

TABLE OF CONTENTS

	PAGE
PREFACE	6

CHAPTER I

INTRODUCTION

Definition of "Failure" and "Suspension"	11
Record of Failures, 1865-1933	12
Investigations by the Banking and Currency Committees of the House of Representatives and of the Senate	12
The Glass bills	14
Events leading up to the Crisis; Relief Measures	15
The Banking Holiday	17
Emergency Banking Act	18
Banking Act of 1933	21

CHAPTER II

BANK FAILURES BEFORE 1921

Summary of Failed Banks and Resources, 1865-1920	25
Growth of Banking System, 1865-1900	25
National and State Bank Failures and Resources, 1865-1920	27
Growth of Banking System, 1900-1920	29
Failures, 1891-1920	31
National and State Bank Failures, compared	33
Failures 1891-1920, by type of bank	34
Failed Banks and Active Banks, compared	36
Conclusions	37

CHAPTER III

BANK FAILURES, 1921-1933

Record of Suspended, Reopened, and Nonlicensed Banks, and their Deposits	40
Number and Deposits of Suspended and Active Banks, compared	45
National and State Bank Suspensions, compared	46

	PAGE
Suspended Banks, by Size of Community	47
Suspended and Active Banks, compared by Size	48
Geographic Distribution of Suspended Banks	50
Overbanking and Bank Failure	54
Conclusions	55

CHAPTER IV

LIQUIDATION OF NATIONAL BANKS

The Comptroller of the Currency on National Bank Liquidation	58
Erroneous interpretations	60
Meaning of the Comptroller's liquidating percentages	64
Results of Liquidation, by years, 1865-1906	67
Results of Liquidation, by periods, 1906-1934	69
Results of Liquidation, by years, 1924-1934	70
Recovery by Creditors in Terms of Liabilities at Time of Failure, by years, 1930-1934	73
Recovery by Depositors of Reopened Banks, 1921-1931	75
Losses to Depositors, 1921-1933	76
Recovery by Size of Banks	77
Conclusions	79

CHAPTER V

LIQUIDATION OF STATE BANKS

Inadequacy of State Banking Reports	80
Results of Liquidation of Failed Banks in Alabama	81
California	81
Georgia	82
Idaho	82
Iowa	83
Louisiana	84
Mississippi	84
Missouri	87
Ohio	88
Oregon	88
South Dakota	89
Virginia	91
Washington	92
Losses to Depositors of 988 Failed Banks in 35 States, 1921-1930 ...	92
Conclusions	92

TABLE OF CONTENTS

9

PAGE

CHAPTER VI

RESPONSIBILITY FOR FAILURES

Divided jurisdiction	95
"Causes of Failure"	99
Mismanagement and Inadequate Supervision	101
Economic Changes	104
Unit Banking Policy	105
Ownership and Control of Typical Unit Bank	107
Conclusions	109

CHAPTER VII

COMMERCIAL BANKS AND THE SECURITY MARKETS

Investment powers of National and State Banks	111
Diversion of Commercial Banking Funds to Security Markets	112
Distribution of Loans, Discounts & Investments, by Types of Bank ..	113
Distribution of Loans, etc. according to Location of Bank	114
Types of Securities, All Banks	115
Types of Securities, National Banks according to Location	117
Liquidity of National Banks	118
Increase of Banking Resources and of Loans and Investments, 1921-1930	121
Time Deposits and Long Term Investments	122
Provisions of Banking Act of 1933	124
Conclusions	126

CHAPTER VIII

THE GUARANTY OF DEPOSITS

Banking Act of 1933 and Deposit Insurance Act of 1934	127
Temporary Guaranty Plan	127
Permanent Guaranty Plan	128
Insured Banks, Number, Deposits and Depositors	130
Insured and Noninsured Banks, Suspended during 1934	131
Banking Bill of 1935 proposes new insurance plan	132
Comments	135
Necessity for Reorganization of the Banking System	137
BIBLIOGRAPHY	141
INDEX	143

