | Coin, Iowa |
| 6. First National Bank | Merrill, Iowa |
| 7. First National Bank | Boyne City, Mich. |
| 8. Inkster National Bank | Inkster, Mich. |
| 9. First National Bank | St. Clair Shores, Mich. |
| 10. Oconto National Bank | Oconto, Wisc. |
| 11. First National Bank | Erie, Ill. |
| 12. Citizens National Bank | Kokomo, Ind. |
| 13. Inland Irving National Bank | Chicago, Ill. |
| 14. Washington Park National Bank | Chicago, Ill. |
| 15. First National Bank | Logansport, Ind. |
| 16. *Northwestern Trust & Savs. Bank | Chicago, Ill. |
| 17. *American Savings Bank & Trust Co. | Davenport, Iowa |
| 18. *First Trust and Savs. Bank | Hammond, Ind. |
| 19. *Pontiac Commercial and Savs. Bank | Pontiac, Michigan |

- * These are State banks and if their histories are not sufficiently complete for our purposes, please substitute two national banks. We suggest the First National Bank of Newton, Iowa, the First National Bank of Randolph, Iowa, and the First National Bank of Fowler, Ind., and the National Bank of Sidney, Sidney, Iowa.

See revised list attached to Mr. Stevens's letter of January 12, 1932.

421.11 (7)

November 9, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We acknowledge with thanks your letter of
November 6th enclosing Tables I-e, II-e and V-e show-
ing earnings and expense figures for Iowa State banks
for the year 1930.

Very truly yours,

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

H

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

November

Six

1931

Mr. Blatner

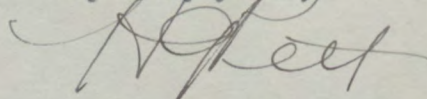
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

In connection with the Committee's study on earnings and expenses of Iowa state banks, we send you, enclosed, Tables I-e, II-e, and V-e, covering 1930. This completes the compilation for Iowa banks asked for by the Committee.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

421.11(7)

October 21, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We acknowledge with thanks your letter of
October 19th enclosing Tables I-e, II-e and V-e
showing earnings and expense figures for Iowa state
banks for the year 1929.

Very truly yours,

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

421.11/71
October 20, 1931

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

Dear Mr. Stevens:

Referring to your letter of October 16th, we do not think it necessary to go to the trouble to compile from the Bankers Directory the number of correspondents which the Chicago banks have. If the leading banks in the city have no objection to giving out the number of banks in each state which keep balances with them, this would certainly be the quickest and most accurate method of getting the information. We are merely interested in the aggregate number in each state which keep balances with Chicago institutions.

Very truly yours,

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

R.H

421.11(7)
~~421.11(7)~~

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

October 19, 1931

RECEIVED
OCT 21 1931
DIVISION OF RESEARCH
AND STATISTICS.

OCT 21 1931 AM
WASHINGTON
OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

Mr. Upham
Federal Reserve Board
Washington, D. C.

Gentlemen: Attention, Mr. E. A. Goldenweiser, Chairman,
Committee on Branch, Group and Chain Banking.

Reference is made to your letter of October 16
in regard to the State clearing house bill which has been
prepared by an interim legislative committee appointed by the
Governor of the State of Wisconsin.

There is enclosed a copy of the proposed bill.
Public hearings will be held October 21 to October 28, as the
committee requests suggestions or criticisms of the proposed
plan. The recommendation of the committee will be made only
after consideration of all the suggestions or criticisms.

Mr. Estberg, one of our directors, is a member
of this committee, and we shall be in a position to give you
additional information from time to time.

Yours very truly,

Eugene M. McEvans
Chairman

CSY L

Miss Hamanell - ok

421.11(7)

kwB

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

October
Nineteen
1931

~~Mr. Blalock~~

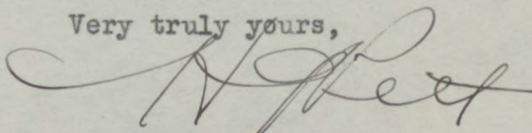
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

In connection with the Committee's study on
earnings and expenses of Iowa state banks, we send
you, enclosed, Tables I-e, II-e, and V-e, covering
the year 1929.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

McRiddle

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

October
Sixteen
1931

421.11(7)
RECEIVED
OCT 19 1931
DIVISION OF RESEARCH
AND STATISTICS

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

The only information at present available concerning the number of correspondents which the Chicago banks have in each state in the Union, is that compiled as of January 1, 1927 by the Bureau of Business Research of the University of Illinois, and presented in their Bulletin No. 21 entitled "An Analysis of Bankers' Balances in Chicago." The source of their information was Rand McNally's Bankers Directory, and of course their figures are now much out of date. While I believe you receive copies of these bulletins as published, for convenience I am enclosing No. 21, on pages 10 and 11 of which you will find the compilation to which I refer.

Without doubt the leading banks here would furnish us with the figures you desire, and I assume that for your purposes the aggregate in each state shown by these institutions would be sufficient. If you wish us to do so, we shall be very glad to take up the matter with them. I believe data collected in this manner would present a more accurate picture than any attempt on our part to compile them from the Bankers Directory, subject as it is to the limitations pointed out on page 5 of University of Illinois Bulletin No. 21.

Very truly yours,

William M. Stevens
Federal Reserve Agent

HGP:FB

Encl.

421.11(7)

October 16, 1931

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

Dear Mr. Stevens:

The press has carried an item within the last day or two to the effect that an interim legislative committee in Wisconsin has agreed upon a State clearing house bill, to be recommended for enactment at a special session in that State. The bill has not been made public, but in view of the fact that it involves the chain and group banking problem, in that banks whose stock is held by holding corporations would not be permitted to join the State clearing house and would be deprived of certain privileges incident thereto, we are eager to secure a copy for use in our banking study and report. If you can secure a copy for us, it will be much appreciated.

Very truly yours,

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

U
14

421.11(7)

October 14, 1931

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

Dear Mr. Stevens:

Would it be possible to get for the Committee's use the approximate number of correspondents which the Chicago 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)

October 7, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We acknowledge with thanks receipt of your
letter of October 2nd enclosing Tables I-e, II-e, and
V-e showing earnings and expense figures for Iowa
state banks for the year 1928.

Very truly yours,

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

H

421.1(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

October
Second
1931

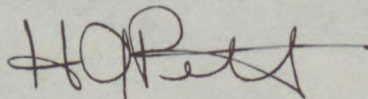
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

In connection with the Committee's study
on earnings and expenses of Iowa state banks, we send you,
enclosed, Tables I-e, II-e, and V-e, covering the year 1928.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

✓
September
Twenty-six
1931

RECEIVED
SEP 28 1931
DIVISION OF RESEARCH
AND STATISTICS

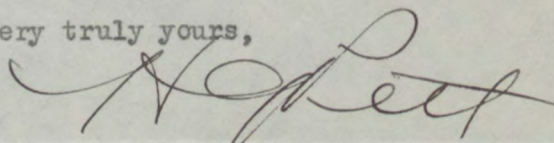
Federal Reserve Board
Washington, D.C.

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

Dear Mr. Goldenweiser:

Mr. Stevens has asked me to acknowledge
your letter to him of September 22 regarding supplemental
information on building and loan and other types of non-
banking organizations. We shall endeavor to bring to
your attention any significant developments in this dis-
trict within recent months.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

September 22, 1931

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

Dear Mr. Stevens:

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
H

file

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

RECEIVED
SEP 23 1931
DIVISION OF RESEARCH
AND STATISTICS
421.11(7)

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

September 22, 1931

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

Dear Mr. Goldenweiser:

Replying again to yours of September 15, I am enclosing copies of letters received from the First Wisconsin National Bank of Milwaukee, and the Guardian Detroit Bank of Detroit, acceding to your request to use the information which they submitted in their reports on their groups. You will notice Mr. Lord's request that a certain clause in his report be omitted from the published report, and I am sure you will concur in his request in this respect and I have advised him that I felt you would do so.

With personal regards, I am

Very truly yours,

Wm. H. Stevens
Federal Reserve Agent

EMS HH

COPY

FIRST WISCONSIN NATIONAL BANK

of Milwaukee

September 19, 1931

Mr. Eugene M. Stevens
Chairman of the Board
Federal Reserve Bank of Chicago
Chicago, Illinois

Dear Mr. Stevens:

Receipt is acknowledged of your letter of September 18th enclosing copy of letter received by you from Mr. E. A. Goldenweiser, Chairman of the Committee on Branch, Group, and Chain Banking of the Federal Reserve Board.

In reply wish to state that we have no objections whatsoever to their using in any way they see fit the information we have prepared for them.

We spent a great deal of time on these schedules and are glad to know that the report is pleasing.

With kind personal regards, believe me

Very truly yours,

(Signed) WALTER KASTEN

President

As you can understand, it would prefer at this time not to give out any definite statement as to our intentions as to branch banking in case legislation permitted it within the State of Michigan. With the exception of this particular paragraph, I am very glad to have Mr. Goldenweiser make use of our answers to his questionnaire as he sees fit.

Very truly yours,

(Signed) WALTER KASTEN

President

C O P Y

GUARDIAN DETROIT BANK

Detroit, Mich.

Sept. 21, 1931

Mr. Eugene M. Stevens, Chairman
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois

My dear Gene,-

I have your letter of the 18th enclosing copy of a letter received from Mr. E. A. Goldenweiser, Chairman of the Committee on Branch, Group, and Chain Banking of the Federal Reserve Board. There is no objection whatever to Mr. Goldenweiser's using the report which we made up for him with the exception of Paragraph 5 of question "V. Public Relations", to which our reply was as follows:

"If the law permitted, we would probably convert this Group into a branch banking system with the local Boards of directors retained as advisory boards in each community. The State of Michigan permits banks to operate branches within the corporate limits of the municipality in which the main office of the bank is located."

As you can understand, we would prefer at this time not to give out any definite statement as to our intentions as to branch banking in case legislation permitted it within the State of Michigan. With the exception of this particular paragraph, I am very glad to have Mr. Goldenweiser make use of our answers to his questionnaire as he sees fit.

Very truly yours,

(Signed) ROBT. O. LORD

President

ROL N

421.11(7)

September 18, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank of Chicago
Chicago, Illinois

Dear Mr. Pett:

We acknowledge with thanks receipt of your letter of September 9th enclosing Tables I-e, II-e, and V-e showing earnings and expense figures for Iowa state banks for the year 1927.

Very truly yours,

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

H

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

September 18, 1931

RECEIVED
SEP 21 1931
DIVISION OF RESEARCH
AND STATISTICS

Federal Reserve Board

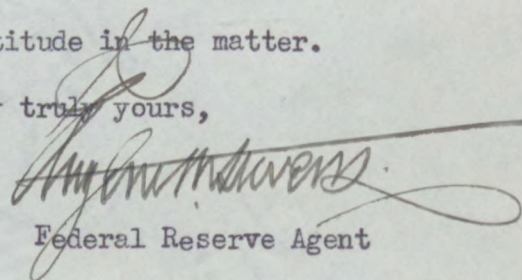
Washington, D. C.

Mr. E. A. Goldenweiser

Gentlemen:

Replying to yours of the fifteenth, received only today, I will at once take up with the Guardian Detroit Union Group of Detroit, and the Wisconsin Bancshares Corporation of Milwaukee, your suggestion and will report to you as soon as I hear from them as to their attitude in the matter.

Very truly yours,



Federal Reserve Agent

EMS HH

421.11(7)

September 15, 1931

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

Dear Mr. Stevens:

Some months ago the Guardian Detroit Union Group of Detroit and the Wisconsin Bancshares Corporation of Milwaukee were good enough at your request to fill out for the Committee on Branch, Group and Chain Banking schedules of information which consisted in answering some sixty odd questions prepared by the Committee. This information was supplied on the understanding that it would be kept confidential and used only by the Committee in drafting its general report on group banking.

The Committee, of course, is living up to this understanding. The information is so well organized, however, and so instructive that it seems desirable to print these schedules, among others, as appendices to the report on group banking provided we can secure permission from the groups themselves. We should appreciate it, therefore, if you will raise the question with them. It will be entirely optional with them, of course, and if they should object for any reason, that will be the end of the matter. So far as we can see there is nothing in these reports which would react against the groups. On the contrary they supply a body of useful data which will help to give a better understanding of the groups and their activities.

The Committee's report, including the appendices, will be submitted to the Federal Reserve Board and to the Conference of Governors and Agents and it will be for them to decide what disposition to make of it. Presumably it will be made public in some form.

Very truly yours,

R
4

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

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

September
Ninth
1931

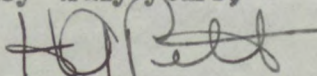
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

In connection with the Committee's study on
earnings and expenses of Iowa state banks, we send you,
enclosed, Tables I-e, II-e, and V-e, for the year 1927.

Very truly yours,



H. G. Pett, Manager

HGP:G

4 encls. Division of Research and Statistics

421.11(7)

September 1, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

Receipt is acknowledged of your letter of August
29th enclosing Tables I-e, II-e and V-e showing earnings
and expense figures for Iowa state banks for the year 1926.

Very truly yours,

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

H

421.11/71

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

August
Twenty-nine
1931

Miss Cohen

L.C.
✓

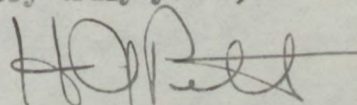
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

In connection with the Committee's study
on earnings and expenses of Iowa state banks, we send you,
enclosed, Tables I-e, II-e, and V-e, for the year 1926.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

August 27, 1931

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

Dear Mr. Stevens:

We acknowledge with thanks receipt of the photo-
static copies of the investments lists of fifty selected
national banks in your district on which you have identi-
fied all securities to which ratings from published sources
were not assigned.

Very truly yours,

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

M
H

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

August 25, 1931

Federal Reserve Board
Washington, D. C.

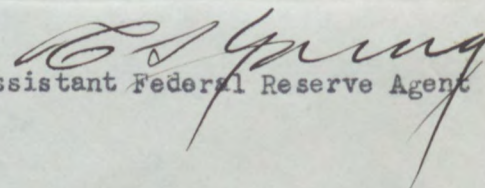
Gentlemen: Attention, Mr. E. A. Goldenweiser, Chairman
 Committee on Branch, Group and Chain Banking.

Reference is made to your letter of August 18,
from which we quote:

"The Committee requests that you indicate the rating assigned by you to each security for which you could find no published rating and that you identify each security classified as "not rated" or "not listed." If adequate information concerning a particular security is lacking and you have assigned an arbitrary rating, the rating should be noted as being arbitrary."

We are forwarding under separate cover the list of securities held by each of the fifty selected national banks. We have tried to follow your instructions in this matter, and if this information is incomplete or in any way unsatisfactory, kindly advise us and we shall endeavor to comply with your instructions.

Yours very truly,


Assistant Federal Reserve Agent

CSY L

RECEIVED

AUG 26 1931

DIVISION OF RESEARCH
AND STATISTICS

421. 11(7)

August 24, 1931

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

Dear Mr. Stevens:

In Mr. Goldenweiser's and Mr. Riddle's absence
I am acknowledging with thanks your letter of August 21st
accompanying the C Forms covering information on affilia-
tions in your district.

Very truly yours,

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

H. H

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

August
Twenty-one
1931

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

Federal Reserve Board
Washington, D.C.

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

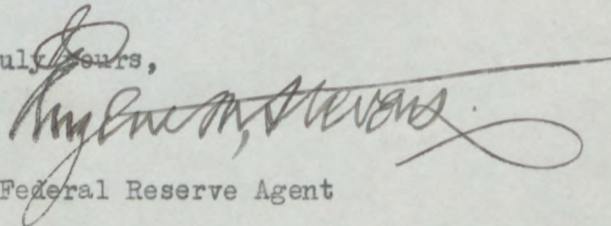
Dear Mr. Goldenweiser:

In another package we are returning the forms relating to two-bank affiliations and non-banking affiliates of banks in this district, to which we have given the best check possible on the basis of the information available. Several additional forms have been made out, supplementing those compiled by your Committee, and the capital and loans and investment figures of banks have been filled in. In so doing we used the March call report for member banks, and the Bankers' Directory nearest to that date for non-members.

The sources of information at our command, as I wrote you on August 7, yield very little on "How controlled." This is equally true of the items on the forms relating to date of charter and state issuing the same, which you wished in the cases of non-banking affiliates.

A number of forms compiled by the Committee cover information for banks which have closed. We assumed that the list was designed to represent affiliations of "going" banks and therefore merely marked the form "Closed" in these cases.

Very truly yours,



Federal Reserve Agent

HGP:G

421.11(7)

August 20, 1931 ✓

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

8-18-31

In the absence of Mr. Riddle and Mr. Blattner
I am acknowledging receipt of Tables I-e, II-e and V-e
for Iowa state banks for the year 1925. If later it
should be found necessary to have a compilation for the
year 1924, Mr. Riddle will communicate with you about the
possibility of making a substitution for the missing data.

Very truly yours,

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

C:H

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

August
Eighteen
1931

Federal Reserve Board
Washington, D. C.

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

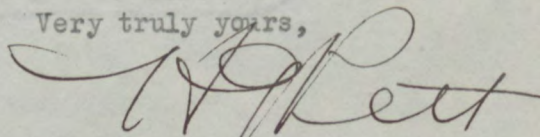
Dear Mr. Riddle:

I am enclosing Tables I-e, II-e, and V-e for
Iowa state banks for the year 1925.

When we began the compiling of these data for
Iowa banks, we were unable to find the original material for
the year 1924. We have searched throughout the bank in every
possible place and have even written to the State Banking De-
partment of Iowa and to the Iowa Bankers Association, with the
thought that perhaps Mr. Huston, my predecessor, had returned
the original forms to Des Moines. They were unable to locate
them, however, so that 1925 is the first year for which we are
able to supply the figures to you.

The work is coming along fairly well and we
shall have these tables for 1926 and 1927 within a relatively
short time, and the remaining three years as soon as possible.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

421.11(7)

August 18, 1931

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

Dear Mr. Stevens:

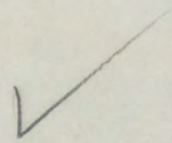
We are returning under separate cover the lists of securities held by each of fifty selected national banks in your district which you prepared in accordance with our letter of June 25th. The Committee requests that you indicate the rating assigned by you to each security for which you could find no published rating and that you identify each security classified as "not rated" or "not listed." If adequate information concerning a particular security is lacking and you have assigned an arbitrary rating, the rating should be noted as being arbitrary.

Very truly yours,

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

M
H

421-11(7)



August 10, 1931

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

Dear Mr. Stevens:

In your letter of August 7th you raise the question whether we desire to have you get the missing information as to the control of affiliates, which was to be reported to us on our Form C, by communicating directly with the banks. It seems to us inadvisable to attempt this either for the member or the non-member banks, and we accordingly suggest that after you have exhausted the sources of information in your own files you return the forms to us. The information will be useful even though it is not in all respects complete.

Very truly yours,

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

H:H

421.11(7)

August 10, 1931

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

Dear Mr. Stevens:

Thank you for your letter of August 8th with
the completed copies of Form S showing the quality index
for fifty selected banks in your district.

Very truly yours,

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

R
H

421. 11/7/

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

August 8, 1931

RECEIVED
AUG 10 1931
DIVISION OF RESEARCH
AND STATISTICS

Federal Reserve Board
Washington, D. C.

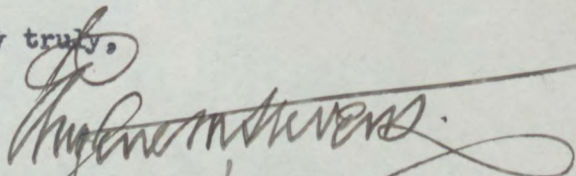
Gentlemen: Attention, Mr. E. A. Goldenweiser, Chairman,
Committee on Branch, Group and
Chain Banking.

Reference is made to your letter of July 16, in which
you submitted a list of fifty banks and requested that an index be
prepared for the purpose of measuring the quality of the security
holdings of these banks.

There are enclosed executed forms showing the rating
of securities held by these various banks. You will note that
where the nonrated bonds aggregate 10% of the total, we have attached
a list of such bonds in order to indicate why these securities could
not be rated.

We trust the forms are properly executed, and if any
additional information is required we shall be glad to furnish it.

Yours very truly,


Federal Reserve Agent

RECEIVED
FEDERAL RESERVE BANK OF CHICAGO
AUG 10 1931
CSY L

421. 11/7

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

August
Seven
19 31

RECEIVED
AUG 10 1931
DIVISION OF RESEARCH
AND STATISTICS.

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

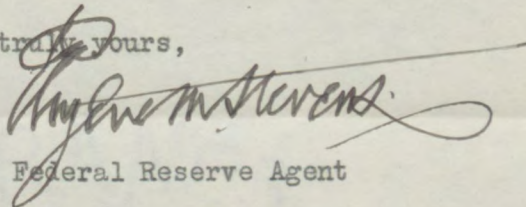
We have now completed the best check we can of the material sent us on Form C with your letter of July 10. In doing this we have utilized every available source of information, but of necessity have had to rely primarily on examination reports, and these are available to us only for member banks. Our findings differ widely in some cases from the data recorded by the Board on the forms sent us, some cases indicating no affiliations of the kind listed, and others additional ones. In still other cases, neither your compilations nor the examination reports give affiliates such as safe deposit companies of which we have personal knowledge. As serious as are these difficulties, however, the greatest gap in our information lies in the matter of "How controlled." In many cases where the examination report gives any information of this character, it is not adequate to enable us to indicate the precise nature of the control as outlined in the memorandum accompanying your letter of July 10. With respect to non-member state banks we have only scattered information with respect to the entire problem of affiliations of two banks only and non-banking affiliates. I question very seriously whether the state banking departments themselves could supply the data without going through all the examination reports, which in many cases would even then yield little or nothing, and I would hesitate to ask them to perform the task at the present time.

In view of these facts, the only way in which we could give a complete and accurate check to the forms sent us would be by means of an inquiry addressed to all banks in the district. While in the case of member banks such an inquiry would bring in the information, I am reluctant to call upon them for details of the nature involved in Form C, and I am very doubtful of the wisdom of attempting to procure voluntary co-operation of non-member state banks. In any event, I am presenting the situation to you with the assurance that if the Committee deems the

no
no

information of sufficient importance to warrant that procedure, we will communicate with all member banks. In so far as non-member state banks are concerned, however, we see no way of gathering the information to form the basis of any adequate check on the material already compiled or for the purpose of supplementing it.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Eugene M. Stevens", with a long, sweeping horizontal flourish extending to the right.

Federal Reserve Agent

HGP:FB

421.11(7)

August 7, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In Mr. Riddle's absence I wish to acknowledge
with thanks your letter of August 6th with its enclosure
of two copies of the August Bulletin issued by Mr. Nelson,
Auditor of Public Accounts.

Very truly yours,

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

H:H

See misc. file 1st drawn for copy of this bulletin.

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

August

Six

19 31

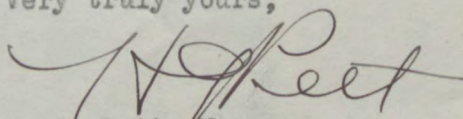
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

I am in receipt of a letter this morning from Mr. Nelson, Auditor of Public Accounts, in which he informs me that the report carried in the newspapers, two copies of which you recently requested, has not been published in book or pamphlet form for distribution. It seems that it was simply an analysis which Mr. Nelson prepared and gave to the newspapers. He sends me, however, several copies of the August 1 Monthly Bulletin issued by his department, which carries the summary of this article. It is less complete than the original, however, and I question whether it will be of any material use to you. In any event, I am sending two copies in response to your request.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

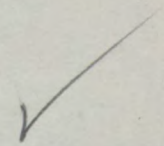
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421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

August
Five
19 31



Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

Under separate cover I am returning to you the
"Survey of Banking Competition Offered by Non-Banking In-
stitutions in Ohio," supplied the Committee by the Federal
Reserve Bank of Cleveland. Thank you very much for letting
me look at it.

Very truly yours,

H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

July
Twenty-nine
1931

Federal Reserve Board
Washington, D. C.

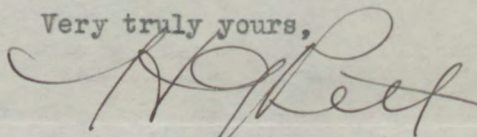
Attention : Mr. J. H. Riddle, Secretary
Committee on Branch, Group,
and Chain Banking.

Dear Mr. Riddle:

Upon noting in the newspapers several days ago that State Auditor Nelson had issued a rather comprehensive statement and discussion of banking and bank suspensions in Illinois, I wrote to his office asking for half a dozen copies, inasmuch as none had been received in the bank. As soon as these come, I shall be very glad to forward you two copies as requested in your letter of July 26.

With kind regards, I am

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

July 28, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

Would it be possible for you to get for me a couple of copies of a statement recently circulated by the State Auditor, Mr. Nelson, regarding banking and bank failures in Illinois for the past six years? We shall appreciate it if you can.

Very truly yours,

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

R: H

421. 11 (7)

July 27, 1931

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

Dear Mr. Stevens:

We shall appreciate information relative to the status of the National Republic Bancorporation under the merger agreement between the National Bank of the Republic and the Central Trust Company.

Very truly yours,

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

U
H

421. 11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

✓ July 22, 1931

RECEIVED
JUL 23 1931
DIVISION OF RESEARCH
AND STATISTICS

Federal Reserve Board
Washington, D. C.

Gentlemen: Attention, Mr. E. A. Goldenweiser,
 Director, Division of Research
 and Statistics.

Receipt is acknowledged of your letter of
July 16, requesting ratings of the fifty banks listed in
your previous letter. These forms will be prepared and
sent you as soon as possible.

Yours very truly,

E. S. Young
Assistant Federal Reserve Agent.

CSY L

42 11 11(21)

July 16, 1931

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

Dear Mr. Stevens:

We are sending you a description of an index which has been devised for the purpose of measuring the quality of the security holdings of banks. The construction is simple and is fully explained in the attached memorandum. The Committee desires to have this index computed for a representative list of banks scattered throughout the country in order to determine something of their investment policies.

On June 25th we sent you the names of 50 banks in your district with the request that you send us a list of the securities held by each at the time of the last examination in order that we might make an analysis of these securities. For each of these 50 lists of securities we should like to have you prepare an index in accordance with the enclosed example and the accompanying instructions. If you feel that the 50 banks will not be sufficiently representative of your district, you might enlarge the list.

We are sending you under separate cover a supply of forms for use in computing the index.

Very truly yours,

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

Enc.

X
H

Mr. Riddle

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

July
Fourteenth
1931

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

RECEIVED
JUL 16 1931
DIVISION OF RESEARCH
AND STATISTICS

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

I am writing to acknowledge receipt of your letter of July 10 and the accompanying material relative to compilation of non-banking affiliates of state and national banks and affiliations between two banks. We will check the forms and return them to you as soon as possible.

Very truly yours,

W. H. C. Stevens
Federal Reserve Agent

HGP:G

421.11(7)

July 10, 1931

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

Dear Mr. Stevens:

We are enclosing for your examination certain material on bank affiliations in your district 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. Our request is that you check our compilation, make the necessary corrections and additions indicated by your credit files, examiners' reports, and other sources of information, including reference where advisable to the organizations themselves, and return the revised material to us as soon as possible.

25% COTTON CONTENT

Gene M. Stevens, #2

July 10, 1931

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.

Very truly yours,

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

Enc.

H

H

July 10, 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 trustee 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 of 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.

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 trustee 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(7)

July 3, 1931

Mr. C. S. Young
Assistant Federal Reserve Agent
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Young:

We acknowledge with thanks receipt of your letter of July 1st enclosing photostatic copies of the investment lists of the fifty selected banks in your district.

Very truly yours,

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

H

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

July 1, 1931

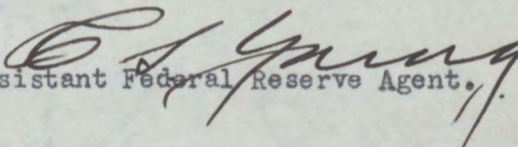
Federal Reserve Board
Washington, D. C.

Gentlemen: Attention, Mr. E. A. Goldenweiser,
Chairman, Committee on Branch, Group
and Chain Banking.

Reference is made to your letter of June 25
in which you submit a list of fifty banks in our district
and request a list of bonds and securities held by each
of them at the time of the last examination; also a list
of total loans and investments of each bank.

There are enclosed lists as requested.

Yours very truly,


Assistant Federal Reserve Agent.

CSY L



421.117

June 25, 1931

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

Dear Mr. Stevens:

We are enclosing herewith the names of 50 banks in your district and would appreciate it if you could send us a list of the bonds, securities, etc., held by each of them at the time of the last examination. The Committee is undertaking to make an analysis of the investment holdings of a representative group of banks throughout the country in order to determine their investment policies. These banks have been selected at random in order that they may be representative. Perhaps the investment list in each case, which usually appears on page 7 of the National bank examiner's report, can be photostated at a minimum of time and cost.

In returning these lists, it would be of much assistance if you could give the total loans and investments of each bank in order that we may group them according to size. The items included in total loans and investments are set forth in articles 1 to 4 inclusive of the Board's Form 105a.

Very truly yours,

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

Enc.

F

Fifty Selected National Banks
in Federal Reserve District No. 7

1.	Batavia N. B.	Batavia,	Illinois
2.	Casey N. B.	Casey,	"
3.	Foreman-State N. B.	Chicago,	"
4.	Rogers Park N. B.	Chicago,	"
5.	N. B. of Colchester	Colchester,	"
6.	City N. B.	Dixon,	"
7.	First N. B.	Eureka,	"
8.	First N. B.	Grand Ridge,	"
9.	First N. B.	Humboldt,	"
10.	First N. B.	Leland,	"
11.	First N. B.	Marengo,	"
12.	First N. B.	Morrison,	"
13.	First N. B.	Palatine,	"
14.	First N. B.	Rantoul,	"
15.	First N. B.	Secor,	"
16.	First N. B.	Thomasboro,	"
17.	First N. B.	Wilmington,	"
18.	Old N. B.	Bluffton,	Indiana
19.	First N. B.	Columbus,	"
20.	Bright N. B.	Flora,	"
21.	Greensburg N. B.	Greensburg,	"
22.	Dearborn N. B.	Lawrenceburg,	"
23.	First N. B.	Monterey,	"
24.	Farmers N. B.	Remington,	"
25.	Citizens N. B.	South Bend,	"
26.	First N. B.	Winamac,	"
27.	First N. B.	Bellevue,	Iowa
28.	First N. B.	Clarion,	"
29.	First N. B.	Davenport,	"
30.	First N. B.	Eldora,	"
31.	First N. B.	Gladbrook,	"
32.	First N. B.	Hull,	"
33.	First N. B.	Lake Park,	"
34.	First N. B.	Merrill,	"
35.	First N. B.	Oelwein,	"
36.	First N. B.	Radcliffe,	"
37.	Sheldon N. B.	Sheldon,	"
38.	First N. B.	Thompson,	"
39.	First N. B.	Whiting,	"
40.	First N. B.	Blissfield, ✓	Michigan
41.	First N. B. & Tr. Co.	Flint, ✓	"
42.	City N. B.	Lansing, ✓	"
43.	First N. B.	Plymouth, ✓	"
44.	First N. B.	Utica, ✓	"
45.	Burlington N. B.	Burlington,	Wisconsin
46.	First N. B.	Janesville,	"
47.	Farmers N. B.	Lake Geneva,	"
48.	N. B. of Commerce	Milwaukee,	"
49.	First N. B.	Port Washington,	"
50.	First N. B.	Viroqua,	"

421.11(7)

June 17, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In accordance with the request contained in your letter of June 8th we forwarded to you on June 11th 500 copies of the "Analysis of Bank Earnings" schedule. We have just received an additional supply of this form from the printer and are sending you under separate cover the remaining 6,500 as requested in your letter of the 13th.

Very truly yours,

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

H

421.11(7)
June 15, 1931

Mr. H. G. Pett, Manager
Division of Research & Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We acknowledge with thanks your letter of June 12th
enclosing Mr. Colton's explanation of the manner in which the
various types of claims were classified on the Iowa suspension
schedules.

Very truly yours,

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

G
F

421.11(7)

June 15, 1931

Mr. H. G. Pett, Manager
Division of Research & Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We acknowledge with thanks your letter of June 12th
enclosing Mr. Colton's explanation of the manner in which the
various types of claims were classified on the Iowa suspension
schedules.

Very truly yours,

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

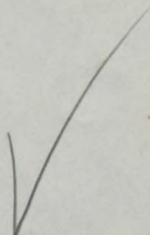
G
P

421. 11/71

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
Thirteen
1931



Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

Thank you for your letter of June 11 and the 500 Analysis of Bank Earnings forms accompanying it.

I find that our computing department rather materially under-estimated the total number of forms we shall need before this Iowa job is completed. There will be seven years, with approximately 1,000 banks per year, so that 7,000, rather than 4,000 previously requested, will be the maximum we shall need. I am sorry that the 4,000 was given you erroneously. There is no hurry about the 7,000, as it will be some time before we have used up the 4,000 you are arranging to get us.

Very truly yours,

H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
Twelve
19 31

Mr. Gerlock

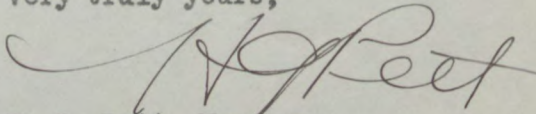
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

I have received a letter this morning from Mr.
C. R. Colton, Legal Clerk of the Iowa Department of Banking,
a copy of which I am enclosing. This is in response to my
inquiry, based on your recent request for further informa-
tion regarding the nature of figures in Sections 7, 8, 9,
and 10, of the bank suspension schedules for Iowa.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

E
Mr. Pett

L. A. ANDREW
SUPERINTENDENT
W. O. REED
DEPUTY SUPERINTENDENT

State of Iowa
Department of Banking
Des Moines

June 10, 1931

Mr. H. G. Pett, Manager,
Division of Research and Statistics,
Federal Reserve Bank,
Chicago, Illinois

Dear Mr. Pett:-

Replying to your letter of June 8th relative to Sections 7, 8, 9 and 10 of the bank suspension schedules, I believe the best way to answer your questions is to say that strictly speaking there should be four classes of claims under the above named sections such as:

Secured Claims
Depositors Claims
Preferred Claims
General Claims

Secured claims represent Postal savings deposits secured in accordance with Section 9268 of the revised banking law that we are forwarding under separate cover, and such other deposits as have been secured by a pledge of the banks assets with the approval of the Superintendent of Banking in accordance with Section 9222-c3 of the revised banking law. However, it has only been since April 17th, 1929 that banks could pledge any of their assets to secure a deposit other than Postal savings, and Mr. Beck, Assistant Director of Receiverships, advises the writer that they have had no claims filed under Section 9223-c3.

The Receivership Department has not been showing the amount of Postal savings deposits in their set up until recently, as the board of trustees of Postal savings immediately sells the bonds pledged as security to Postal savings, and remits the balance to this Department. Therefore, strictly speaking, all of the schedules of the bank suspension list should show no secured claims, and all the figures shown under that heading in Sections 7, 8, 9 and 10, represents depositors claims.

In Mr. J. H. Riddle's letter to you of recent date, he classes depositors claims in with general claims which is not the case in Iowa, as there is a big distinction between a depositors claim and a general claim under the Iowa law which requires the Superintendent of Banking as receiver to give preference to depositors in accordance with Section 9239 of the revised banking law. A depositors' claim shares in the liquidation of all of the banks' assets, while a general claim participates only in the 100% assessment that is collected by the receiver along with other depositors claims if they have not been paid in full.

Preferred claims are such which come under the provisions of Sections 11717 and 12719 Code of Iowa of 1927 which reads as follows:

"Sec. 11717. Labor claims preferred. When the property of any company, corporation, firm, or person shall be seized upon by any process of any court, or placed in the hands of a receiver, trustee, or assignee, or their property shall be seized by the action of creditors, for the purpose of paying or securing the payment of the debts of such company, corporation, firm, or person, the debts owing to employees for labor performed within the ninety days next preceding the seizure or transfer of such property, to an amount not exceeding one hundred dollars to each person, shall be a preferred debt and paid in full, or if there is not sufficient realized from such property to pay the same in full, then, after the payment of costs, ratably out of the fund remaining."

"Sec. 12719. Claims entitled to priority. When the property of any person, partnership, company, or corporation has been placed in the hands of a receiver for distribution, after the payment of all costs the following claims shall be entitled to priority of payment in the order named:

1. Taxes or other debts entitled to preference under the laws of the United States.
2. Debts due or taxes assessed and levied for the benefit of the state, county, or other municipal corporation in this state.
3. Debts owing to employees for labor performed as defined by section 11717"

and trust funds. The 44th G. A. enacted Section 9239-cl of the revised banking law which became effective upon publication on April 17th, 1929, and all claims that met the requirements of this Section are also preferred claims.

General claims are those the court will not allow as depositors claims or as a preferred claim, and generally they are for supplies, miscellaneous expenses and salaries in excess of \$100.00 earned during the last ninety days, and all unpaid salaries that are three months or more past due, and these claims share only in the 100% assessment, as ordered by the court after the bank closes and collected by the receiver, along with depositors claims according to their proportionate share in the assessment if the depositors claims have not been paid in full. However, if the depositors claims have been paid in full then the assessment is distributed among the general creditors, and if they are paid in full, the balance is distributed among the stockholders according to their proportionate claims.

I believe the foregoing explanation will enable Mr. Riddle to classify the Iowa reports as all he needs to do is to change the words "Secured claims" to "Depositors claims", as our records do not contain the information regarding secured claims. However, if Mr. Riddle wants the amount of Postal savings deposits for Iowa, the Postal Savings Department of Washington D. C. could supply him with this information.

Regarding Section 7 of the schedules concerning reopened banks or reorganized banks, wish to say that wherever the schedules show that a certain percent of the depositors claims were assumed by a new bank, and the balance trustee, this means that the percentage assumed by the new bank is available to the depositors at once, and the percent trustee will be paid to the depositors as the assets that are trustee are liquidated.

Trusting this gives you the desired information, we wish to remain

CRC:LA

Yours very truly,

Legal Clerk
DEPARTMENT OF BANKING

7. Has this bank been reopened? _____ If so give:

Date of reopening _____

Name under which reopened _____

Loss to depositors on:

Amount of loss

Per cent of loss
to claims

Depositors claims \$ _____

Preferred claims _____

General claims _____

Total _____

O R

7. Has this bank been reopened? _____ If so give:

Date of reopening _____

Name under which reopened _____

Loss to depositors on:

Amount of loss

Per cent of loss
to claims

Secured claims \$ _____

Depositors claims _____

Preferred claims _____

General claims _____

Total _____

421.11(7)

June 11, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

Your letter of June 8th requesting 4,000 additional copies of the "Analysis of Bank Earnings" form has been received. We are enclosing herewith 500 copies of this form for your immediate use, which is all that we have on hand at the present time. However, we are having an additional supply printed and shall forward you the remaining 3,500 within a few days.

Very truly yours,

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

Enc.

CAH

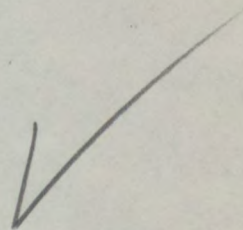
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421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
Nine
19 31



Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

With reference to your letter of June 5 to
Mr. Stevens, in acknowledgment of the B forms, he sug-
gests that I write you to the effect that there have
been no private banks in Wisconsin since about 1903.

Very truly yours,

H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Mr. Powell
St. Louis

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.

159gmr

Chicago 1240p June 9

Goldenweiser

Washn

Your telegram / this date number two first national bank cherokee
iowa number seven plymouth exchange bank plymouth wisconsin

McDougal

1252p

421.11(7)
6/9/31
RECEIVED
JUN -9 1931
DIVISION OF RESEARCH
AND STATISTICS

TELEGRAM
FEDERAL RESERVE BOARD
LEASED WIRE SERVICE
WASHINGTON

2-9454 GPO

421.11(2)

June 9, 1931

McDougal, Chicago

Please wire names of second and seventh failed banks whose
case histories were included with your letter of February 16th. ?

GOLDENWEISER

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
Eight
19 31

Mr. Blather

Federal Reserve Board
Washington, D. C.

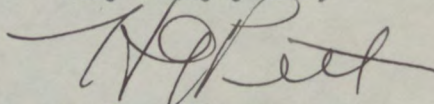
Attention : Mr. J. H. Riddle, Secretary
Committee on Branch, Group,
and Chain Banking.

Dear Mr. Riddle:

We are proceeding at once in the preparation of Tables I-e, II-e, and V-e, for Iowa state banks for the years 1924 to 1930, inclusive. Mr. Warner of the Iowa Bankers Association, through whom we receive the state bank data from the State Banking Department, assures me that it will be a matter of only two or three weeks before the 1930 material is available to us, so that I anticipate no delay on that year.

Our supply of forms "Analysis of Bank Earnings" is exhausted, and before we complete the Iowa state bank compilation we shall need approximately 4,000 of these. Consequently, I shall appreciate very much your sending me as many as you can immediately, and at your convenience, within a month or so, supplying us with the balance of the 4,000 mentioned above.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
Eight
19 31

Mr. Garlock

✓

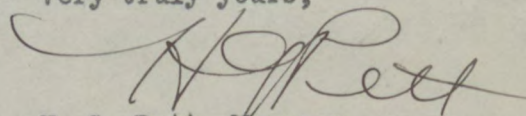
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

This is to acknowledge your letter of June 5 indicating your need for still further information as to the nature of the material reported on the Iowa suspension forms in Sections 7, 8, 9, and 10. I am taking the matter up again with Mr. Colton and, if necessary, I will make a trip out to Des Moines in an attempt to clarify the situation so that their forms may be of some use to the Committee. I am very sorry that thus far the Iowa State Banking Department has been unable to make themselves clear on these points.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

June 5, 1931

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

Dear Mr. Stevens:

Receipt is acknowledged of your letter of June 3rd enclosing the B Forms which classify the number of active state and private banks in each state in your district on June 30, 1920, 1925 and 1930.

Since you did not enclose Forms B-5, B-6, and B-9 for Wisconsin, we assume there are no private banks in that state.

Very truly yours,

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

R.H

421.11 (7)

June 5, 1931

Mr. H. G. Pett, Manager
Division of Research & Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

Your letter of May 29th relative to the types of claims reported on the Iowa suspension schedules as secured, preferred and general was duly received. The quotations from Mr. Colton's letter on this subject are practically meaningless to us and we should like, if possible, to get a more satisfactory explanation.

According to our original instructions for filling out the schedules, information on deposit claims only was requested in sections 7, 8, 9 and 10 of the schedule. If the Iowa Banking Department has not adhered to these directions in supplying the data on Iowa suspensions, we should like to know what the other claims are.

Mr. Colton, for example, states that secured claims represent "all classes of deposits," that preferred claims represent "claims which have been approved by the court and ordered paid in full at once," while general claims represent "liabilities which can not be classified as a deposit liability or approved as a preferred claim." Are we to understand from this explanation that the amounts reported as preferred and general claims are not deposits at all but other types of liability? If so, exactly what do they represent and what is the basis of distinguishing them from one another? What are the requirements of the court for establishing a preferred claim?

We should like to know, moreover, why the great majority of claims are reported as secured. Certainly the bulk of individual deposits in Iowa banks, both demand and time deposits, are not secured in the sense that specific collateral or bond is pledged against them. What is there about them that warrants classifying them as secured claims?

The general plan of classification which has been followed in reporting claims on the Iowa schedules appears quite unusual and not at all similar to that followed in other states. The usual classification which we have found in the majority of states is as follows:

ans 6-8-31

Mr. H. G. Pett, #2

June 5, 1931

Secured claims--deposits of the United States, the state, and in some cases deposits of political subdivisions of the state, all of which are secured by the deposit of specific collateral or bond.

Preferred claims--trust funds, unpaid drafts, etc.

General claims--all individual deposits such as are made as a matter of routine and custom in the ordinary affairs of a bank and its clientele. This class composes the greater part of all deposits.

I trust we have made clear the difficulties which the Iowa schedules present. We are unable to understand from Mr. Colton's explanation what the different types of claims represent or why they were classified in the manner reported on the schedules. In consequence, we are unable to draw intelligent comparisons with other states or to summarize the data for geographic areas. Anything you can do to clarify these matters will be greatly appreciated.

In connection with a number of the reopened banks in Iowa, it is reported in section 7 of the schedules that say 75% of depositors' claims were assumed by the new bank and 25% by trustees. Does this mean that in such cases depositors sustained no loss, or are we to understand that, as in other states, a certain proportion of the old bank's assets were trustee'd, the depositors to realize whatever the assets pay out?

Very truly yours,

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

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
Third
19 31

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

I am enclosing the data asked for by the Committee on the number of active state and private banks in each state in this district as of June 30, 1920, 1925, and 1930.

As I believe Mr. Pett intimated to you when you were here some time ago, considerable difficulty has been encountered in procuring reliable figures on which to base this study. In the case of Iowa state banks, total loans and investments in 1920, as shown by our tabulation, are about 6 per cent less than those given in the state abstract. Iowa did not publish any individual bank data prior to 1921, so that for 1920 we were under the necessity of using Rand McNally Blue Book figures, which check rather closely with state bank reports for individual banks in 1921 after making some minor adjustments. The Iowa abstract for 1921 shows a decline from 1920 by approximately the amount of our discrepancy.

In the case of Indiana private banks, our total loans and investments is considerably higher than that shown in the state abstract, a difference amounting to about 3 per cent in 1920, $4\frac{1}{2}$ per cent in 1925, and $9\frac{1}{2}$ per cent in 1930. We had to rely principally upon Rand McNally Blue Book figures, inasmuch as state reports give individual bank data only for total resources. Prior to 1926, the Indiana state abstracts showed that private banks had practically no trust functions, but in 1930, investments for trusts had increased to one and one-half million dollars. It is quite possible that the Blue Book may have included trust funds in total loans and investments throughout the entire period, and that the gain in this type of investment may account for the greater discrepancy in 1930. However, a careful re-check of the basic data has failed to disclose the particular banks or group of banks which may have included trust functions in their reports. Past experience has shown us that the state abstracts

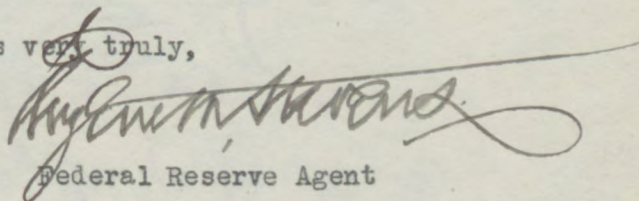
B5, B6, B9
missing for
Wisconsin

for Indiana cannot be relied upon, this being particularly noticeable in 1930.

Subject to limitations put upon us by inadequacy of trustworthy basic figures, we feel that these compilations will indicate to the Committee the trend in the various groups. Many times we found the individual reports as carried in the state banking departments' publications widely different from Rand McNally's, and it was difficult in many cases to reconcile.

A list of private banks for which we have been able to procure figures is attached to the tables of the several states where these have been or are in existence in the period covered by this study.

Yours very truly,



Federal Reserve Agent

HGP:FB

Encl.

421.11(7)

June 3, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

With reference to your letter of June 1st, we should be glad if you would let us have Iowa state figures on the earnings project for the years 1924-1929 as soon as you can. Figures for the year 1930 could be allowed to work themselves out and come along when they are ready. Please note that we are asking at this time only for Tables I-e, II-e, and V-e.

Very truly yours,

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

B
H

421.11(7)

June 2, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We have not yet received for the states in your district the information requested on the B forms submitted with Dr. Goldenweiser's letters of November 12, and November 22, 1930. This includes the classification of active state and private banks according to size of loans and investments, size of capital stock, and size of towns.

We have now reached a stage in the analysis of our material where we need this data, and we shall greatly appreciate it if you can find some way to expedite its collection.

Very truly yours,

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

R
H

421 11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
First
19 31

Mr. Blather

Federal Reserve Board
Washington, D. C.

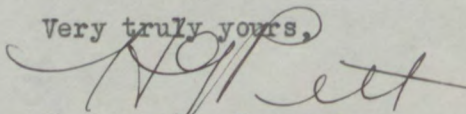
Attention : Mr. J. H. Riddle, Secretary
Committee on Branch, Group, and
Chain Banking.

Dear Mr. Riddle:

This is to acknowledge your letter of May 28, suggesting that we put together earnings and expense figures for the state banks of Iowa for the years 1924-1930 on a basis comparable to the earnings study covering all national banks which we recently completed for the Committee.

Before proceeding with the study, as you suggest, I wish to say that owing to extreme pressure both in our own department and in the Iowa State Banking Department, the 1930 figures on Iowa banks have not yet been recorded. Normally this is done early in the spring, so that we can prepare for the Iowa Bankers Association a compilation for distribution to their membership at the time of their convention early in June. This has been impossible this year, however. I am taking steps immediately to have the 1930 data made available to us, but it will probably take Mr. Andrew several weeks to do it, and with vacations in our own department, it will probably be at least the first of September before we could send the figures to you. If this is not too late for the Committee's use, we shall be very glad to proceed immediately with the earlier years, with the expectation that the 1930 material will reach us within a reasonable time. Will you kindly let me hear from you on the desirability of proceeding on this basis? It may be that we can squeeze it through earlier but I seriously doubt it, and if there should be any hitch on Mr. Andrew's part, it might take longer.

Very truly yours,



H. G. Pett, Manager

Division of Research and Statistics

HGP:FB

421.11 (7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

June
First
19 31

✓

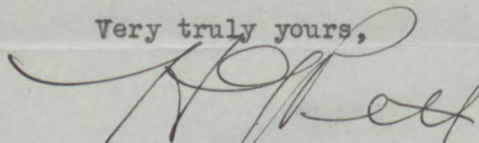
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

This is to acknowledge your letter of May 29.
I am taking up with Mr. Beck, through Mr. Colton of the
Iowa State Banking Department, the question raised on the
Randall State Bank, and also asking them, if possible, to
give explanations relative to the differences in percent-
ages as reported on the schedules of the banks listed and
those obtained by dividing payments by claims.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11 (7)

May 29, 1931

Mr. H. G. Pett, Manager
Division of Research & Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We acknowledge with thanks your letter of May 25th enclosing revised schedules on ten Iowa banks concerning which we made inquiry as to the percentages of payments to claims shown on the original reports.

With respect to Mr. Beck's comments on the Randall Savings Bank, it is our understanding that the amount of \$109,175.67 shown as payments includes a certain amount of offsets and that when this amount is deducted the percentage figures out correctly at 88% rather than 94% which is obtained by actual division of the payments by claims as originally reported. However, if this is true, it would appear that payments should be reduced and offsets increased by a corresponding amount. The revised schedule which we received does not make this change. Have we misunderstood Mr. Beck's explanation or was it impossible to segregate the amount of claims which were "eliminated by trade"? The same points apply in the case of the Citizens Savings Bank of Quimby, Iowa.

In our original correspondence with you relative to the difference in percentages as reported on some of the schedules and those obtained by dividing payments by claims, we indicated that there were a good many cases of this kind. In reply you asked us to send the names of two or three banks of which this was true so that you could obtain an explanation of the discrepancies. The ten banks listed in our letter of May 5th did not include those given below:

		Closed
Farmers Savings Bank	Odebolt	1-19-27
Magnolia Savings Bank	Magnolia	3- 1-24
Farmers Savings Bank	Bagley	6- 4-26
De Soto Savings Bank	De Soto	6- 4-26
Eddyville Savings Bank	Eddyville	2-27-25
Farmers Savings Bank	Hamburg	12-20-24
State Savings Bank	Kleene	6-29-25
Farmers Savings Bank	Langdon	11-15-26
Floris Savings Bank	Floris	6- 3-30
Winnebago County State Bank	Forest City	1-30-28

Mr. H. G. Pett, #2

May 29, 1931

Citizens Savings Bank
Peoples State Bank
Exchange State Bank

Harper
Humbolt
Walker

Closed
4-26-30
6-26-26
10- 4-27

We should appreciate having similar explanations on this additional list of banks.

Very truly yours,

RHG:
rf

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

421.11 (7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Twenty-nine
1931

*Miss Weston
Mr. Garlock*

Federal Reserve Board
Washington, D. C.

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

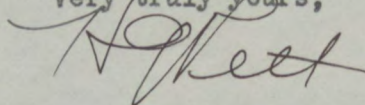
Dear Mr. Riddle:

Quoted below is the information regarding the character of the data reported on the Iowa bank suspension schedules, Section 10, received this morning from Mr. C. R. Colton, Legal Clerk, Iowa State Department of Banking:

"We wish to advise that the amount shown opposite secured claims represents all classes of deposits, and the amount opposite preferred claims represents claims that have been approved by the Court and ordered paid in full at once.

"The amount shown opposite general claims represents liabilities which cannot be classified as a deposit liability or approved as a preferred claim, and these claims participate along with other deposit claims in the one-hundred per cent assessment ordered upon the stockholders as collected by the receiver."

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

ans 6-5-31

Postal savings

421.11(7)

May 28, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In your letter of August 13, 1930, you were good enough to indicate your willingness to put together earnings and expense figures for the state banks of Iowa for the years 1924-1930 on a basis comparable to the earnings study covering all national banks from 1926-1930, which has now been completed by you.

In case your figures for Iowa state banks are such that you could make up for us Tables I-e, II-e, and V-e for each of the years 1924-1930, we should be glad to have you do so.

Very truly yours,

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

B
H

421.11(7)

May 26, 1931

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

Dear Mr. Stevens:

Receipt is acknowledged of your letter of May 22nd enclosing the following tables: Tables IV-e and V-e showing mean deviations from the district averages in the ratios for the year 1930; Tables IV-e and V-e showing typical and total ratios for the five states of the district in the year 1930; revised Tables IV-e and V-e for Indiana and Iowa for the year 1930 and Table V-e for Illinois.

Very truly yours,

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

CAH.

421.11(7)

May 26, 1931

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

Dear Mr. Stevens:

Receipt is acknowledged of your letter of
May 20th enclosing the eleven schedules on failed
banks which were forwarded to you by Mr. Bruce Town-
send, Director of Receiverships of the Iowa State
Banking Department. As you suggest, I shall write to
Mr. Townsend directly and acknowledge receipt of these
schedules.

Very truly yours,

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

R
H

421.11(7)

May 26, 1931

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

Dear Mr. Stevens:

We acknowledge with thanks the receipt of
your letter of May 22nd with the enclosed report on
the competition encountered by Seventh district banks
from non-banking types of financial institutions.

Very truly yours,

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

K
H

4/21, 11 (7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Twenty-five
1931

Mr. Garlock
Federal Reserve Board
Washington, D. C.

RECEIVED
MAY 27 1931
DIVISION OF RESEARCH
AND STATISTICS

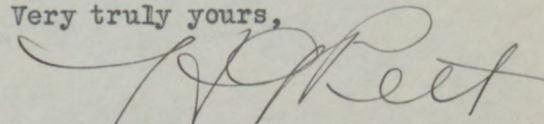
Attention : Mr. J. H. Riddle, Secretary
Committee on Branch, Group,
and Chain Banking.

Dear Mr. Riddle:

I am handing you copies of a letter received today from Mr. C. R. Colton, Legal Clerk, Iowa State Department of Banking, and a memorandum to him from Mr. Beck, Assistant Director of Receiverships, relating to schedules of several failed banks which we returned to them for explanation of the differences in the percentages as figured from the amount shown under Sections 9 and 10. We are returning these to you with Mr. Colton's revisions.

I have asked Mr. Colton to supply additional information as to what is represented by the amounts reported as secured, preferred, and general claims, respectively, under Section 10 on banks completely liquidated. He did not reply to this in his letter of May 23 and I am making another attempt to get the information from him. As soon as it is received I will forward it to you.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

ans 5-29-31

MEMORANDUM

May 22, 1931

TO MR. COLTON:

Herewith I hand you the various reports on bank suspensions which you left with me a few days ago.

On the Mid West State Bank of Sioux City, Iowa, reported we find that an error was made in the percentage reported as paid on deposit claims, which is listed at $34\frac{1}{2}\%$. The correct amount as shown by our books is 41%.

The report of the Randall Savings Bank is correct showing payment of 88% to deposit claims. This percentage will not work out with the amount of claims as shown in the amount of \$116,457.70 as after the payment of the first dividend in this receivership we eliminated a large number of claims by trade which reduced the deposit claim liability in a substantial amount. The amount of \$109,175.67 shown as payments on deposit claims includes the amount paid on claims later cancelled and this is the reason for the percentage not figuring out on the claim liability as reported.

The same is true on the State Bank of Neola, Neola, Iowa.

On the Farmers Trust & Savings Bank, Castana, Iowa, the report is in error as he checked up on the wrong bank. The liabilities of this bank have not been fully determined by the court and nothing has been paid to creditors.

In the Washington report an error was made on the deposit claims and same was shown as 83% while the correct amount or percentage was 63%.

In the Mitchell County Savings Bank, Osage, Iowa the percentage paid to depositors was reported as 91%. This item should be 95.6% as an error was made in picking up this amount on the records.

On the Anthon State Bank 40% was shown as the percentage paid to deposit claims. This percentage was reported in error as 30% has been paid to depositors up to the time this report was made.

On the Conesville Savings Bank report there appears to be an error in the amount of deposit claims on which dividends were paid and transposition of the figures of Preferred and General Claims. This report has been corrected as shown and will work out with the figures and percentage given.

Paul R. Beck.

State of Iowa
Department of Banking

L. A. ANDREW
SUPERINTENDENT
W. O. REED
DEPUTY SUPERINTENDENT

Des Moines

May 23, 1931

Mr. H. G. Pett, Mgr.
Division of Research & Statistics,
Federal Reserve Bank of Chicago,
Chicago, Illinois

Dear Mr. Pett:-

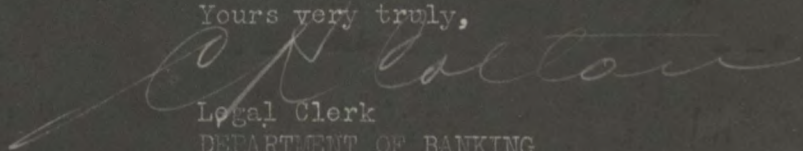
As requested in your letter of May 7th, Mr. Beck, Assistant Director of Receiverships has checked the analysis cards for the banks listed in your letter.

I am enclosing his memorandum as of May 22nd, and I believe it will be self explanatory.

His explanation regarding the Randall Savings Bank will apply to the Citizens Savings Bank of Quincy, Iowa, and thus account for the differences in computing the percentage from the figures shown in the schedules.

We are very sorry that we have been delayed in furnishing these corrected reports, but our work has been very heavy the past month.

Yours very truly,


Legal Clerk
DEPARTMENT OF BANKING

CRC:LA

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Twenty-two
1931

Mr. Blather

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

I am enclosing the final portions of this bank's contribution to the Committee's study of earnings and expenses of national banks in this district, 1926 to 1930, inclusive. This material includes:

Tables IV-e and V-e, showing mean deviations from the district averages in the ratios for the year 1930

Tables IV-e and V-e, showing typical and total ratios for the five states of the district in the year 1930.

I am also sending you revised Tables IV-e and V-e for Indiana and Iowa for the year 1930, and Table IV-e for Illinois, slight changes having been found necessary after the first set of these was forwarded to you a short time ago.

Very truly yours,

Hyman M. Sullivan
Federal Reserve Agent

HGP:FB

Encl.

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Twenty-two
1931

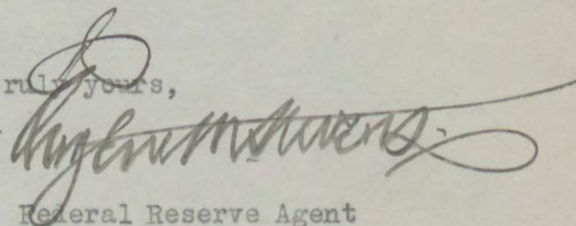
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

I am enclosing a report on the
competition encountered by Seventh district banks from
non-banking types of financial institutions, requested
in your letter of March 26.

Very truly yours,



Federal Reserve Agent

HGP:FB

Encl.

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Twenty
19 31

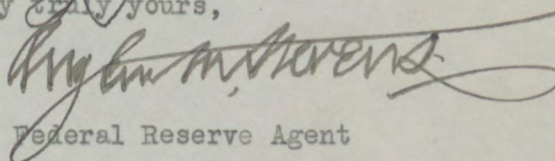
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

2. I received this morning from Mr. Bruce Townsend, Director of Receiverships of the Iowa State Department of Banking, eleven schedules filled out as a result of your conference with him. In accordance with your letter to me of April 4, I am forwarding these to you. I assume that you will wish to acknowledge them to Mr. Townsend and I, therefore, have not done so.

Very truly yours,


Federal Reserve Agent

HGP:FB

Encl.

421,11 (7)
May 18, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We acknowledge with thanks your two letters of May 12th and 13th respectively relative to the suspension schedules from Illinois and Wisconsin which arrived under separate cover. We have also received your letter of May 16th enclosing seven supplementary schedules from Wisconsin. The schedules from both states have been checked and found to agree with the suspension records of the Division of Bank Operations.

In their present form the Illinois schedules are much more satisfactory than before revision and we trust you will express our appreciation to State Auditor Nelson for his service in providing us with this additional information.

Very truly yours,

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

421.11(6)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Eighteen
1931

RECEIVED
MAY 20 1931
DIVISION OF RESEARCH
AND STATISTICS

Mr. Garlock

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

In further connection with the Committee's desire for information relating to the statutory priority of lien and on the various kinds of deposits reported as secured, preferred, and general claims under Sections 7, 8, 9, and 10 of the suspension schedules, we hand you the following facts concerning Michigan and Indiana. Corresponding information for Wisconsin and Illinois has already gone forward to you:

Indiana:

"A law recently passed by the State Legislature gives cashiers' checks, drafts or other negotiable instruments representing clearings preferred standing in the settlement of insolvent banks.

"Secured deposits are those which have been specially segregated and set apart and collateral deposited or agreement made with the depositors to insure the payment of the same. Other preferred deposits are not well defined by Indiana law, but courts have held in certain instances that where the deposits were made for specific purposes or used or to be used only for said purposes that it might have preferred standing. General deposits are such as are made as a matter of routine and custom in the ordinary affairs of the bank and its clientele."

The above is quoted directly from the reply to our inquiry by Deputy Commissioner T. D. Barr. Inasmuch as it is our understanding that the "law recently passed" referred to in Mr. Barr's communication was enacted by the 1931 legislature, this preferred standing of cashiers' checks, etc., did not obtain during the period for which forms were filled out.

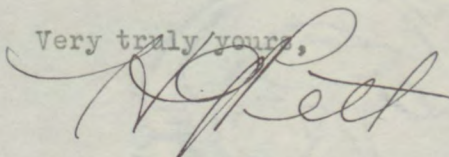
Michigan:

Mr. Reichert states that all deposits fall in the category of general claims and these were the only class reported on the Michigan forms. Mr. Reichert did not include in the schedules any borrowings of the closed banks, which, according to Mr. Reichert, are preferred claims. Should the Committee wish this additional information, Mr. Reichert will be very glad to submit it. "It was our idea," he states, "when compiling this information, that it was particularly desired from the deposit standpoint."

We shall be glad to do anything further respecting the Michigan schedules which the Committee may wish.

I asked the Iowa State Banking Department for the information on this subject requested in your letter to of May 5, as well as for further data on schedules for ten banks in which the percentages of payments to claims shown did not agree with those obtained by actual division of the amounts reported. Upon hearing from that Department, I shall forward the material to you.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Sixteen
1931

Mr. Blather

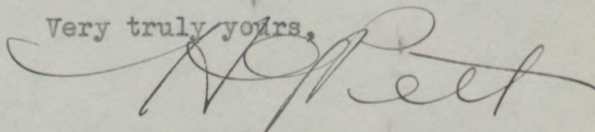
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

According to our records we forwarded to you revised tables for 1929, referred to in your letter of May 14. I am very glad, however, to enclose a duplicate set of these revisions. I am very sorry if inadvertently these were omitted from our previous letter or have been lost, but we do know that we made the revisions for the purpose of advising you thereof.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

421, 11 (7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Sixteen
1931

Mr. Zarbock

Federal Reserve Board
Washington, D. C.

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

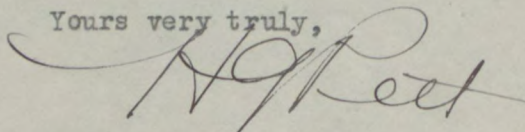
Dear Mr. Riddle:

We are enclosing schedules for the following bank
suspensions in Wisconsin since 1921:

<u>City</u>	<u>Name of Bank</u>	<u>Date Closed</u>
Lancaster	Peoples State Bank	6- 2-23
Loyal	Loyal State Bank	11-12-23
Danbury	Danbury State Bank	9- 9-25
Dodgeville	City and Farmers Bank	11-11-27
Fond du Lac	Cole Savings Bank	6-21-29
Black Hawk	Black Hawk State Bank	12-30-29
" "	" " " "	2- 8-30

These cover the banks referred to in our letter of
May 12, and according to our records complete the schedules for
Wisconsin suspensions. You will note that we have included a
schedule for the City and Farmers Bank, Dodgeville, which we are
informed by the State Banking Commissioner suspended following
the suicide of the cashier, and so should not be classified as a
liquidation.

Yours very truly,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

May 14, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We have received revised earnings tables for *See 5-12-31-4*
Iowa and Illinois in the case of years prior to 1929. *5-13-31*

However, you have subsequently sent in tables for 1929 for your district and in connection with these we find discrepancies in the case of Indiana and Michigan in that year as between Tables I-e, II-e, and IV-e, and I-e and V-e. Will you be good enough to see whether these can be made to reconcile?

Very truly yours,

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

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Thirteen
1931

Mr. Garlock.

Federal Reserve Board
Washington, D. C.

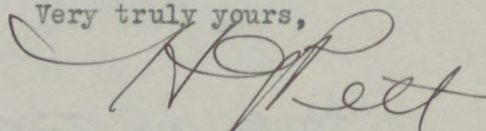
Attention : Mr. J. H. Riddle, Secretary, Committee on
Branch, Group, and Chain Banking.

Dear Mr. Riddle:

At Mr. Stevens' request I have forwarded to you, by express, the schedules of suspended banks in the state of Illinois since January 1921. These include those previously returned by you for amplification on the part of the Illinois State Banking Department, as well/as those for the second half of 1930.

With respect to the matter of statutory priority of lien of the various types of deposits in state banks, State Auditor Nelson informs us that the Supreme Court of the State of Illinois has ruled on only one class of claims as having priority, namely, those deposited by the collector and undistributed to political subdivisions. In some cases, however, Mr. Nelson states that courts have allowed priority claims due to specific conditions, but these are not generally priority types. With reference to the type or types of deposits reported on these schedules, Mr. Nelson states that no distinction has been made in this regard, inasmuch as the State Banking Department admits no preference of claims until established through court order.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

ans 5-18-31

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Twelve
19 31

Wisconsin checked OK
with Board records
with the additions
below. Committee has
2 suspensions not
shown by Board.

Mr. Garlock

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

At Mr. Stevens' request, I am forwarding you by express the schedules covering suspended banks in the state of Wisconsin since January 1921. We are holding the forms for the Loyal State Bank, Loyal, closed November 12, 1923, and for the Cole Savings Bank, Fond du Lac, closed June 21, 1929, for verification of dates, which differ somewhat from our records. We are asking Mr. Schwenker for forms covering: the suspension of the Peoples State Bank, Lancaster, on June 4, 1923; the first closing of the Danbury State Bank, Danbury, on November 9, 1925; and for two separate schedules on the two closings of the Black Hawk State Bank, Black Hawk, on November 30, 1929 and February 10, 1930, respectively, only one form having been sent for both of them. The Banking Department sent us a schedule for the City and Farmers Bank, Dodgeville, which our records show voluntarily liquidated on November 11, 1927, and we are questioning this change before forwarding the form to you. With these exceptions, we believe the schedules being sent you are complete.

With respect to the figures reported as secured, preferred, and general claims under Sections 7, 8, 9, and 10, Mr. Schwenker states that Wisconsin has no specific priority in liens of deposits, except the postal funds and United States government deposits, and that at the 1927 session of the Legislature, all outstanding drafts were made preferred claims. Under the classification reported by them, the deposits reported as secured were the government deposits, those preferred were post-office deposits, and the balance, general claims. However, it would be a little difficult to ascertain from their reports just how much of the claims scheduled under these heads were actually deposits, because their report has been made to show claims instead of deposits, the secured claims being government deposits, etc., and the repayment of bills payable. The preferred claims are those represented by drafts in transit, and such as might

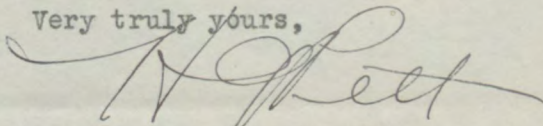
Wisconsin
Priority
of
deposit

ans May 18-31

be preferred by court order, by reason of agency or trust; and the balance of the claims are all general.

We shall forward the forms listed in our first paragraph at the earliest opportunity.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11 (7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Eleven
19 31

Mr. Garlock

Federal Reserve Board
Washington, D. C.

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

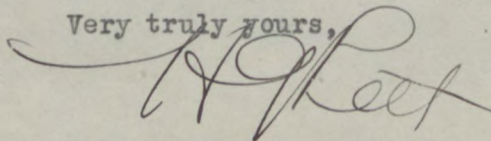
Dear Mr. Riddle:

This is to acknowledge your letter of May 9, making inquiry about the suspension schedules for Illinois and Wisconsin. The forms from both these states were received by us late last week, as no doubt you know ere this with respect to Wisconsin, from correspondence I have had with Mr. Goldenweiser, relative to reimbursement for check sent to Mr. Schwenker for the employing of an extra person to complete the job. We are much relieved that these two state departments have finally sent the forms, and we are exerting all possible effort to check the data and to revise our copies of the Illinois schedules through June 30, 1930 in accordance with changes made by the State Auditor's office when the forms were returned to them for amplification.

I assume that your reference to the Iowa schedules in next to the last paragraph of your letter concerns the forms for the list of banks which the Iowa department does not classify as suspensions. I enclose a copy of a letter received last week from Mr. Colton of the State Banking Department of Iowa. I see nothing further for us or you to do in connection with those banks.

It has been a source of chagrin to us that we have been unable to get the Illinois and Wisconsin data earlier for you but, as you well understand, beyond a certain point in urging co-operation we are unable to go in dealing with state banking departments, and at the same time retain their good will.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

FEDERAL RESERVE BANK OF CHICAGO

STATE OF IOWA
DEPARTMENT OF BANKING
DES MOINES

May 5, 1931

Mr. H. G. Pett, Mgr.
Division of Research & Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

Replying to your letter of May 4th, wish to advise the dates concerning the Iowa Trust & Savings Bank of Des Moines, should have been December 6th and 8th respectively.

Relative to the list of banks set forth in your letter, wish to advise the information we would have on hand would be inaccurate, and the only thing we would have would be the statement of condition of the last call, and I believe our letter of April 22nd explains the manner in which these banks suspended business or went out of existence.

Yours very truly,

(Signed)

C. R. Colton

Legal Clerk
DEPARTMENT OF BANKING

CRC:LA

421.117

May 9, 1931

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

Dear Mr. Stevens:

We have your letter of May 6th, as well as Tables I-e, II-e, III-e, IV-e and V-e for the states in your district for the year 1930, which you sent under separate cover. We note that with the exception of the deviations study which you are making for the year 1930 this completes the study of national bank earnings for your district.

Very truly yours,

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

cat.

421.11/71

May 9, 1931

Mr. H. G. Pett, Manager
Division of Research & Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

We have not yet received the suspension schedules for Illinois or Wisconsin. I hesitate to write you about this because I know you have been doing all that is humanly possible to get these schedules. They were promised to you many weeks ago. While in Springfield I talked to Mr. Nicholson and he gave me to understand that they were practically ready to send in. About the same time, if I recall correctly, the Superintendent of Banks in Wisconsin promised you the schedules for his state within a few days. Do you think there is any possible way we can build a fire under these people?

There are some five or six states now, including these two, which are seriously holding up our tabulations and analysis in the suspensions project. The Committee and the Board are a little nervous about the delay in completing some of these projects and if there is any possible way we can expedite them we must do it. We don't want you to do anything, of course, that will irritate these State Departments because we know you must live in harmony with them, but if you think of anything that you can do or we can do to get these schedules, as well as those for Iowa, we will greatly appreciate it.

Would it be proper and would it do any good for me to write directly to Mr. Nicholson?

Very truly yours,

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

JHR:rf

421.11 (7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

May
Six
19 31

✓ L.C.

Mr. Blather

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

I am forwarding by registered mail complete sets of tables for 1930 in connection with the Committee's project relating to the earnings of national banks. With the exception of the deviations study which we are doing for the year 1930 and which will be forwarded to you some time next week, this completes this undertaking.

Very truly yours,

Angela M. Lyons

Federal Reserve Agent

HGP:FB

Encl.

421, 11 (7)

May 5, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In reply to your letter of May 2nd we are submitting below a list of ten Iowa banks for which the percentages of payments to claims shown on the schedules do not agree with those obtained by actual division of the amounts reported.

<u>Name and location of bank</u>	<u>Closed</u>
Citizens Savings Bank, Quimby	10-10-23
Farmers and Merchants State Bank, Washington	4-28-24
Mid West State Bank, Sioux City	11-14-25
Randall Savings Bank, Randall	12-30-26
Mitchell County Savings Bank, Osage	10-5-26
State Bank of Neola, Neola	7-15-27
Anthon State Bank, Anthon	9-12-29
Farmers Savings Bank, Colo	11-4-29
Conesville Savings Bank, Conesville	2-15-29
Farmers Trust and Savings Bank, Castana	9-29-30

There are a good many other cases in which equally great differences occur, but those given will suffice to illustrate the nature and extent of the discrepancies in question.

In connection with your statement that Iowa law recognizes no preference as between different classes of deposits, we should appreciate knowing what is represented by the amounts reported as secured, preferred and general claims respectively in section 10 of the schedules on banks completely liquidated. These schedules show the great majority of claims as secured and only relatively small amounts of preferred and general

Mr. H. G. Pett, #2

May 5, 1931

claims. Do the two latter groups represent deposits and if so what is the basis of distinction in their classification?

Very truly yours,

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

421.11 (7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LASALLE STREET

May
Second
19 31

RECEIVED
MAY -4 1931
DIVISION OF RESEARCH
AND STATISTICS

Mr. Barlock
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

We have taken up with the State Banking Department of Iowa the question raised in the second paragraph of your letter to me dated April 28, and quote verbatim their reply:

"Regarding your question concerning the difference in the percentage as figured from the amount shown under Sections 9 and 10, wish to advise that we are not accurately able to state just what is the cause of this discrepancy. However, if you will submit to us two or three copies in which there is a large variation, we will be glad to work this out. I am inclined to believe that the percentage as shown under Section 9 is correct as this difference might possibly be accounted for in the fact that under Section 10, collections from assets do not include the amount of cash on hand at the time of closing. However, if you care to submit us the figures of two or three of the reports, we will be glad to verify this and advise you."

If you will indicate to us the cases of two or three banks of this kind, we shall follow Mr. Colton's suggestion that we submit such to him for verification and possible further explanation. We, of course, have our own copies of these reports, so that it would not be necessary for you to send us yours.

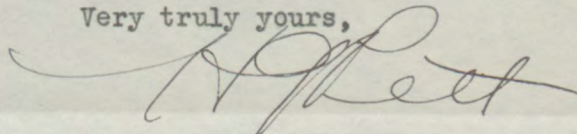
I believe the points raised in the first paragraph of your letter, regarding certain individual banks, were covered by our communication to you dated April 27, which apparently crossed your letter in the mail.

I am sorry that the information requested in your letter of December 12 does not appear ever to have been transmitted to you. So far as Iowa is concerned, the laws of that state make no distinction in

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the different classes of deposits, in so far as preferring one type ahead of the other. However, deposits are given a preference over and above general creditors. The general creditors and all depositors participate equally, according to their pro-rated share of the proceeds collected from the assessment upon the capital stock that is collected by the receiver. Information on these points for the other states in this district I will forward to you early next week.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

May 1, 1931

Mr. H. G. Pett, Manager
Division of Research & Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

Your letter of April 27 enclosing thirteen supplementary schedules on Iowa banks was duly received.

It is our opinion, judging from the information reported on the schedules, that the Central Trust Company of Des Moines and the Webster City Savings Bank of Webster City should be classified as suspensions. Relative to the Iowa Trust & Savings Bank of Des Moines, Mr. Colton's letter states that this bank closed and was placed in receivership December 8, 1930 and that "the Clearing House Association and interested parties completed arrangements by which the depositors were paid in full upon the succeeding business day which was Monday, December 10."

The Committee has followed the practice of arbitrarily excluding from its suspension statistics all cases in which a suspended bank resumes operations on the next business day either through reorganization or by being taken over by another bank. In this particular case, however, Mr. Colton is incorrect in reporting December 8 to have fallen on Saturday. We suspect that the dates in question should have been reported as December 6 and December 8 respectively and in such case we should not consider this bank as a suspension.

With respect to all the other banks enumerated in Mr. Colton's letter, it is our opinion that they qualify as suspensions within the terms of the Committee's definition. The fact that many of these banks reopened within a few days after closing, that they paid depositors in full and that no receivers were appointed is not sufficient to exclude them as suspensions according to our standards. We should therefore appreciate having any additional information on these banks which the Iowa Banking Department can conveniently supply. It would be particularly helpful if the

Mr. H. G. Pett, #2

May 1, 1931

Banking Department will report on the Committee's forms the causes of suspension in each case and the last available statement of condition prior to closing. If, however, you consider it inadvisable to burden the Banking Department with further requests, we shall try to get along with such information as has already been reported.

Very truly yours,

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

RHG:
rf

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

April
Twenty-eight
1931

RECEIVED
APR 29 1931
DIVISION OF RESEARCH
AND STATISTICS.

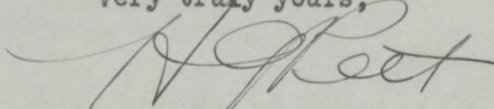
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

In Mr. Stevens' absence and at his request,
I am sending you revised Tables I-e, II-e, and III-e for
Illinois, Indiana, and Iowa, for the years requested in
your letter of April 25 to Mr. Stevens. We regret that
we failed to do this when the later tables were compiled.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Encl.

421.11 (7)

April 28, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

27th?

The schedules which you sent to us covering state bank suspensions in Iowa have been checked against the records compiled on this subject by the Division of Bank Operations. Taking into account the banks listed in your letter of April 25th for which supplementary information is being requested, and those enumerated on separate sheets for which no schedules were received, the suspension records of the Division of Bank Operations agree with the schedules submitted, except in the following cases. The Webster City Savings Bank, Webster City, the Central Trust Company and the Iowa Trust and Savings Bank of Des Moines are not shown as suspensions by the Division of Bank Operations. Since your suspension files at the Reserve bank do not include these cases either, we should appreciate having the records on these banks investigated before they are accepted as suspensions. Moreover, the schedule on the Farmers Savings Bank of Manly shows it to have closed on 12-23-25, whereas according to the records of the Division, the date of suspension was 5-11-26.

With respect to quite a number of the banks in process of liquidation or completely liquidated, we find that the per cent of payments to claims shown in sections 9 or 10 of the schedules cannot be derived by dividing the amount of payments made by the claims allowed. The percentages thus derived occasionally vary as much as 10% to 20% from those given on the schedule, while variances of 3% to 5% are of quite frequent occurrence. We should appreciate having some explanation of this situation and your opinion as to whether it is more desirable to accept the percentages reported or to calculate new percentages on the basis of the amounts of claims and payments shown.

We trust that the information requested in our letter of December 12th regarding the statutory priority of deposits and the types of claims reported on the schedules as secured, preferred and general will soon be available so far as it applies to bank suspensions in Iowa.

Very truly yours,

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

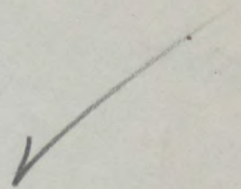
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421. 11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

April
Twenty-seven
1931



Federal Reserve Board
Washington, D.C.

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

Dear Mr. Riddle:

Thank you for your letter of April 23
with the enclosure of the Survey of Banking Competition
report prepared by the Cleveland Federal Reserve Bank,
which we have found of much interest. We assume it is
your desire that we return this report as soon as we
have finished with it, and this we shall be glad to do
later on.

Very truly yours,

H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

April 27, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

Receipt is acknowledged of your letter of April 23rd enclosing tables IV-e and V-e for the five states in your district for the year 1929. We note that you expect to forward to us shortly the remaining portions of the project.

Very truly yours,

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

CAM

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

April
Twenty-seven
1931

Mr. Garlock

Federal Reserve Board
Washington, D. C.

RECEIVED
APR 29 1931
DIVISION OF RESEARCH
AND STATISTICS.

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

Dear Mr. Riddle:

We are sending you herewith thirteen schedules covering bank suspensions in Iowa since 1921 regarding which we had questioned the Iowa Department of Banking, and are enclosing photostatic copy of a letter received from them answering our questions and giving explanations as to the banks for which we had received no schedules.

The Webster City Savings Bank, Webster City, and the Central Trust Company, Des Moines, had been considered by us as liquidations, and the Iowa Trust and Savings Bank, Des Moines, as a consolidation, but we are forwarding you the schedules as sent us, and shall appreciate your advice as to whether we should consider them as suspensions. Also, we believe that the Farmers Savings Bank, Barnes City, should be considered as having been taken over rather than reorganized and have changed the schedule accordingly. With regard to those banks for which schedules are missing, we presume that you will do nothing further about those on which they are unable to furnish the information, but we shall await your advice regarding the others on which they have not given the information for various reasons as indicated in their letter to us.

Yours very truly,

H. G. Pett
H. G. Pett, Manager
Division of Research and Statistics

HGP:EB

ans. 5-1-31

L. A. ANDREW
SUPERINTENDENT
W. O. REED
DEPUTY SUPERINTENDENT

State of Iowa
Department of Banking
Des Moines

April 22, 1931

Mr. H. G. Pett, Mgr.,
Statistical Department,
Federal Reserve Bank of Chicago,
Chicago, Illinois

Dear Mr. Pett:-

Replying to your letter of April 20th, regarding Barnes City, wish to advise that the correct name of this bank is the Farmers Savings Bank which closed October 2nd, 1929, and 40% of the deposits were made payable at once through the Mahaska County State Bank of Oskaloosa, Iowa, and 60% of the deposit liability was trusteeed.

Regarding Webster City, wish to advise that the Webster City Savings Bank liquidated paying their deposit liability in full, but was placed in receivership for the benefit of general creditors August 22, 1924.

Regarding the Central Trust Company of Des Moines, wish to advise this bank was liquidated through receivership and was placed in receivership July 29th, 1926.

Regarding the State Savings Bank of Afton, Iowa, wish to advise that according to our records, this bank closed March 15, 1924.

Regarding Napier Savings Bank, Napier, Iowa, wish to advise this bank closed June 12th, 1924, but the deposit liability was paid in full by the Security Savings Bank of Boone, Iowa, in accordance with a contract dated July 11th, 1924.

Regarding the Nemaha State Bank, wish to advise this bank closed November 21, 1925.

Huntington Savings Bank, Huntington, Iowa, closed January 30, 1926, according to our records.

Low Moor Savings Bank, Low Moor, Iowa, closed January 10th, 1928.

Batavia Savings Bank, Batavia, Iowa, closed February 27th, 1928.

Regarding the Iowa Trust & Savings Bank, Des Moines, Iowa, wish to advise this bank closed and was placed in receiver-

Mr. H. G. Pett.....#2

4/22/31

ship, December 8th, 1930. However, the Clearing House Association and interested parties completed arrangements by which the depositors of this bank were paid in full upon the succeeding business day which was Monday December 10th, 1930.

Regarding the First State Bank, Holstein, Iowa, wish to advise this bank closed January 10th, 1928.

According to our records the Farmers State Bank, Clutier, Iowa, closed July 30th, 1927.

Regarding the list enclosed in your letter of the 20th regarding incompleated reports, wish to advise that we are unable to furnish any additional information on the following:

Union Trust & Savings Bank	Sioux City
Farmers Savings Bank	Ulmer
Farmers Savings Bank	Harper
Rome Savings Bank	Rome
Marathon Savings Bank	Marathon
Citizens State Bank	Onawa
Citizens Savings Bank	Curlew
Swaledale Savings Bank	Swaledale
Harris Savings Bank	Harris
American Savings Bank	Sioux City
State Bank of Oto	Oto

as the receivership of these banks were not handled under the supervision of this Department, as the law appointing the Superintendent of Banking receiver of the state supervised banks when closed, did not go into effect until April 1923.

Regarding the following banks

Kossuth County State Bank	Algona
Farmers Fenton Savings Bank	Fenton
Farmers & Drovers State Bank	Lakota
Farmers Savings Bank	Ruthven
Farmers Savings Bank	Ringsted
Fenton State Bank	Fenton
Farmers State Bank	Whittemore
Cylinder State Bank	Cylinder
Mallard Tr. & Svgs. Bank	Mallard

wish to advise that these banks, at the close of business of the day preceding Thanksgiving in 1926, notified the public that they were suspending business for the purpose of securing a time waiver from their depositors, and these banks opened within a few days immediately following, and the Department has no record as to the statement of their condition as of the close of business November 26th or 27th, nor does the Department have a statement of condition as of the date they resumed business. However, if there was any impairment of capital of these institutions, the Department refused to let them reopen until they had corrected the impairment.

Regarding the Farmers Savings Bank of Spragueville, wish to advise that this bank has never been considered a closed bank by this Department, as they reopened within five days from the date of suspension paying their deposits in full at the time of reopening.

Regarding the Citizens Savings Bank, Anita, Iowa, wish to advise the Department has no information as to its financial statement

Mr. H. G. Pett.....#3

4/22/31

at the time of suspension, and this bank was reorganized as the Citizens State Bank, paying the deposit liability in full. The same is true regarding the Elliott Savings Bank of Elliott, Iowa, and the Farmers State Bank of Lamont, Iowa.

Regarding the Jackson Savings Bank, Maquoketa, wish to advise that this bank has never been considered as a closed bank by this Department as it reopened within a few days paying their deposits in full upon demand.

The Owasa Savings Bank closed February 1922, but the deposit liability was assumed and paid in full through the Citizens Savings Bank of Eldora, and never placed in receivership. Regarding the Massena Savings Bank, this bank was reorganized as the Massena State Bank assuming their deposit liability in full.

The following banks suspended business for a few days but reopened in accordance with the date in your list, paying their deposits in full upon demand:

Swan Savings Bank	Swan
Mondamin Savings Bank	Mondamin
Swisher Savings Bank	Swisher
Farmers Savings Bank	Holy Cross
Rippey Savings Bank	Rippey
First State Bank	Fredericksburg

and these banks have never been considered by this Department as being placed in receivership as no receiver was appointed.

Regarding the Citizens Savings Bank, Decorah, wish to advise this bank closed in 1924, but the Winneshiek County State Bank of Decorah, Iowa, assumed the deposit liability and paid it in full upon demand. The same is true regarding the First Trust & Savings Bank of West Bend, Iowa, and a receiver was never appointed for either one of these two institutions.

Regarding the Louisa County Savings Bank of Columbus Junction, Iowa, wish to advise that this bank closed on June 10th 1927, but the deposit liability was assumed and paid in full by the Louisa County National Bank in accordance with the contract entered into July 8th, 1927.

Regarding the list on which you received no schedules for the first suspensions, wish to advise that we do not have the information on hand in order to complete the form as required. However, there was no loss to the depositors upon the first suspension of the Stockport Savings Bank, Peoples Savings Bank, Bayard, Iowa, Chester Savings Bank of Chester, Iowa, Logan Trust & Savings Bank of Logan, Iowa, Farmers State Bank, Logan, Iowa, Harris Trust & Savings Bank of Harris, and the Malcolm Savings Bank of Malcom, Iowa. It is our understanding that there was no loss to depositors at the first closing of the Ringsted State Bank, Ringsted, Iowa, but there was a deposit waiver taken at the time it closed in 1926, which the depositors have not realized on.

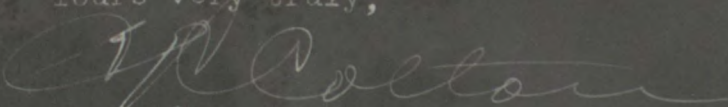
Mr. H. G. Pett.....#4 4/22/31

At the time of the first suspension of the Sherrill Savings Bank, Sherrill, Iowa, there was a 30% waiver taken of depositors claims, but it is our understanding that this waiver was paid in full prior to the final closing in 1931.

We are very sorry that we are unable to complete the bank suspension blanks, ~~and~~ the list enclosed in your letter as the information that we would be able to secure for you would be very meager and incomplete, and would not be accurate by any means as we would have to take the statement of conditions as to the nearest call of the date of suspension for the statement of condition prior to closing, and statement of condition immediately following its opening or reorganization.

Trusting this gives you the desired information, we are

Yours very truly,


Legal Clerk
DEPARTMENT OF BANKING

CRC:LA

P. S. The same explanation applies to the following banks as stated for the second list of the banks on page 2, beginning with Algona and ending with Mallard:

County Savings Bank	Algona
Algona State Bank	Algona
State Bank of Swea City	Swea City ✓
Luverne State Bank	Luverne ✓
Farmers Trust & Savings	Emmetsburg ✓

Regarding the Industrial Savings Bank of Davenport, Iowa, wish to advise that this bank ceased to accept deposits on March 17, 1925, and the deposit liability was liquidated in full through the American Trust Company of Davenport, Iowa ✓

Department of Banking.

421.11 (7)

April 25, 1931

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

Dear Mr. Stevens:

In connection with making combinations for the earnings project with respect to Tables I-e, II-e, IV-e, and V-e, we find that in the cases of particular states the numbers of banks in respective profits groups do not agree when comparing Tables I-e, II-e and IV-e. Also in some cases the numbers of banks in size groups do not agree in comparing Tables I-e and V-e.

With respect to the sheets sent in from your district, we find that Tables I-e, II-e and IV-e do not agree for Illinois in 1926 and 1928 and for Iowa in 1926, 1927 and 1928. Tables I-e and V-e have discrepancies for Illinois in 1926 and 1928 and for Indiana in 1928.

Will you please make a comparison for all the various tables for each state for each year, and send us the necessary revisions to make them reconcile? Inasmuch as Table V, for example, was probably compiled subsequent to Table I, we are in hopes that you may be able to send us revised Table I which will accomplish the reconciliation and that it will be unnecessary to disturb Table V, which represents much the greater volume of work.

Very truly yours,

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

8
F

Office Correspondence

Date April 24, 1931.To Mr. HorbettSubject: State bank suspensions in IowaFrom Caskey

for period 1921-1930.

2-8495

Questionnaires covering state bank suspensions in Iowa for period 1921-1930 have been compared with our records with the following results:

SUSPENSIONS FOR WHICH NO QUESTIONNAIRES WERE RECEIVED

Members	Name and location	Closed	Reopened	Closed again
2 Algona	County Savings Bank	11-26-26	12-3-26	
3 Barnes City	Farmers Savings Bank	10-2-29		
1 Decora	Citizens Savings Bank	1-9-24		
2 Malcom	Malcom Savings Bank	11-19-24	2-2-25	8-12-27
1 Sioux City	Union Trust & Savings Bank	2-16-21		
1 Mondamin	Mondamin Savings Bank	6-8-23	6-12-23	
Nonmembers				
3 Afton	State Savings Bank	3-16-24		
2 Algona	Algona State Bank	11-26-26	12-7-26	10-29-27
1 Algona	✓ Kossuth County State Bank	11-26-26	12-3-26	
1 Anita	✓ Citizens Savings Bank	5-13-21	a/6-23-21	9-29-23
3 Batavia	✓ Batavia Savings Bank	2-27-28		
1 Bayard	✓ Peoples Savings Bank	1-8-23	3-21-23	4-17-26
1 Chester	✓ Chester Savings Bank	7-12-23	1-18-24	9-13-24
3 Clutier	✓ Farmers State Bank	7-30-27		
1 Columbus Junc.	✓ Louisa County Svgs Bank	6-10-27		
1 Curlew	✓ Citizens Savings Bank	9-2-21		
1 Cylinder	✓ Cylinder State Bank	11-27-26	11-30-26	
1 Davenport	✓ Industrial Savings Bank	3-18-25		
1 Elliot	✓ Elliot Savings Bank	6-22-21		
2 Emmetsburg	✓ Farmers Trust & Savings Bank	11-27-26	11-30-26	11-3-27
1 Fenton	✓ Farmers-Fenton Svgs Bank	11-26-26	12-3-26	
1 Fenton	✓ Fenton State Bank	11-27-26	12-3-26	
1 Fredericksburg	✓ First State Bank	5-3-26	5-4-26	
1 Grafton	✓ Farmers Exchange Bank	9-19-21		
1 Harper	✓ Farmers Savings Bank	3-10-21		
1 Harris	✓ Harris Savings Bank	10-25-21		
2 Harris	✓ Harris Trust & Savings Bank	10-22-24	11-6-24	11-28-26
3 Holstein	✓ First State Bank	1-10-28		
1 Holy Cross	✓ Farmers Savings Bank	3-4-25	3-28-25	
3 Huntington	✓ Huntington Savings Bank	2-1-26		
1 Lakota	✓ Farmers & Drovers State Bank	11-26-26	12-2-26	
1 Lamont	✓ Farmers Savings Bank	9-22-21	11-4-21	
2 Logan	✓ Farmers State Bank	11-24-23	3-14-24	6-15-28
1 Logan	✓ Logan Trust & Svgs Bank	11-21-23	12-17-23	
3 Low Moor	✓ Low Moor Savings Bank	1-25-28		
2 Luverne	✓ Luverne State Bank	11-26-26	12-2-26	
1 Mallard	✓ Mallard Trust & Svgs Bank	11-27-26	11-30-26	

<i>Dates</i>	Maquoketa	✓ Jackson State Svgs Bank	10-19-21	10-31-21	
	Marathon	✓ Marathon Savings Bank	4-25-21		
	Massena	✓ Massena Savings Bank	4-1-22	c/5-5-22	
	3 Napier	✓ Napier Savings Bank	7-25-24		
	3 Nemaha	✓ Nemaha State Bank	11-23-25		
	Onawa	✓ Citizens State Bank	4-29-21		
	Oto	✓ State Bank	11-28-21		
	Owassa	✓ Owassa Savings Bank	2-14-22		
	Ringsted	✓ Ringsted State Bank	11-23-23	1-23-24	11-27-26
	Ringsted	✓ Ringsted State Bank	11-27-26	12-2-26	4-9-28
	Ringsted	✓ Ringsted State Bank	4-9-28		
<i>Def in name</i>	Ringsted	✓ Farmers State Bank	11-27-26	11-30-26	
	Rippey	✓ Rippey Savings Bank	2-26-26	3-18-26	
	Rome	✓ Rome Savings Bank	3-23-21		
	Ruthven	✓ Farmers Savings Bank	11-27-26	11-30-26	
	2 Sherrill	✓ Sherrill Savings Bank	5-8-24	3-8-25	
	Sioux City	✓ American Savings Bank	11-5-21		
	Speagueville	✓ Farmers Savings Bank	2-16-21	2-21-22	
	* Stockport	✓ Stockport Savings Bank	9-28-22	10-26-22	10-10-24
	Swaledale	✓ Swaledale Savings Bank	9-15-21		
<i>Def in dates</i>	Swan	✓ Swan Savings Bank	3-26-23		
	Swea City	✓ State Bank of Swea City	11-26-26	1-24-27	10-22-27
	Swisher	✓ Swisher Savings Bank	2-6-25	5-19-25	
	Ulmer	✓ Farmers Savings Bank	3-1-21		
	West Bend	✓ First Trust & Savings Bank	6-13-24		
	Whittemore	✓ Farmers State Bank	11-27-26	11-30-26	

Also 92 private banks, 76 during period 1921-1930 and 16 during 1930.

- a/Reopened as "Citizens Bank"
- b/Reopened as "Farmers State Bank"
- c/Reopened as "Massena State Bank"

Other differences				
Gardner	Gardner Trust & Savings Bank	10-17-25	(Questionnaire)	
Garner	Garner Trust & Savings Bank	10-19-25	(Board's records)	
Manly	Farmers Savings Bank	12-23-25	(Questionnaire)	
Manly	Farmers Savings Bank	5-11-26	(Board's records)	
Grand Mound	Farmers & Merchants Savings Bk	1-25-26	7-19-26 (Questionnaire)	
Grand Mound	Farmers & Merchants Savings Bk	1-26-25	(Bds records)	

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

Mr. Blattnes

April
Twenty-three
1931

Federal Reserve Board
Washington, D. C.

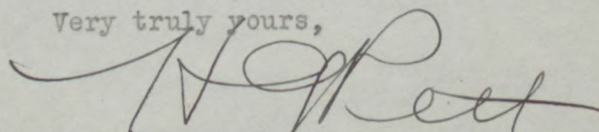
Attention : Mr. E. A. Goldenweiser, Chairman
Committee on Branch, Group, and
Chain Banking.

Dear Mr. Goldenweiser:

OTC

Mr. Stevens has asked me to forward to you
Tables IV-e and V-e for the year 1929, for the five
states in this district, in connection with the Com-
mittee's study of national bank earnings and expenses.
The remaining portions of the project are nearing com-
pletion and will go forward at the earliest moment.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421. 11(7)

April 23, 1931

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In accordance with our conversation last week I am sending you herewith a copy of the "Survey of Banking Competition Offered by Non-banking Institutions," which was prepared by the Federal Reserve Bank of Cleveland. As suggested at the time I am merely sending you this for your own personal information and not as a guide to the work you are doing in the Chicago District.

Very truly yours,

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

Enc.

R
H

421.11 (7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

April
Twenty
19 31

Federal Reserve Board
Washington, D. C.

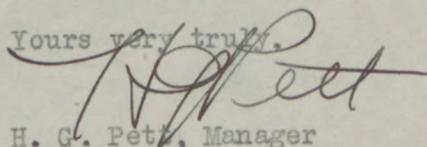
Attention : Mr. C. B. Hammond, Committee on
Branch, Group, and Chain Banking

Dear Mr. Hammond:

We are glad to enclose a list of the Iowa banks for which suspension schedules are still missing. In addition, differences between our records and the schedules sent were noted for the following banks, and we are holding the forms until verification or correction has been received:

- ✓ Barnes City, Farmers and Savings Bank--Closed 10-2-29
- Webster City, Webster City Savings Bank--Not on our records as a suspension
- Des Moines, Central Trust Company--Not on our records as a suspension
- ✓ Afton, State Savings Bank--Closed 3-15-24 (Difference in closing date)
- ✓ Napier, Napier Savings Bank--Closed 7-28-24 " " " "
- ✓ Nemaha, Nemaha State Bank--Closed 11-23-25 " " " "
- ✓ Huntington, Huntington Sav. Bank Closed 2-1-26 " " " "
- ✓ Low Moor, Low Moor Savings Bank--Closed 1-25-26 " " " "
- ✓ Batavia, Batavia Savings Bank--Closed 2-27-26 " " " "
- Des Moines, Iowa Trust & Savings Bank--Not on our records as a suspension
- ✓ Holstein, First State Bank--Closed 1-10-26 (Difference in closing date)
- ✓ Clutier, Farmers State Bank--Closed 7-30-27 " " " "

Yours very truly,



H. G. Petz, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

April 18, 1931.

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In accordance with the request contained in
your telegram of today, we are enclosing for your use
15 additional copies each of Tables I-e, II-e, and
III-e.

Very truly yours,

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

Enc.

CAH.

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

138gb

RECEIVED AT WASHINGTON, D. C.

Chicago Apl 18 1103am

Riddle

Washn

Please send us fifteen additional copies each of tables

1 E 11 E and 111 E

Pett

1215p

*Sent
April 18 *
a H.*

421.11(7)
RECEIVED
APR 20 1931
DIVISION OF RESEARCH
AND STATISTICS.
4-18-31

421, 11 (7)

April 18, 1931

Mr. H. G. Pett, Manager
Division of Research & Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In the absence of Mr. Riddle, I am writing to acknowledge receipt of your letter of April 15 relative to the Iowa suspension schedules which arrived under separate cover.

If it is not too much trouble, we should appreciate having a list of the banks for which schedules are still missing as it will greatly facilitate the comparison of the schedules with the records of the Division of Bank Operations.

Very truly yours,

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

RHG:rf

421.11 (7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

April
Fifteen
1931

Federal Reserve Board
Washington, D. C.

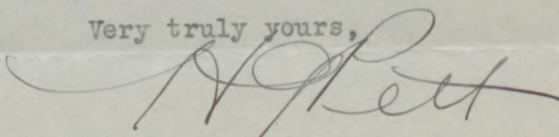
Attention : Mr. J. H. Riddle, Secretary, Committee
on Branch, Group, and Chain Banking.

Dear Mr. Riddle:

Mr. Stevens has asked me to forward to you the
schedules of bank suspensions in Iowa since 1921. These
are being sent you today by express.

We have just completed our check of the forms
and are questioning the information on thirteen of them,
which we are holding here, and find that about fifty
schedules are still missing, fourteen of which should
cover the first suspension of banks which reopened and
again closed. If you would like a list of the reports
that are still missing and those we are questioning, we
should be glad to send it to you.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

enc, 4-18-31

421.11(7)

April 11, 1931.

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In accordance with the request contained in
your letter of April 10th we are enclosing for your
use 50 additional copies of the analysis of bank earn-
ings forms.

Very truly yours,

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

Enc.

CAN.

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

April
Ten
19 31

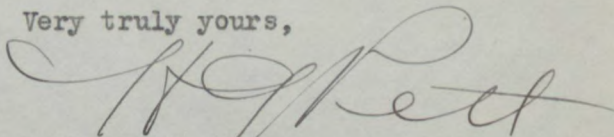
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

Will you kindly send us as soon as possible fifty
additional copies of the analysis of bank earnings forms.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

April 9, 1931.

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

Dear Mr. Stevens:

This will acknowledge with thanks your letter
of April 6th with its enclosure of the reports on eleven
failed banks which you made up at Mr. Riddle's request.
Mr. Riddle has not yet returned to Washington, but as
soon as he does he will be advised of the receipt of
the reports.

Very truly yours,

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

a&H
H.

421.11(7)

April 7, 1931.

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

Dear Mr. Stevens:

We acknowledge with thanks your letter of April
3rd enclosing Tables IV-e and V-e for the year 1928 for
the five states in your district in connection with the
Committee's study of national bank earnings and expenses.

Very truly yours,

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

C44.

421. 11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

April 6, 1931

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

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

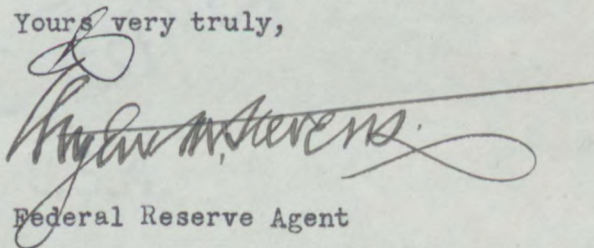
My dear Dr. Goldenweiser:

A few days ago Mr. Riddle, Secretary of
your Committee, asked us to prepare a report on eleven
banks in addition to the nine already furnished you under
date of February 16, 1931.

There is enclosed a detailed history of
eleven banks in this district that have been forced to close.
These banks were selected from the list which Mr. Riddle
left with us. There is also enclosed a comparison of
the items and statements of the eleven banks, showing changes
in their reports during the years of this study.

It is our desire to cooperate with you to
the fullest possible extent, and if any additional information
is required we will be pleased to furnish same.

Yours very truly,



Federal Reserve Agent

CSY:M

NO SCHEDULES RECEIVED FOLLOWING IOWA BANK SUSPENSION

421.11, (7)

file date -> Apr. 4, 1931

Closed

2-16-21	Sioux City	Union Tr. & Sav. Bank (member)	
2-16	Spragueville	Farmers Sav. Bank (reopened 2-21-22)	Sus.
3-1	Ulmer	Farmers Sav. Bank	
3-11	Harper	Farmers Sav. Bank	
3-24	Rome	Rome Sav. Bank	
4-25	Marathon	Marathon Sav. Bank	
4-29	Onawa	Citizens State Bank	
5-13	Anita	Citizens Sav. Bank (6-23-21 Citizens State Bank organized to take over affairs of the closed bank)	Sus.
6-22	Elliott	Elliott Sav. Bank (Reorganized as Farmers State Bank in 1922)	Sus.
9-29	Curlew	Citizens Sav. Bank	
9-15	Swaledale	Swaledale Sav. Bank	
9-22	Lamont	Farmers Sav. Bank (Reopened 11-4-21 as Farmers State Bank)	Sus.
10-19	Maquoketa	Jackson State Sav. Bank (Reopened 10-31-21)	Sus.
10-25	Harris	Harris Sav. Bank	
11-5	Sioux City	American Sav. Bank	
11-28	Oto	State Bank of Oto	
2-14-22	Owasa	Owasa Sav. Bank	Sus ? time interval
4-1	Massena	Massena Sav. Bank (Reopened 5-5-22 under title of Messena State Bank)	Sus.
3-26-23	Swan	Swan Sav. Bank (Reopened 4-7-23)	Sus.
6-8	Mondamin	Mondamin Sav. Bank - Member (Reopened 6-12-23)	Sus.
1-19-24	Decorah	Citizens Sav. Bank - Member (Taken over by Winneshiek Co. State Bank - an old institution and a member at that time)	Sus.
6-13	West Bend	First Tr. & Sav. Bank (Taken over by Union State Bank - an old institution - in 1924)	Sus. not noted
2-6-25	Swisher	Swisher Sav. Bank (Reopened 5-19-25)	Sus.
3-3	Holy Cross	Farmers Sav. Bank (Reopened 3-28-25)	Sus.
3-18	Davenport	Industrial Sav. Bank	
2-27-26	Rippey	Rippey Sav. Bank (Reopened 3-19-26)	Sus.
5-3	Fredericksburg	First State Bank (Reopened 5-5-26)	Sus.
11-26	Algona	Kossuth County State Bank (Reopened 12-3-26)	
11-26	Fenton	Farmers Fenton Sav. Bank (Reopened 12-3-26)	
11-26	Lakota	Farmers & Drivers State Bank - Member (Reopened 12-2-26)	
11-27	Ruthven	Farmers Sav. Bank (Reopened 11-30-26)	
11-27	Ringsted	Farmers Sav. Bank (Reopened 11-30-26)	
11-27	Fenton	Fenton State Bank (Reopened 12-3-26)	
11-27	Whittemore	Farmers State Bank (Reopened 11-30-26)	
11-27	Cylinder	Cylinder State Bank (Reopened 11-30-26)	
11-27	Mallard	Mallard Tr. & Sav. Bank (Reopened 11-30-26)	
3-10-27	Columbus Junction	Louisa County Sav. Bank	Sus.

NO SCHEDULES RECEIVED COVERING THE FIRST SUSPENSION OF THE FOLLOWING IOWA BANKS:

Closed

9-28-22	Stockport	Stockport Sav. Bank (Reopened 10-26-22 & closed again 10-10-24)	
1-8-23	Bayard	Peoples Sav. Bank (Reopened 3-15-23 & closed again 4-17-26)	
7-12	Chester	Chester Sav. Bank (Reopened 1-18-24 & closed again 9-13-24)	
11-21	Logan	Logan Tr. & Sav. Bank (Reopened 12-15-23 & closed 1-2-31)	
11-23	Ringsted	Ringsted State Bank*	

*This bank reopened 1-24-24; closed again 11-27-26 and reopened 12-2-26; closed third time 4-8-28. No schedules received for either the 1923 or 1926 closing.

NO SCHEDULES RECEIVED COVERING THE FIRST SUSPENSION OF THE FOLLOWING BANKS:

Continued -

closed		
✓ 11-24-23	4 Logan.	Farmers State Bank (Reopened 3-8-24 & closed again 6-15-29)
✓ 5- 8-24	1 Sherrill	Sherrill Sav. Bank (Reopened 4-15-25 & closed again 3-9-31)
✓ 10-22	4 Harris	Harris Tr. & Sav. Bank (Reopened 11-3-24 & closed 11-13-26)
✓ 11-19	4 Malcom	Malcom Sav. Bank - Member (Reopened 2-23-25 & closed 8-12-27)
✓ 11-26-26	5 Algona	County Sav. Bank (Reopened 12-3-26 & closed again 10-29-27)
✓ 11-26	5 Algona	Algona State Bank (Reopened 12-7-26 & closed again 10-29-27)
✓ 11-26	5 Swea City	State Bank of Swea City (Reopened 1-4-27 & closed 10-29-27)
✓ 11-26	5 Luverne	Luverne State Bank (Reopened 12-2-26 & closed 10-8-30)
✓ 11-27	5 Emmettsburg,	Farmers Tr. & Sav. Bank (Reopened 11-30-26 & closed 11-3-27)

51

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

April
Third
19 31

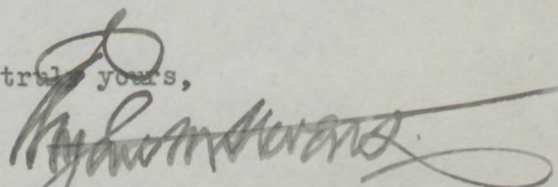
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

I am enclosing Tables IV-e and V-e for the year 1928, for the five states in this district, in connection with the Committee's study of national bank earnings and expenses. The remaining portions of the project are nearing completion and will be forwarded at the earliest moment.

Very truly yours,


Federal Reserve Agent

HGP:FB

Encl.

421.11 (7)

March 31, 1931.

Mr. C. S. Young
Assistant Federal Reserve Agent
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Young:

In accordance with a request received from
Mr. Riddle today, I am enclosing for your use 300 ad-
ditional copies of Form F.

Very truly yours,

Secretary to Mr. Riddle.

H

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

March 30, 1931

Federal Reserve Board

Washington, D.C.

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

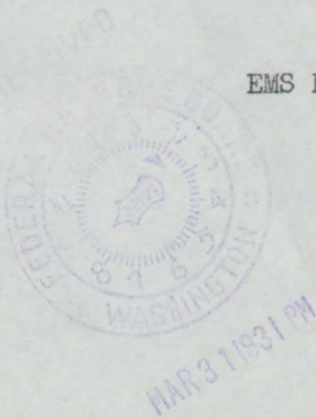
Gentlemen:

I acknowledge yours of the twenty-sixth relative
to a proposed study of competitive non-banking institutions,
and shall be pleased to get together some information which
we trust will be of value to you.

Very truly yours,

Walter Dill
Chairman

EMS HH



421.11 (7)

March 26, 1931.

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

Dear Mr. Stevens:

At the request of the Committee on Branch, Group and Chain Banking the Federal Reserve Bank of Cleveland recently made a study of the competition which banks in Ohio have to meet from organizations, such as, finance companies, acceptance corporations, etc., which are not banks in the proper sense of the term, but yet carry on banking functions. Ohio was chosen first for the reason that building and loan associations competition with banks was known to be especially severe in that state. The pertinence of the subject lies in the fact that any intensification of competition can be expected to contribute to the difficulties of the small unit bank and to encourage greater banking concentration as manifested in branch and group banking and in consolidation of small concerns into larger ones with more diversified functions. It is not only direct competition between banks themselves that is significant, therefore, but competition between banks and organizations not recognized as banks.

The facts in general as to the latter type of competition in Ohio are indicated in the following quotation from the Cleveland Reserve Bank's survey.

"Building and loan and savings and loan associations appear to be the principal non-banking competitors of the banks whether the competition be for deposits or for loans.

Considering only the competition for deposits the chief competitors of the banks appear to be the United States Government through its postal savings system and the investment houses through the sale of securities generally. Other kinds of deposit competition are noted but they hardly deserve more than passing mention.

"With respect to the competition for loans there are five other agencies (in addition to the building and loan and savings and loan associations) which compete with the banks. These five agencies are the finance companies, the insurance companies, the federal farm land banks and joint stock land banks, the investment houses and the chattel and salary loan companies."

Mr. Eugene M. Stevens, #2

March 26, 1931.

It is to be expected that similar conditions prevail to a greater or less degree in other districts, and with that in mind the Committee is making the request that you prepare for it a report upon the same subject covering your district. It may well be that some of the competition found in Ohio is not found in your district and that, on the other hand, you have still other types of competition not found there. The report, we think, should include a description of the comparative importance of the different types of non-banking competition, statistics of the growth of non-banking competitors as compared with banks, a summary of the principal provisions of law governing these non-banking organizations, and, if practicable, some statements from bankers as to the reality and seriousness of the competition.

Please let us know if you will not undertake the study as described.

Very truly yours,

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

H
H

421.11(7)

March 24, 1931.

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In accordance with the request contained in
your telegram of March 24th we are enclosing for your
use 300 additional copies of the schedule on bank
suspensions.

Very truly yours,

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

Enc.

✓

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.

54gb

✓ Chicago Mar 24 943am

Riddle

Washn

Please send us 300 additional forms bank suspensions since January

1 1921

Pett

1048am

421. 11(7)

RECEIVED
MAR 23 1931
FEDERAL RESERVE BANK
OF ST. LOUIS

421.11(7)

March 24, 1931.

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

Dear Mr. Stevens:

Thank you for your letter of March 20th with
the enclosed schedule of information pertaining to the
Wisconsin Bankshares Corporation. It seems to be well
prepared indeed and we are very glad to get it. Please
express our thanks to Mr. Kasten.

Very truly yours,

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

R: H

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

March
Twenty
19 31

421.11 (4)

Answered
JHM

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

I am enclosing the schedule of information pertaining to the Wisconsin Bankshares Corporation received from Mr. Kasten yesterday. This appears to be a very comprehensive and conscientiously prepared compilation. I am hoping to hear from the Detroit Bankers Company very shortly.

Very truly yours,

Thyne A. Stevens
Federal Reserve Agent

HGP:FB

Encl.

421.11(7)

TELEGRAM
FEDERAL RESERVE BOARD
LEASED WIRE SERVICE
WASHINGTON

2-9454 o r o

March 19, 1931.

Stevens, Chicago

We approve employing additional man at Committee's expense
to complete suspension schedules in Wisconsin. Hope work can be
expedited.

GOLDENWEISER

Official business
Charge Federal Reserve Board
Government rate

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.

RECEIVED
MAR 19 1931
DIVISION OF RESEARCH
AND STATISTICS

421.11 (7)

108gb

Chicago 1104am Mar 19

Riddle

Washington

Owing to extreme pressure of work in banking department commissioner schwenker unable complete wisconsin failed bank study unless permitted employ additional man at committees expense for approximately three weeks at rate of one hundred seventy five dollars per month with your approval should like to make this arrangement would appreciate your wiring me your reaction

Stevens

1208p

Reply sent
3/19/31

421.11 (7)

March 13, 1931.

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

Dear Mr. Stevens:

In reviewing and analyzing the material which we have on the subject of group banking preparatory to completing that section of the Committee's report, we note our questionnaire has not been returned by either the Wisconsin Bank Shares Corporation or Detroit Bankers Incorporated. Correspondence from your bank indicates that these groups intended to cooperate with us in furnishing the information requested. It would be very helpful to us if you could secure prompt action by these groups, particularly the Wisconsin Bank Shares Corporation.

If there have been any general developments in the field of group banking in your district in recent months that you think would be helpful for us to know, we should appreciate your writing us concerning them.

Very truly yours,

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

U
H

421, 11(7)

March 11, 1931.

Mr. E. M. Stevens
Federal Reserve Agent
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Stevens:

We acknowledge with thanks your letter of
March 10th enclosing a suspension schedule on the
Central State Bank of Gary, Indiana.

Very truly yours, .

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

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

March
Ten
19 31

Mr. Garlock

RECEIVED
MAR 11 1931
DIVISION OF RESEARCH
AND STATISTICS.

Federal Reserve Board
Washington, D. C.

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

Dear Mr. Goldenweiser:

We are enclosing schedule covering suspension of
the Central State Bank, Gary, Indiana, which completes the
data on Indiana bank suspensions since January 1, 1921.

Very truly yours,

EM Stinson

Federal Reserve Agent

HGP:FB

ans 3-11-31

421.11 (7)

March 6, 1931.

Mr. H. G. Pett, Manager
Division of Research and Statistics
Federal Reserve Bank
Chicago, Illinois

Dear Mr. Pett:

In accordance with the request contained in
your telegram of today we are enclosing herewith 200
additional copies of the bank suspension schedule.

Very truly yours,

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

Enc.

H

TELEGRAM
FEDERAL RESERVE SYSTEM
(LEASED WIRE SERVICE)

421.11(7)
RECEIVED
MAR - 6 1931
DIVISION OF RESEARCH
AND STATISTICS.

203gb *2*

RECEIVED AT WASHINGTON, D. C.
Chicago 146p Mar 6

Ruddle

Washn

To meet additional request illinois states banking department
please send 200 bank suspension schedules

Pett

320p

Sent for

Telephoned 3:35 PM

281

421.11(7)

March 6, 1931.

Mr. H. G. Pett, Manager,
Division of Research and Statistics,
Federal Reserve Bank,
Chicago, Illinois.

Dear Mr. Pett:

We have your letter of March 4th enclosing forms
A-2, A-3, A-4, and A-5 covering changes in the number of
banks in the State of Iowa from 1920 through 1930. We note
that this completes the project insofar as the states of
your district are concerned.

Very truly yours,

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

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

March
Four
19 31

Mr. Wm Blather

Federal Reserve Board
Washington, D. C.

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

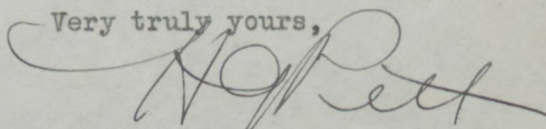
Dear Mr. Riddle:

Mr. Stevens asks me to send you the summaries of bank changes in the state of Iowa, from 1920 through 1930, which are going forward to you in another package. These forms complete this project in so far as the states of this district are concerned.

O.K.

*all in for
district 7.*

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

421.11(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

March

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MAR -4 1931
DIVISION OF RESEARCH
AND STATISTICS.

Mr. Garlock

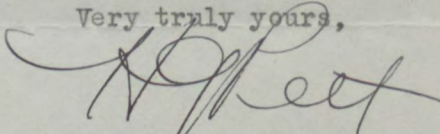
Federal Reserve Board
Washington, D. C.

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

Dear Mr. Riddle:

Confirming our telephone conversation this afternoon, I am writing to say that State Bank Commissioner Symons over the telephone today informed me that the Monroe State Bank of Monroe and the Laketon State Bank, Laketon, Indiana, previously classified by us and by him as suspensions, are in fact voluntary liquidations. The other two banks mentioned in your letter of February 28 to Mr. Stevens, namely, the Farmers State Bank of Tyner and the Citizens State Bank of La Crosse are properly classified as suspensions. As you doubtless know, Mr. Symons filled out Board form St. 6386b on all four of these institutions as suspensions. This change in classification for the two institutions named necessitates our changing our figures on bank suspensions. I am forwarding to Mr. Smead's office our revised data in connection with the annual report.

Very truly yours,



H. G. Pett, Manager
Division of Research and Statistics

HGP:FB

Mr. Garlock

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

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Chicago Mar 2 1115am

Riddle

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We regard four banks listed your letter february 28 as suspensions within your definition and forms 6386 B were filled out by symons and forwarded Mr Smead at time of closing symons and deputy commissioner absent from indianapolis probably returning tomorrow when we will verify facts and wire you

Stevens

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March 2, 1931.

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

Dear Mr. Stevens:

We have your letter of February 28th and also
the forms which you sent under separate cover covering
state and private bank changes during 1921-1930 in Ill-
inois and Michigan and also in Indiana and Wisconsin for
the year 1930.

Very truly yours,

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

JH