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C. FINANCIAL INSTITUTIONS— DEVELOPMENT AND OPERATION

(a) DEVELOPMENT OF BANKING INSTITUTIONS

1. VIRGINIA STATE CORPORATION COMMISSION, BUREAU OF INSURANCE AND BANKING, BANKING DIVISION

Virginia state banks prior to 1904

With a view to extending state banking data for Virginia back as far as records will permit and thus provide continuous banking data for long period analysis, summaries are in preparation of available information working from 1904 back to approximately 1885. The effort is to assemble and combine annual reports of Virginia banks for the years 1885 to 1904, using call statement reports made to the Auditor of Public Accounts.

The program is under the direction of M. E. Bristow, Commissioner of Insurance and Banking, financed by WPA funds, and is expected to continue indefinitely.

2. UNIVERSITY OF ARKANSAS, COLLEGE OF AGRICULTURE, DEPARTMENT OF RURAL ECONOMICS, IN COOPERATION WITH THE ARKANSAS BANKERS ASSOCIATION

Banking conditions and trends in Arkansas

In order to attain a more satisfactory conception of the banking organization of Arkansas and the various conditioning factors to which it is subject, this survey under-

takes to show the changes since 1923 and to describe the present state banking structure. The data analyzed to reflect general changes in banking are: (a) the number and type of banks operating in 1923, 1926, 1929 and 1935; (b) asset and liability data for national and state banks; (c) bank suspensions; (d) income and expense sources; (e) reorganizations of closed banks. Those used to reflect changes in the banking structure are: (a) asset and liability data of banks of different sizes, location and competitive influences; (b) earnings and expense data similarly treated; (c) bank failures and reorganizations by size and location. This part of the project is to be followed by another depicting the geographical structure of banking with special reference to the industrial and agricultural activities on which Arkansas banks depend. A final section of the investigation is treating the types and terms of loans and investments of Arkansas banks as of September 1936. This analysis will cover loans and investments by classes of borrowers, the modal size of loans, and the terms of loans, including fees in addition to interest.

In preparation under the direction of K. H. Hunter in cooperation with the Research Committee of the Arkansas Bankers Association. The study will probably not be finished before late 1938.

See also IE7

3. BROOKLYN COLLEGE, BUREAU OF ECONOMIC RESEARCH

Brooklyn banking developments, 1900-1934

This investigation examines in considerable detail banking data covering a restricted area. Its objective is to trace the growth of banking facilities in a single metropolitan area and to relate the local banking tendencies disclosed

to broader financial trends. The first of the three main parts into which it is divided treats of: (a) the development of purely *local* commercial banking institutions (national banks, state banks, trust companies); (b) the rise and spread of branch banking; (c) changes in the local banking structure through mergers and consolidations; (d) bank failures in 1907-08 and 1929-33. The second part studies the penetration of the Brooklyn banking field by Manhattan institutions, and is concerned with: (a) the absorption of Brooklyn units by Manhattan banks; (b) the establishment of branches of Manhattan banks *de novo*; (c) changes in the importance of local control as against Manhattan control of Brooklyn banking facilities. A final part is concerned exclusively with the development of Brooklyn savings banking, and covers: (a) tendencies in the organization of savings banking facilities as, for example, competition between commercial banks and savings banks, branch banking, mergers; (b) the trend of savings deposits and changes in savings deposits occasioned by panic conditions from 1930 to 1933; (c) financial problems confronting savings banks in recent years by virtue of the type of assets held.

Prepared under the direction of W. H. Steiner, this study is at present in a preliminary manuscript form. Definite publication plans have not yet been decided.

4. UNIVERSITY OF COLORADO, BUREAU OF BUSINESS
RESEARCH, IN COOPERATION WITH THE COLORADO BANKERS
ASSOCIATION

Banking conditions in Colorado

The subjects under investigation are, first, the causes of bank failures in Colorado; second, the nature and extent

of competition to which Colorado banks are subject, both with other types of financial institution and with out-of-state agencies; third, the costs of operating banks in Colorado and the sources of income from 1931 through 1935. Data are being assembled from reports of the several supervisory agencies, and in addition questionnaire surveys and field investigations are being made. The study is intended to individuate the various factors affecting the operation of banking institutions within a single state.

In preparation under the direction of J. M. Whalley, the expected date of completion is June 1937.

5. UNIVERSITY OF DENVER, BUREAU OF BUSINESS AND SOCIAL RESEARCH

Banking in Colorado

Reviewing changes in the banking structure of Colorado in recent years with the aim of providing a quantitative basis for appraising the adequacy of present banking facilities, this study surveys in detail the distribution of banking facilities and resources by areas for selected years, and compares facilities in different years for the state as a whole and for different areas.

Prepared under the direction of E. T. Halaas this study was published in the *University of Denver Reports*, April 1937 (Business Study No. 86).

6. UNIVERSITY OF ILLINOIS, BUREAU OF BUSINESS RESEARCH

Banking outlets in Illinois

This study is concerned with changes in the number and kind of banks in Illinois together with explanations of some of the economic causes underlying them. It is not

intended to advance new explanations, but rather to show that certain defects have existed in the past, are still present and may contribute to future banking difficulties. Illinois, being one of the leaders in number of banks, and also in bank failures, offers a fertile field for this type of study. Banks are being classified according to whether they are state or national, whether they belong to the Federal Reserve System; by size of community, size of bank, geographical area and other features. Detailed analysis is being made of turnover by size of bank and of community. The study goes back to the time when private banks were still permitted in Illinois, and seeks to explain some of the subsequent problems in the light of these earlier conditions.

In preparation under the direction of Arthur H. Winakor as a Research Bureau project, it will probably be completed by summer 1937.

7. UNIVERSITY OF NEBRASKA, DEPARTMENT OF BUSINESS RESEARCH

Adequacy of banking facilities in Nebraska

This investigation was planned to develop objective standards for assessing the adequacy of banking facilities in such states as Nebraska which have experienced an excessively high rate of bank failures in recent years. First, an attempt was made to present a comprehensive picture of banking facilities as of 1908, 1920 and 1935 for incorporated municipalities, classified by population, banking resources, volume of retail and wholesale business, freight shipments, postal receipts, assessed valuation of property and location. Second, a selected group of towns without incorporated banking facilities were studied to determine the adjustments that have been

made by local populations in meeting their needs for banking. In addition, towns of similar size, wealth and business volume were compared in order to determine the minimum economic resources capable of supporting an independent unit bank. Third, historical comparisons were made of selected banking centers and the financial status of unit banks situated in them ten to fifteen years ago and today. Fourth, the economic basis for banks in bankless towns and efforts to solve the problem of bankless towns in Nebraska and neighboring states were analyzed.

Prepared by E. A. Gilmore, Jr., with the cooperation of the Nebraska Bankers Association, this study was recently published (Nebraska Studies in Business No. 39).

8. OHIO STATE UNIVERSITY, BUREAU OF BUSINESS RESEARCH

State and national banking in Ohio, 1920-1936

This project is concerned with changes in the Ohio banking organization and structure, 1920-36. The object is to ascertain the essential features of prevailing banking organization against a background of rapid change. In process of investigation are: (a) changes in banking and other financial facilities for the state as a whole and its subdivisions; (b) changes in the character of bank assets and liabilities; (c) a comparison of state and national bank failures; (d) bank reorganizations and liquidations and the expenses connected therewith; (e) earnings and expenses of Ohio banks.

In preparation under the direction of J. M. Whittsett of the Department of Economics.

9. KANSAS BANKERS ASSOCIATION, COMMITTEE ON BANK
MANAGEMENT

*Bank failures in Kansas and the adequacy of
existing banking facilities*

At present in a formative stage the plans of this study call for a searching investigation of bank failures in Kansas, based on an examination of the circumstances attending the suspension of a number of representative banks. Against a background of these data, existing facilities are to be surveyed with a view to appraising their adequacy. It is the intention in this part of the study to develop the minimum population and area requirements that experience seems to show are necessary to maintain an independent unit bank.

In preparation under the auspices of the Committee on Bank Management. Frank T. Stockton, Dean of the School of Business, University of Kansas, is cooperating in planning the project.

10. MISSOURI BANKERS ASSOCIATION, COMMITTEE ON
BANKING DEVELOPMENTS

Banking developments in Missouri

The program of research projected under this study calls for a long period analysis of external and internal factors affecting Missouri banking conditions. On the one hand, it contemplates an analysis of prices, production and balance of payments elements influencing business and personal incomes in Missouri and the relationship between changes in these elements and changes in banking conditions. On the other hand, it plans an intensive study, covering the last decade, of the activities of banking units of similar size operating under comparable

economic conditions, including both banks that failed and banks that did not fail. The latter half of the study is to entail a ratio analysis of financial and income statements of a representative sample of banks, and a classification of banks by size of community, capital, deposits, assets and the like. The adequacy of present banking facilities in Missouri is to be appraised with this background in mind.

In preparation as a long term project under the auspices of the Committee on Banking Developments. In view of its scope the study is to be developed piecemeal. A survey of present banking facilities has already been completed; the study of bank failures and their causes is still in process. Several university experts are lending their cooperation in shaping the program. Results are to be published by the Association as available.

II. DAILEY, D. M.

[THE UNIVERSITY OF CHICAGO]

The development of banking in Chicago, 1836-1890

This study is tracing historically the development and growth of banking facilities in the Chicago area from 1836 to 1890. The main sections are concerned with: (a) the rise and dominance of private bankers before 1860, the issue of bank notes by private bankers and the emergence of incorporated banking in the 'fifties; (b) the evolution of specialized banking functions, including deposit, discount and note issuing functions; (c) the progress of the chartered banks, their organization and practices, and the rise of an organized money market.

An outgrowth of a doctoral thesis submitted to Northwestern University in 1934, this study is virtually completed and is expected to be published in 1937.

See also IC(e)4; ID8

12. HOLLADAY, JAMES

[UNIVERSITY OF ALABAMA]

The Canadian banking system

Both descriptive and analytical in method, this study comprises a survey of the structure and organization of the Canadian banking system, and an analysis of the operating practices of Canadian banks, together with the theories underlying them. The first part deals with the currency system and provides both an historical account of its development and a cross sectional view of its present composition and mechanics. The second part describes comprehensively the banking organization of Canada and takes up in order: (a) the process of incorporating Canadian banks and the important provisions of Canadian banking law regulating incorporations; (b) the internal organization and management of Canadian banks and especially the system of controlling the operations of branches; (c) the concentration movement in Canada and the forces conditioning it; (d) the deposit structure of Canadian banks according to the class and maturity of deposits, the kind of depositors, the size of deposit accounts, the turnover of deposits and their relation to reserves; (e) the transfer of funds between banks and areas; (f) loan procedures and loan restrictions. The third part analyzes: (a) the operation of the Canadian Finance Act; (b) the various problems leading up to the establishment of the Bank of Canada; (c) the organization and powers of credit control of the Bank of Canada. The fourth part of the study deals with agricultural credit agencies and savings banks and the relation of their activities to those of the chartered banks. The final part contrasts the branch banking system of Canada with the unit banking system of the United States from the angle

of their respective effectiveness in meeting the needs of the community for credit facilities and services.

Recently completed, publication in book form is expected in the near future.

See also IA14

13. MCCAFFREY, W. T. [LINCOLN NATIONAL BANK AND TRUST COMPANY, SYRACUSE, N. Y.]

*The banking systems of England and the United States*¹

Historical in method, this study contrasts the development of banking in England and the United States over the last century and a half. The subjects treated include: (a) banking in England to 1826 and in the United States to the second Bank of the United States; (b) the rise of joint stock banking in England and chartered banking in the United States; (c) the development of branch banking in England and of unit banking in the United States; (d) the role of the merchant banker, discount house and bill market in English banking organization and of money market organization in the United States; (e) central banking in England and in the United States and the bases of differences in central banking organization and practices.

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

14. PRESTON, H. H., [UNIVERSITY OF WASHINGTON, COLLEGE OF ECONOMICS AND BUSINESS]
KNIGHT, N. R.

Seven decades of Washington banking

Tracing the organization and growth of banking facilities in the State of Washington over the last seventy years, the first half of the study is concerned with the

general development of banks, banking legislation and bank supervision in the northwest area through the crisis of 1933. In the second half, the present structure of financial organization in Washington is analyzed. This analysis covers the role and functions of such financial agencies as savings banks, trust companies, personal finance companies, mortgage and investment banks, agricultural credit agencies, and the Federal Reserve System. It also deals with banking concentration tendencies as reflected in mergers, consolidations, and branch and group banking; and further appraises present services rendered and problems currently confronting Washington banking as disclosed by the various trends studied.

This study is approaching completion and is expected to be published as one of the Social Science Series of the University of Washington. Financial assistance has been given by the Social Science Research Council.

15. SORRELL, V. G. [UNIVERSITY OF NEW MEXICO]

Trends in banking in New Mexico, 1920-1935

On the basis of analysis of important balance sheet items of state and national banks in New Mexico, trends in banking since 1920 are being studied. Available data are being broken down into areas, viz: by the two Federal Reserve Districts represented in the state and by clearing house districts.

This is a research project of the Department of Economics of the University of New Mexico in cooperation with the New Mexico Bankers Association. Completion is expected by summer 1937.

16. STEINER, W. H.

[BROOKLYN COLLEGE]

South Carolina cash depositories

Under the stress of banking panic in 1932, South Carolina authorized the formation of cash depositories, to receive deposits and keep the funds received available in cash; loans and general investment were forbidden. Approximating in their operations the 100 per cent plan of banking, the introduction and growth of these depositories has a unique interest. While originally regarded as temporary institutions, the number of South Carolina depositories has slowly increased since the banking crisis, and in several small towns they provide the only banking facilities. This study includes a survey of their rise and development, together with an appraisal of their importance, and an analysis of factors affecting their existence.

The study has been completed and is to be published as an article in a professional journal in 1937.

17. TURNER, A. P. L., JR.

[BOWDOIN COLLEGE]

The national banking system

Essentially historical in approach, the purpose is to study the legal and institutional aspects of American banking, with special reference to the place and role of national banks in the banking system. Against this legal and institutional background, national banks are analyzed from the standpoint of contemporary and recent banking theory and of the general economic and financial development of the country. The principal materials of the study are drawn from legislation and contemporary theoretical works on money and banking. The most

important statistical materials assembled are for banks other than national before 1900.

Historical materials up to 1879 used in certain parts of the study were assembled in connection with a Ph. D. thesis accepted by Harvard University in 1935.

(b) OPERATING ASPECTS OF BANKING INSTITUTIONS

I. FEDERAL RESERVE BANK OF BOSTON, RESEARCH DEPARTMENT

Member bank income and expenses, 1936

Continuing previous studies of member bank earnings and expenses for the First Federal Reserve District, detailed ratio analysis is made of receipts and payments in 1936 for all member banks of the District, Boston member banks, and all outside member banks classified according to their percentages of time deposits. Ratios typical of the greatest number of banks are computed for: (a) receipts and payments as percentages of total current income; (b) interest rates received and paid; (c) receipts and payments as percentages of loans and investments; (d) losses and charge-offs as percentages of average holdings; (e) earnings to total funds and to capital funds; (f) capital funds to deposits. In addition trends in principal earning and expense items are traced from 1928 through 1936 for all New England member banks outside Boston.

Prepared by the Research Department, the results have recently been published.

2. FEDERAL RESERVE BANK OF DALLAS, RESEARCH
DEPARTMENT

*Typical operating ratios of member banks in the Eleventh
Federal Reserve District*

Supplementing analysis of member bank earnings and expenses made for preceding years, a ratio study is again being made covering 1936. Member banks of the District are classified into six size groups according to the volume of their loans and investments, and typical ratios determined for principal earning and expense items, expressed as percentages both of gross earnings and of loans and investments. Other important ratios include: (a) net earnings to capital and surplus; (b) net addition to profits to capital and surplus; (c) time deposits to gross deposits; (d) capital and surplus to gross deposits; (e) interest on deposits to gross deposits. The analysis will cover ratios for 1929 and 1933 through 1936.

In preparation by the Research Department, publication is expected in spring 1937.

3. FEDERAL RESERVE BANK OF NEW YORK, RESEARCH
DEPARTMENT

*Operating ratios of member banks in the Second Federal
Reserve District*

In continuation of studies carried on the last few years, average operating ratios of member banks in the Second Federal Reserve District are being analyzed. Ratios included cover (a) income, expense and net profit to total earnings from current operations, (b) asset and liability ratios, (c) rates of earnings. They are to be presented, as in former years, for member banks outside Greater

New York City by three size classes and by the ratio of time deposits to total deposits. For Greater New York City banks, ratios cover two size classes only. Analysis by size classes is for the last two years, and for all banks, the last four years.

In preparation by the Research Department, this analysis will be published in spring 1937.

4. FEDERAL RESERVE BANK OF PHILADELPHIA, RESEARCH DEPARTMENT

*Earnings and expenses in 1936 of member banks in the Third Federal Reserve District*¹

A ratio analysis is in preparation covering earning and expense ratios, and other significant operating data for national bank members, state bank members, and national bank members grouped by the percentage of time deposits held. For each group, ratios will be presented by size classes based on deposits, and will concern major earning and expense items expressed as percentages of total loans and investments most typical of banks falling within selected size classes. The operating ratios, also included, will cover: (a) loans and investments to total deposits; (b) capital to total deposits; (c) investments to total loans and investments; (d) interest paid on time deposits; (e) income from loans and from investments to total loans and total investments; (f) losses on loans to average loans and on investments to average investments.

In preparation by the Research Department, publication of the analysis is expected by summer 1937. Analyses of this character were made in 1925, 1927, 1929 and 1934.

¹ Studies of earning and expense and other operating ratios of member banks in 1936 are also in preparation for publication by the Federal Reserve Banks of Chicago and Cleveland. They measure respectively

typical accomplishment of member banks classified by size according to resources and to loans and investments. The above descriptions of the earning and expense analyses of the Federal Reserve Banks of Boston, Dallas, New York and Philadelphia are sufficient to indicate the scope and content of this type of current investigation.

5. U. S. DEPARTMENT OF AGRICULTURE, BUREAU OF
AGRICULTURAL ECONOMICS, DIVISION OF AGRICULTURAL
FINANCE

*Factors of banking success or failure in Arkansas,
Utah and Wisconsin*

One part of this study deals with the earnings and expenses of banks, and attempts to relate earning and expense items to the composition of the assets and liabilities. Net earnings, dividend policy and losses are related to changes in the capital structure of the banks. Data on earnings, expenses and dividends were obtained from reports on file with supervising officials covering the period 1927 to 1934, inclusive.

In preparation under the direction of F. L. Garlock, in cooperation with the respective state agricultural experiment stations and colleges.

For the main description of this study, see IE7

6. AMERICAN BANKERS ASSOCIATION, STATE BANK DIVISION

*Survey of resources, liabilities, earnings and expenses
of state banks*

Supplementing surveys made over the last five years, the condition of state banks in 1936 is to be summarized. Data presented will cover: (a) resources and liabilities for 1936 and five preceding years by all state supervised banks, state commercial banks, loan and trust companies, savings banks, private banks; (b) resources

and liabilities of different types of state supervised banks by states; (c) comparative ratios, 1931-36, of principal asset and liability items of state banks doing a commercial banking business by states; (d) earnings and expenses of state banks engaged in commercial banking by states; (e) comparative earning and expense ratios, 1934-36, for state banks engaged in commercial banking by states and by size groups according to deposits.

This survey will be published as a pamphlet by summer 1937.¹

¹ As an example of earlier surveys, see the 'Condition of State Banks, 1935,' State Bank Division, American Bankers Association, July 25, 1936.

7. AMERICAN BANKERS ASSOCIATION, AGRICULTURAL COMMISSION

Farm credit relations of banks

A questionnaire survey is being conducted by the Agricultural Commission with the cooperation of country bankers, county agents, extension workers, officers of state bankers associations, etc., throughout the United States, to determine: (a) what bankers are doing and what they can do further in each section of the country to aid farmers in problems of farm credit and finance; (b) what activities by banks make for better understanding of farming by bankers and for better understanding of banking by farmers. It is also planned to survey the agricultural credit services rendered by banks and to show how farmers can cooperate in maintaining them by sound practices of farm finance.

The results of this survey are to be made available in 1937.

8. AMERICAN BANKERS ASSOCIATION, BANK MANAGEMENT COMMISSION

Investment standards and procedure

In view of the acuteness of current problems of investment policy that confront banks, this study analyzes alternative investment procedures from the standpoint of such considerations as: (a) the size of the investment account in relation to capital and the composition of deposits; (b) sources of investment information; (c) essential elements to be determined prior to purchasing individual bonds. Standards for judging the investment merit of specific securities are also treated.

This study was published in April 1937 (No. 19¹).

See also IC(b) 18, 19 and 22; IE8, 10 and 12; IVC₂ and 5

¹ Related studies published by the Bank Management Commission include: 'Secondary Reserves and Security Buying' (No. 3, 1929); and 'Investment Policies of Banks' (No. 11, 1932).

9. AMERICAN BANKERS ASSOCIATION, BANK MANAGEMENT COMMISSION

Loan administration policies

Changes in the lending policies of banks induced by altered business conditions have prompted this new study of present day bank loan policies. It will deal with: (a) the relation of loan policy to turnover in deposits; (b) the diversification of loans by type of borrower and business; kind of collateral, interest rates, compensating deposit balances, eligibility of paper for rediscount, etc.

This study is expected to be published in 1937.¹

See also IE8 and 10; IVA₁ and 3

¹ The first study published (1928) by the Bank Management Commission had the same title.

10. AMERICAN BANKERS ASSOCIATION, BANK MANAGEMENT COMMISSION

Pay-as-you-go checking accounts

Because of the current interest in 'pay-as-you-go' or 'no-minimum-balance' checking accounts, this study analyzes in some detail this type of checking account system. Data, assembled by questionnaires to all banks using this type of system, cover costs, charges and procedures. A plan is proposed, based on the analysis of questionnaire replies, for a standard 'pay-as-you-go' checking account plan.

The results of this study were published in March 1937 (Commercial Bank Management Booklet No. 18).

See also IC(b) 21

11. AMERICAN BANKERS ASSOCIATION, BANK MANAGEMENT COMMISSION

Purchasing bank supplies

In view of the necessity under present conditions for effecting every possible reduction of bank operating expense, this study deals with possible economies from a more careful control of bank purchases and inventories. The purpose is to determine: (a) standards for amounts of supplies ordered at one time; (b) the most effective purchasing procedure; (c) economies through the standardization of bank forms.

This study is to be published in 1937.

12. AMERICAN BANKERS ASSOCIATION, BANK MANAGEMENT COMMISSION

Standard accounts and standard statements for banks

To meet the need for standard classification of accounts in the general ledger of a bank and for the development of a standard terminology to apply to accounts, this study analyzes in detail the most approved bank accounting practices. The objects are to identify all accounts usually required by banks; to enumerate the items entering into each account; to provide special accounts for unusual items; to facilitate the compilation of official and unofficial statements from accounts; and to formulate a more consistent outline of bank operating and condition statements.

This study is scheduled for publication in 1937.

13. IOWA BANKERS ASSOCIATION, BANKING ANALYSIS COMMITTEE

Earnings and expenses of Iowa banks

Continuing previous studies of earnings and expenses of all incorporated banks in Iowa, national as well as state, which now extend over thirteen years, the distribution of gross earnings of all banks for 1936 is being analyzed. This analysis, which is prepared by size classes, serves the dual purpose of supplying a reference base for comparing the operating performance of individual banks and of supplementing earlier studies of trends in costs and earnings of Iowa banks.¹

In preparation by the Banking Analysis Committee with the cooperation of the State Banking Department

and the Federal Reserve Bank of Chicago; the Association will publish the results by June 1937.

¹ See H. G. Pett, 'Analysis of Earnings and Expenses of Iowa Banks Covering Eleven Years to January 1, 1935,' *Proceedings* of the Forty-Ninth Annual Convention, Iowa Bankers Association, 1935, pp. 68-87.

14. KENTUCKY BANKERS ASSOCIATION, BANKING RESEARCH COMMITTEE

Bank service charges

In order to ascertain the extent to which special service charges are imposed by Kentucky banks, their amounts and purposes, a survey of current practices of all Kentucky banks has been launched. By means of a questionnaire data are being collected on charges for: (a) checking accounts and check books; (b) cashing checks for non-customers; (c) issuing special checks and transfers to customers and non-customers; (d) overdrafts and returned checks; (e) temporary accounts; (f) discount charges on small notes; (g) commissions on real estate loans.

In preparation under the auspices of the Banking Research Committee, results are to be made available to Association members by spring 1937.

15. WASHINGTON BANKERS ASSOCIATION, BANKING RESEARCH COMMITTEE

New channels for bank loans

To ascertain more definitely the nature and relative importance of alternative channels for bank loans in Washington, this project is undertaking a statewide survey of prevailing credit demands. A number of questionnaires are to be sent out to banking and business institutions, and

in addition field studies are to be made in one or more specimen agricultural counties and large centers. Consumer lending experience is to be investigated, special consideration being given to the possibilities of consumer credit lending. The study is also to concern itself with governmental lending agencies and other competitive sources of credit.

In preparation under the auspices of the Committee on Banking Research, completion is expected within six months.

16. HOLL, L. C.

[THE CHASE NATIONAL BANK,
NEW YORK, N. Y.]

*The administration of local bank branches*¹

A complete unit branch must provide, at a reasonable cost, all the banking services required to meet the financial needs of the community. The several factors entering into organization of unit branches, such as operations, accounting, branch examinations, branch continuous audit, business development, and conversion of funds are examined to determine how unit branches can best supply adequate services economically and under proper control of management and administration. Special attention is given to scientific methods in bank management; the importance of personnel analysis and development, both clerical and official; the need for professional management and its application to the supervision of branches.

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

17. MCKEE, C. W.

[WESTMINSTER COLLEGE]

*Sources and uses of bank funds, Shenango and
Mahoning Valleys, Pa.*¹

Devoted to tracing the sources and uses of bank funds in a restricted semi-industrial area, this project divides itself into three main parts. The first part compares, over the last ten years, trends in asset and deposit categories of banks situated in the Shenango and Mahoning Valleys with those of other regional bank groups, and analyzes the tendencies in conversion policies that these trends reflect. The second part entails a detailed study of all current deposit accounts of selected local banks to ascertain their sources, activity and costs, and a related study of the loan and investment policies of these banks. The final part of the project contains an appraisal of the loan and investment policies of Shenango and Mahoning Valley banks from the standpoint of their local business and economic environment. At present six representative banks are cooperating in providing detailed data covering their deposit accounts and their loan and investment portfolios. Several measures of local business activity have been compiled for use in conjunction with the several parts of the analysis.

¹ Ph.D. thesis, Columbia University.

18. MOORE, D. A.

[FIRST NATIONAL BANK,
ATTAMONT, N. Y.]

*'Money rate' bonds of country banks*¹

A review of bank failures and the loss of capital funds in the latest depression, as a result of security depreciation, gives the setting for this study of the role of

'money rate' bonds in the investment accounts of country banks. Two divergent investment policies are intensively analyzed: one contemplating an investment portfolio of bonds influenced mainly by money rates, and the other permitting an investment account comprised mainly of other classes of bonds. The relative merits of these two divergent investment policies are assayed from the standpoint of the country bank.

See also IC(b)8

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

19. MUNROE, T. W. [FIDELITY DEPOSIT BANK, DERRY, PA.]

*The investment problem of a small bank*¹

This study analyzes the difficulties confronting the small country bank in formulating an effective investment policy and the further difficulties of applying an appropriate investment policy that arise from the lack of investment training of bank officers and the inadequacies of investment information available to them. Various distributions of assets are first considered to determine the relative size of the investment account most compatible with the liability structure typical of small banks and the banking functions that the investment account must serve. Securities of different grades and qualities are then appraised from the standpoint of their eligibility for inclusion in the small bank's investment account. A final part of the study is devoted to problems of adapting bank investment to changing economic conditions.

See also IC(b)8

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

20. PATTON, W. J. L.

[THE NATIONAL CITY BANK,
NEW YORK, N. Y.]*Ideal bank statements*¹

Criticisms of published bank statements are listed and alleged obstacles in the way of standardization and improvement noted. Examples of published statements for the last fifty years are then used to illustrate the lack of any substantial improvement in methods of presentation or type of information shown. This is followed by an outline of the standardization work of the Federal Deposit Insurance Corporation, and an analysis of items that should be included in bank statements to make them more informative and useful. Operating statements are similarly treated, and the arguments for and against publication presented.

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

21. ROKAHR, THEODORE [FIRST CITIZENS BANK AND TRUST
COMPANY, UTICA, N. Y.]*Service charges on small checking accounts*¹

Devoted to an examination of the so-called pay-as-you-go checking account plans, this study attempts to discover their faults and weaknesses and outlines a procedure whereby banks may attain, on a sound and profitable basis, the objectives that the pay-as-you-go plans were designed to accomplish.

See also IC(b)10

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

22. WILKINSON, J. H., JR. [STATE-PLANTERS BANK AND TRUST CO., RICHMOND, VA.]

*The security investment account of a commercial bank*¹

The essential functions performed by the security investment account of a commercial bank, which embraces both the secondary reserve account and the investment account proper, are assessed in relation to the capital account and to the amount and type of other assets. The object is to establish a framework of investment policy for commercial banks based on experience since 1929. Matters of internal procedure such as methods of buying bonds and costs of investment administration are carefully considered, as are also external factors such as the policies of the Federal Reserve System and regulations of the Comptroller affecting the investments of national and state member banks.

See also IC(b)8

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

(c) TRUST DEPARTMENTS AND COMPANIES

I. AMERICAN BANKERS ASSOCIATION, TRUST DIVISION

Studies in trust business

The results of several separate studies conducted over the last three years by the Trust Division and also by the Trust Research Department of the Graduate School of Banking, American Institute of Banking, are combined to provide a comprehensive survey of the administrative and operating problems encountered in the conduct of a trust business. Among the different aspects of

the trust business covered are: (a) policies in accepting and retaining trusts; (b) the training of trust department employees; (c) costs of trust administration and bases of compensation for trust services; (d) responsibilities of trust directors and discretionary powers of trustees; (e) administrative problems of irrevocable trusts and co-trusteeships; (f) methods of handling premiums and accumulated discounts; (g) the relation between trust and investment counselor services; (h) social aspects of spendthrift trusts; (i) public trusteehips and state guarantee of trusts; (j) experience with common trust funds in the United States and other countries; (k) the functions of government supervision of the trust business.

In preparation by Gilbert T. Stephenson, Director of Research, Trust Research Department, Graduate School of Banking, American Institute of Banking, this study is expected to be published in the fall 1937.

2; BITTNER, P. W. [FIRST NATIONAL BANK AND TRUST COMPANY, GREENFIELD, MASS.]

*The investment organization of a
small trust department*¹

The purpose of this study is to determine an organization for the average small trust department that will both be efficient and provide effective compliance with present rules and regulations of bank supervisory authorities affecting trust business. The analysis covers: (a) factors determining investment policies for trustees, particularly the legal elements and requirements of various jurisdictions; (b) the organization of trust investment in small departments, the duties and responsibilities of directors, and the functions and organization of the trust investment committee; (c) the records, reports and other equipment

necessary for the effective operation of trust departments. Information on methods of operation of small trust departments has been assembled in conjunction with the study by a questionnaire survey covering approximately a hundred and fifty banks of moderate size.

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

3. DORMAN, B. K. [FIRST NATIONAL BANK OF SHREVE-
PORT, SHREVEPORT, LA.]

*Trust business in Louisiana in the light of its
civil law background*¹

To determine the effects of Louisiana's unique legal system on the development of trust business within the state, this study examines all Louisiana statutes, court cases and decisions affecting all forms of trust business. Against this background, the development of trusts in Louisiana is analyzed and compared with their development elsewhere.

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

4. DUNN, C. W. [FRANKLIN BANK AND TRUST COMPANY,
EVANSVILLE, IND.]

*The use of common trust funds by a
small trust department*¹

To determine the practicability of adapting the common trust fund to the use of the small trust department, this study combines: (a) a review of the history of common trust funds in foreign countries; (b) a special examination of the methods of administering common trust funds in New Zealand; (c) a primary inquiry into the experi-

ence of a few large banks in this country that have operated common trust funds; (d) an analysis of the legal status of such funds in states that have authorized them.

See also IC(c)9

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

5. FISCHER, L. W. [AMERICAN NATIONAL BANK AND TRUST COMPANY, CHICAGO, ILL.]

*The bases of trustee compensation*¹

Various bases of trustee compensation are examined in this study to determine their adequacy in relation to the costs of services rendered by corporate trustees. This entails analysis of previous practices in fixing charges and fees for trust service and an evaluation of present tendencies and suggested changes in practice. The different cost elements affecting the administration of trust accounts of the same value are indicated, and methods are suggested for allowing for cost differentials arising from special activity, trust duties, or other causes.

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

6. PATENAUDE, F. W. [MIDDLETOWN NATIONAL BANK, MIDDLETOWN, CONN.]

*Compensation for trust service in Connecticut*¹

As a background for studying the compensation of trust services in Connecticut, probate statistics over the last five years for ten leading cities and towns are studied to ascertain: (a) the number of estates probated of \$25,000 or over in the three large cities and of \$10,000 or

over in the smaller towns; (b) the number of estates in process of settlement by corporate trustees and by individuals; (c) the volume entrusted to each class of trustee expressed at inventory value. Against this background prevailing schedules of fees charged by corporate trustees are critically considered in relation to costs of performing various trust services as disclosed by recent cost data. A final part of the study is concerned with standards for determining the proper basis for trust fees.

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

7. REMINGTON, J. W. [LINCOLN-ALLIANCE BANK AND TRUST COMPANY, ROCHESTER, N. Y.]

*The association of banking and fiduciary services*¹

The report of the Securities and Exchange Commission relative to trustees under indentures, made in 1936, raises anew the broader question of the association or dissociation of a banking and trust business. As a basis for dealing with this question, the study concerns itself with various aspects of the fiduciary practices in Canada and New Zealand, where dissociation has long been the rule. It also traces the rise of associated banking and fiduciary service in the United States and contrasts the forces that have fostered this development to those in other countries that have made for dissociated banking and fiduciary services.

See also IC(c)10

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

8. SCULLY, C. ALLISON [BANK OF MANHATTAN COMPANY,
NEW YORK, N. Y.]

The purchase of common stocks as trust investments

The objectives of this study are, first, to set forth the responsibilities of trustees in the investment of trust funds in common stocks; second, to indicate the general principles that should govern such investment. In line with these objectives, it reviews: (a) recognized standards of performance of duty by trustees; (b) court cases bearing on trustees' powers to invest in common stocks; (c) the present applicability of precedents for common stock investment by trustees; (d) considerations governing the choice of stocks as a medium for trust investment; (e) tests of business judgment in determining whether stocks are suitable trust investments.

This study has been recently completed and published.¹

¹ The Macmillan Company, New York, 1937.

9. WARD, RODMAN [EQUITABLE TRUST COMPANY,
WILMINGTON, DEL.]

*Establishment and maintenance of a common trust fund*¹

Based on experience of various institutions with common trust funds, the purpose of this study is to ascertain the most effective methods for their establishment and administration. Special consideration is given to bookkeeping methods, to records required for Federal taxes, and to Federal Reserve regulations affecting their administration.

See also IC(c)4

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

IO. STEPHENSON, GILBERT T. [GRADUATE SCHOOL OF
BANKING, AMERICAN INSTITUTE OF BANKING,
SECTION AMERICAN BANKERS ASSOCIATION]

Foreign systems of trust business

Confined primarily to the administrative and business side of the trust business in other countries, this study describes: (a) how estates of deceased persons are wound up and distributed under foreign legal systems; (b) how trust services are rendered that in this country are rendered by banks and trust companies under the name of corporate trust and agency services; (c) how trusts or substitutes for trusts in foreign countries are administered. The pattern of organization follows the type of legal system prevailing in foreign countries. Accordingly, the first part is devoted to systems of trust business in common law countries as England and the several Commonwealths of the British Empire. The second part covers trust systems in civil law countries, principally those of Central Europe and of Latin America, whose juridical systems are based on the Code Napoleon. The last part will deal with trust systems in other countries most of which have a combination of common law and civil law together with local customs and laws, including the Scandinavian countries, Japan, China, Turkey, Egypt, etc.

Materials for this study, which has been in process for several years, have been assembled by first hand investigations of the trust systems of England, Denmark, France, Germany, Ireland, Scotland, Norway and Sweden, and by extensive correspondence with trust experts of other countries. It is expected to be completed and published by 1938.

(d) CONSUMER AND OTHER FINANCE AGENCIES

1. REID, J. C. [FIRST NATIONAL BANK AND TRUST COMPANY, NEW HAVEN, CONN.]

*Personal loan departments in banks*¹

The development of personal loan departments in banks and the operation problems that they must meet are treated in this study. Various aspects of the personal loan business considered are: (a) the characteristics of personal loans; (b) the characteristics of borrowers from personal loan departments; (c) the experience of banks with Federal Housing Administration modernization loans; (d) small loans under the Morris Plan system; (e) the organization of personal loan departments; (f) statutory regulations affecting personal loan operations.

¹ Thesis, Graduate School of Banking, American Institute of Banking, Section American Bankers Association.

2. SNIDER, J. H. [GRADUATE SCHOOL OF BUSINESS ADMINISTRATION, HARVARD UNIVERSITY]

The place and functions of credit unions

The increasing interest in credit unions and the growing propaganda for their extension justifies a critical examination of their role and function in contemporary financial organization. This inquiry therefore is concerned first with their development in Massachusetts, the state in which the credit union movement initially took hold and has grown most rapidly; and second, with their rise elsewhere in the United States, particularly the rise of credit unions under Federal charter. Such aggregate data as are available to indicate the growth and relative importance of credit unions as financial agencies are in

process of collection, as are also records of individual credit unions. The latter are analyzed with the objective of ascertaining the special conditions under which credit unions have thrived and also those which have contributed to failure.

Undertaken at the suggestion of the Pollak Foundation, which is providing financial assistance, this study is at present in a formative stage.

(e) INVESTMENT CREDIT AGENCIES

I. SECURITIES AND EXCHANGE COMMISSION, RESEARCH DIVISION

Characteristics of various types of investment trusts and companies (Investment Trust Study)

Under the terms of the legislative mandate contained in Section 30 of the Public Utility Holding Company Act of 1935, the Securities and Exchange Commission is directed to make an exhaustive study of the functions and activities of investment trusts and investment companies. In conformity with this mandate, a thorough investigation is being made of the distinguishing characteristics of various types of investment trusts and companies: (a) investment trusts and companies of the management type; (b) fixed or semi-fixed investment trusts; (c) special investment trusts; (d) special investment plans; (e) companies issuing guaranteed face amount certificates; (f) investment holding companies; (g) common or commingled trust funds; (h) defunct, liquidated and consolidated investment trusts and companies.

Materials for the investigation have been assembled by questionnaire surveys, field studies, and, for the larger

investment trusts, by means of conferences with executives at which preliminary reports were discussed in detail, and by public examinations. Information gathered differs for the various types of companies. For management type investment companies, it embraces data on: (a) history and organization; (b) corporate structures; (c) the issuance, sale and distribution of securities; (d) nature and scope of activities; (e) management and investment policies; (f) the acquisitions and control of subsidiaries and affiliates; (g) the influence exerted on companies in which investment companies are interested; (h) the influence exerted by interests affiliated with the managements on the policies of investment companies. In addition to general materials on history, organization, operating practices and policies of trusts of a fixed type, information is gathered concerning securities, indentures and agreements, the relationship of the trust with depositors and trustees, and method of fixing prices for trust shares. For special investment plans, supplementary data cover the activities of sponsors; components of certificate prices; deductions and charges to which investors are subject; and defaults and withdrawals by certificate holders. For companies issuing guaranteed face amount certificates, supplementary information similar to that for fixed type trusts is collected together with other special items, as the extent and kind of supervision to which these organizations are subject by state authorities. Materials assembled cover substantially 1927 through 1935.

Summaries of the assembled materials are being prepared for incorporation in the Commission's final reports. The important statistical summaries will cover (a) balance sheet data reflective of corporate structures; (b) income, expenses and dividends; (c) portfolios, showing

securities held by all investment companies and by different types of companies at specified dates; (d) portfolio turnover of various trusts and different types of companies for 1933-35; (e) sales and purchases of own securities; (f) number of shareholders; (g) remuneration of officers and directors; (h) net asset values and prices of investment company securities. Other summaries will be devoted to: (a) influences exerted by investment companies on enterprises in which they are interested; (b) influences exerted on investment companies themselves by interests affiliated with management; (c) benefits accruing from investment company operations to related parties; (d) the experience of investors in investment company securities.

This study is being conducted under the general supervision of Commissioner Robert E. Healy and under the immediate direction of Paul P. Gourrich, Director of the Research Division, aided by William E. Spratt, Jr., Chief of the Investment Trust Study, and David Schenker, Counsel to the Investment Trust Study. Submission of reports to Congress is expected by the middle of 1937.

Related studies in preparation as part of this program are mentioned elsewhere in the inventory. See below and also IIIA₂; IVC₁

2. SECURITIES AND EXCHANGE COMMISSION, RESEARCH DIVISION

British investment trusts (Investment Trust Study)

With a view to ascertaining the distinctive features of British investment trust organization and practices, and comparing them with those of American investment trusts, the Commission had prepared for its use a comprehensive survey of British trusts. Their capital struc-

tures, management systems, investment policies and investment performance records have been examined in detail and compared with similar features of American companies.

Prepared under the direction of Paul P. Gourrich in conjunction with the Commission's investigation of investment trusts authorized by the Public Utility Holding Company Act of 1935, the study will be included in the reports of the investigation, to be submitted to Congress in the middle of 1937.

3. SECURITIES AND EXCHANGE COMMISSION, RESEARCH DIVISION

Investment counsel and supervisory services (Investment Trust Study)

To provide a comprehensive background for its study of American investment trusts and investment companies, the Commission is conducting a brief investigation of investment counsel and supervisory services. The immediate purpose is to ascertain the various connections and relationships of investment counsel and supervisory services with investment companies. Materials have been assembled by means of a questionnaire survey on the organization of these services, solicitation of accounts, activities, transactions and investment policy, basis of compensation and affiliations with investment companies. In addition, information has been assembled on the type, number and size of accounts supervised; the custody of securities and funds of clients; and the connections and business experience of officers and directors.

In preparation under the direction of Paul P. Gourrich as part of the Commission's investment trust investigation authorized by the Public Utility Holding Company

Act of 1935. The findings will be included in the reports of the investigation, to be presented to Congress in the middle of 1937.

4. SEVERSON, H. L. [MUNICIPAL UNIVERSITY OF OMAHA]

*Investment banking in Chicago, 1833-1920*¹

Historical in approach, the purpose of this study is to sketch the development of financial institutions handling long term financing in Chicago from the pre-Civil War period to 1920. The specific purpose is to ascertain what changes took place in the types of security issued through Chicago institutions, in the kinds of institution dealing in long term investment securities, and in the methods used to distribute investment securities to the public. Materials have been assembled from a study of newspaper files and, wherever possible, from the records of investment institutions themselves.

Financial assistance for the conduct of this study has been provided by the Social Science Research Committee of the University of Chicago.

See also IC(a)11; ID8

¹ Ph.D. thesis, The University of Chicago.

(f) URBAN MORTGAGE CREDIT AGENCIES

I. FEDERAL HOUSING ADMINISTRATION, DIVISION OF ECONOMICS AND STATISTICS

European housing practice and policies

This investigation is concerned with a comparative analysis of techniques and practices in financing private and public housing projects in Austria, Czechoslovakia, Eng-

land, France, Germany, Holland, Norway, Sweden and Switzerland. The object is to determine the applicability of financial principles for housing finance accepted in foreign countries to conditions in the United States, taking into account differences in financial organization and in types of financial institution engaged in real estate financing.

Prepared under the joint direction of Ernest M. Fisher and Richard U. Ratcliff, the results have recently been published by the Division of Economics and Statistics.

2. NATIONAL BUREAU OF ECONOMIC RESEARCH

The organization of the real estate market (Real Estate Financing and Economic Stability)

In conjunction with the broad survey of real estate financing and economic stability, in process under the auspices of the National Bureau, the various classes of financial institutions that make real estate mortgage loans are given special study, viz., commercial banks, savings banks, building and loan associations, life insurance companies, Farm Credit Administration, Federal Housing Administration, Home Owners Loan Corporation, and the New York State Mortgage Commission. The purpose is to determine the role that these institutions perform in the real estate mortgage market and to determine their adequacy or shortcomings as real estate credit agencies. Consequently, analysis is made of: (a) the organization and procedures of each institution in the collection and distribution of funds; (b) the control and regulation to which each is subject in its operations; (c) the relationship of their activities to those of non-institutional mortgage lenders; (d) the economic effect

of the real estate lending activities of specialized mortgage institutions.

In preparation under the direction of David L. Wickens, an Associate of the National Bureau. This analysis of the organization of the real estate market is to be incorporated in the general study of real estate financing and economic stability which the National Bureau expects to publish in 1938.

For the main description of this project, see VC2

3. OHIO STATE UNIVERSITY, BUREAU OF BUSINESS RESEARCH

Building and loan developments in Ohio and in the United States

This study seeks to picture changes since 1920 in the development of building and loan associations throughout the United States, and particularly in Ohio, with the ultimate objective of determining the influences that have produced changes and appraising their significance. It involves comparative investigation of trends in balance sheet data of building and loan associations and competing institutions in different states, and also of state laws and regulations affecting their operations. The relationship between building and loan associations and such recently created Federal institutions as the Federal Home Loan Banks and the Federal Savings and Loan Insurance Corporation will constitute a final phase of the project.

In preparation under the direction of Virgil Willett of the Economics Department, compilation of data is in process as a WPA project under the Bureau of Business Research. When completed, the results will be published as a Bureau monograph.

(g) AGRICULTURAL CREDIT AGENCIES

I. FARM CREDIT ADMINISTRATION, DIVISION OF FINANCE AND RESEARCH

Financial history of the joint stock land banks

This study is concerned with the financial and economic history of joint stock land banks organized from 1917 to 1923 and doing business in various sections of the country up to 1933, when provision was made for their liquidation under the Emergency Farm Mortgage Act of 1933. The analysis is to be divided into three main parts, the first a survey of the economic and legislative background of the banks, the second, a review of their organization, development and financial structures, and the third, an appraisal of their investment experience records and the general economic results of their operations. Special attention is being given to the types of operating problem confronting joint stock land banks from time to time with a view to drawing conclusions of general value.

In preparation under the direction of Carl H. Schwartz, Jr. as a project of the Economics Subdivision of the Division of Finance and Research of the Farm Credit Administration. At present it is not feasible to indicate a tentative date for completion or definite publication plans.

2. FEDERAL LAND BANK OF LOUISVILLE IN COOPERATION
WITH PURDUE UNIVERSITY

*An economic appraisal of the operation of national farm
loan associations in the Fourth Federal
Land Bank District*

Based on data available in the files of the Federal Land Bank of Louisville and compiled from personal interviews with national farm loan association officers, this inquiry is directed to the determination of factors affecting the success or failure of national farm loan associations. It entails a detailed inquiry into the aspects of farm loan association operation: (a) general factors affecting efficiency of operation; (b) methods of control and management; (c) effects of farmer participation; (d) relations with customers and supervisors; (e) costs of operation and of making and servicing loans; (f) efficiency of collection systems, extent of possessed property and disposition of possessed properties; (g) relation of financial status to opportunity for service; (h) relation of membership and community attitude to success; (i) the influence of personnel in success. Of 490 associations in Ohio, Indiana, Kentucky, and Tennessee approximately 75 are being intensively studied.

In preparation under the direction of E. L. Butz of the Federal Land Bank of Louisville as a joint project of the Federal Land Bank of Louisville and Purdue University. Completion is expected by summer 1937. No special publication of the findings is now planned.

(h) FEDERAL CREDIT AGENCIES

1. AMERICAN BANKERS ASSOCIATION, COMMITTEE ON BANKING STUDIES

Government lending agencies

The nature and extent of the competitive pressure exerted on incorporated state and national banks in consequence of the existence and operations of different government lending agencies is being investigated. As one phase, government lending agencies are being studied from the standpoint of the functions they perform as at present organized, together with such other functions as they may be authorized to perform under the law. As another phase, a questionnaire survey, with the cooperation of state bankers associations, is seeking to ascertain directly from bankers throughout the country the extent to which their local operations are affected by the activities of government lending agencies.

The findings are to be made available in pamphlet form in 1937.

See also IC(h)3 and 4; IID10 and 11

2. AMERICAN BANKERS ASSOCIATION, COMMITTEE ON BANKING STUDIES

The postal savings system of the United States

This comprehensive survey of the postal savings system of the United States was undertaken to ascertain the nature and extent of present day competition of postal savings with the savings business of chartered banks. As an essential introduction to the survey, the historical background of the establishment and development of

the postal savings system is traced in some detail, including an analysis of the Postal Savings Act of 1910 and the various amendments to it. The central part of the study, however, is devoted to a cross section consideration of the contemporary status of the system, and analyzes: (a) the geographical distribution of postal savings depositories in bank towns and non-bank towns, and of the disposition of postal savings funds; (b) the current distribution of savings banking facilities of chartered banks; (c) questionnaire returns, covering more than ten thousand banks, on the competition prevailing locally between themselves and postal savings depositories. An appendix presents: (a) graphs of postal savings developments in each state, 1911 through 1935; (b) tabulations of postal savings depositories by towns having both bank and postal savings facilities and towns having only postal savings depositories; (c) maps identifying all towns by the savings facilities available.

Prepared under the supervision of the Committee on Banking Studies, this survey was published in February 1937 by the American Bankers Association.

3. CALIFORNIA BANKERS ASSOCIATION, RESEARCH
COMMITTEE

Government lending agencies in California

As part of a comprehensive research program under the auspices of the California Bankers Association, a study is planned dealing with government lending agencies operating in California and the competition felt by California state banks from their activities.

At present in an exploratory stage, this study is to be

made under the direction of J. Knight Allen of Stanford University.

See also IC(h)1

4. BLACK, J. D., GALBRAITH, J. K., [HARVARD UNIVERSITY]
HARRIS, S. E.

The Farm Credit Administration

Devoted primarily to the structural features of the Farm Credit Administration, this study is divided into three major parts. One part is concerned with the relation of farm credit facilities and policies of the FCA to the cooperative movement. Another deals with the administrative problems of the FCA, and particularly those related to mortgage and production credit policies. A third has to do with the monetary and recovery aspects of FCA policies, such as the farm debt burden, sources of FCA funds put at the disposal of agriculture, competition between public and private farm credit agencies, cost of farm credit, the agricultural balance of payments, and the relationship of credit policies to farm prices, output and incomes.

The three parts are in preparation under J. D. Black, J. K. Galbraith and S. E. Harris respectively.

See also IID10