
FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

Report of Operations



REPORT OF OPERATIONS

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, D.C., March 31, 1934.

SIR: Pursuant to the provisions of subsection (r) of section 12B of the Federal Reserve Act, as the same is incorporated in section 8 of the Banking Act of 1933, the Federal Deposit Insurance Corporation has the honor to submit its report with respect to its operations.

The Federal Deposit Insurance Corporation was created by the Banking Act of 1933. Since its creation it has been concerned with making the insurance provisions of that act effective, and this report is concerned with its operations in that connection.

According to the provisions of the law the Comptroller of the Currency is designated as a director, and under that designation Mr. J. F. T. O'Connor, Comptroller of the Currency, has continuously acted as a director. The President appointed as the other directors Mr. Walter J. Cummings and Mr. E. G. Bennett. The directors organized on September 11, 1933, and elected Mr. Walter J. Cummings chairman of the board. Mr. Cummings served in the capacity of chairman of the board until February 1, 1934, at which time his resignation became effective and he was succeeded by Mr. Leo T. Crowley.

The board of directors of the Corporation, immediately following their organization, adopted bylaws to regulate the manner in which the general business of the Corporation would be conducted. The board appointed the necessary officers and employees to enable the Corporation to proceed with the insurance of bank deposits in accordance with the provisions of the act.

In order to obtain funds for operation and to avail itself of the provisions of the law providing for its capital, the Corporation in September 1933 received \$500,000 from the Secretary of the Treasury. In November 1933 it received the remainder of the Government's contribution to its capital, or \$149,500,000, in accordance with the provisions of the act which require the Secretary of the Treasury, on behalf of the United States, to subscribe to stock of the Corporation in the amount of \$150,000,000. On January 3, 1934, the Corporation called upon the Federal Reserve banks to subscribe to its class B stock under the provision of the act which requires them to subscribe to shares of class B stock of the Corporation in an amount equal to

one half of the surplus of each bank on January 1, 1933, and to accompany the subscription by a certified check payable to the Corporation in an amount equal to one half of such subscription. The call was promptly responded to and the Federal Reserve banks subscribed and paid for class B stock of the Corporation as shown in the following tabulation:

Location of Federal Reserve bank	Surplus Jan. 1, 1933	Subscription	Amount paid
Atlanta.....	\$10,544,063	\$5,272,031.50	\$2,636,015.78
Boston.....	20,460,473	10,230,236.50	5,115,118.44
Chicago.....	39,497,033	19,748,516.50	9,874,258.35
Cleveland.....	28,293,727	14,146,863.50	7,073,431.83
Dallas.....	8,718,676	4,359,338.00	2,179,669.05
Kansas City.....	8,262,553	4,131,276.50	2,065,638.15
Minneapolis.....	7,018,935	3,509,467.50	1,754,733.82
New York.....	85,058,421	42,629,210.50	21,264,606.32
Philadelphia.....	29,241,767	14,620,883.50	7,310,441.76
Richmond.....	11,616,583	5,808,291.50	2,904,145.71
St. Louis.....	10,186,225	5,093,112.50	2,546,556.12
San Francisco.....	19,700,657	9,850,328.50	4,925,164.15
Total.....	278,599,113	139,299,556.50	69,649,778.48

On January 5, 1934, the directors caused 90 days' notice of the calling of the remaining half of the subscription to be given, the notice expiring and the remaining half becoming payable on April 15, 1934.

At the close of business February 28, 1934, the Corporation had invested \$108,776,073.38 in securities of the United States Government on which it had earned interest amounting to \$417,459.52, including interest accrued but not received. At the close of business March 31, 1934, investments in securities of the United States Government amounted to \$151,773,705.10.

The Corporation had cash amounting to \$147,437,983.51 on hand and on deposit with the United States Treasurer on February 28, 1934, as shown by the following statement of cash receipts and disbursements prepared as of that date after elimination of transfers of funds between accounts:

CASH RECEIPTS

Subscription of the Secretary of the Treasury of the United States to class A capital stock.....	\$150,000,000.00
Payments by Federal Reserve banks on subscriptions to class B capital stock.....	69,649,778.48
Assessments paid by banks complying with all requirements for admission to membership in the Temporary Federal Deposit Insurance Fund.....	38,837,795.11
Interest received.....	158,832.34
Total.....	258,646,405.93

DISBURSEMENTS

Securities purchased.....	\$108, 776, 073. 38
Accrued interest on securities purchased to date of purchase..	667, 329. 59
Salaries and traveling and subsistence expenses.....	1, 593, 937. 08
Capital expenditures.....	44, 750. 37
Other.....	126, 332. 00
Total.....	111, 208, 422. 42
 Balance, Feb. 28, 1934.....	 147, 437, 983. 51

In proceeding to effect insurance upon deposits in the banks under the provisions of subsection (y) of section 12B, supra, it was unnecessary for the board to take any action with respect to national banks and State banks which are members of the Federal Reserve System to qualify them for insurance in the Fund, inasmuch as these banks were required to participate. State banks which were not members of the Federal Reserve System were required to apply for insurance in order that the benefits of the act might be extended to them and their depositors, and as to such banks examinations were required as well as certificates of solvency from the supervising State authorities. By October 1, 1933, examining offices had been established in the capital city of practically every State, with a supervising examiner in charge. As the need became evident additional examiners and assistant examiners were appointed and assigned to territory where the need existed.

The following tabulation shows the number of applications received, the number of examinations completed, the number of applications approved, the number of applications rejected, the number of applications pending, and the number of examiners and assistants employed at various dates:

Date	Applica- tions received	Examina- tions completed	Applica- tions approved	Applica- tions rejected	Applica- tions pending	Examiners and assist- ants em- ployed
Oct. 31, 1933.....	4, 058	1, 644	431	55	1, 158	999
Nov. 10, 1933.....	5, 211	2, 597	940	113	1, 544	1, 167
Nov. 20, 1933.....	6, 092	3, 514	1, 613	215	1, 686	1, 437
Nov. 30, 1933.....	6, 581	4, 734	2, 445	356	1, 933	1, 601
Dec. 9, 1933.....	7, 120	6, 555	3, 734	504	2, 317	1, 676
Dec. 20, 1933.....	7, 671	7, 474	5, 684	849	941	1, 145
Dec. 30, 1933.....	7, 834	7, 785	6, 496	977	312	338

At the close of business December 31, 1933, remittances had been received from 12,617 banks reporting 52,746,020 accounts with aggregate insurable deposits of \$15,063,185,038, which may be further classified as follows:

	Banks reporting	Insured accounts	Insurable deposits
State banks (not members of Federal Reserve System).....	6, 754	20, 205, 064	\$6, 751, 275, 709
State banks (members of Federal Reserve System).....	802	8, 264, 002	2, 396, 052, 877
National banks.....	5, 061	24, 276, 954	5, 915, 856, 452
Total.....	12, 617	52, 746, 020	15, 063, 185, 038

At the close of business March 31, 1934, 13,870 banks had reported 55,597,695 accounts with aggregate insurable deposits of \$15,700,917,289, as follows:

	Banks reporting	Insured accounts	Insurable deposits
State banks (not members of Federal Reserve System).....	7, 811	21, 630, 656	\$7, 065, 723, 710
State banks (members of Federal Reserve System).....	934	8, 914, 961	2, 563, 294, 686
National banks.....	8, 325	25, 052, 078	6, 071, 898, 893
Total.....	13, 870	55, 597, 695	15, 700, 917, 289

The number of insured banks, the number of insured accounts and the amount of insured deposits reported by banks complying with the requirements for admission to the Temporary Federal Deposit Insurance Fund as of March 31, 1934, are shown by classes of banks and by States in the exhibits enumerated below and which are appended hereto as a part of this report:

- EXHIBIT A.**—Statement of membership in the Temporary Federal Deposit Insurance Fund—all banks.
- EXHIBIT B.**—Statement of membership in the Temporary Federal Deposit Insurance Fund, mutual savings banks (not members of Federal Reserve System).
- EXHIBIT C.**—Statement of membership in the Temporary Federal Deposit Insurance Fund, State banks, other than mutual savings banks (not members of Federal Reserve System).
- EXHIBIT D.**—Statement of membership in the Temporary Federal Deposit Insurance Fund, State banks (not members of Federal Reserve System), mutual savings banks and other State banks combined.
- EXHIBIT E.**—Statement of membership in the Temporary Federal Deposit Insurance Fund, State banks (members of Federal Reserve System).
- EXHIBIT F.**—Statement of membership in the Temporary Federal Deposit Insurance Fund—national banks.

The insured banks have been grouped with respect to membership in the Federal Reserve System and with respect to National and State charters and principal types of banks. The ratio of each group to total of banks insured and the ratios of insured accounts and insurable deposits to totals insured are shown below:

	Banks reporting	Insured accounts	Insurable deposits
State banks (not members of Federal Reserve System):	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Mutual savings banks.....	1. 69	15. 99	28. 57
Other than mutual savings banks.....	53. 19	22. 92	16. 43
Total.....	54. 88	38. 91	45. 00
State banks (members of Federal Reserve System).....	6. 73	16. 03	16. 33
National banks.....	38. 39	45. 06	38. 67
Total.....	100. 00	100. 00	100. 00

The total deposit liability of banks which are members of the Temporary Federal Deposit Insurance Fund was not available as of the same date for all banks. Figures which have been compiled indicate that approximately 41 percent of the total deposit liability of all banks which are members of the Temporary Federal Deposit Insurance Fund are protected by insurance. The approximate relation of insured deposits to the total deposit liability of banks which are members of the Fund may be stated as follows:

	<i>Percent</i>
State banks (not members of Federal Reserve System):	
Mutual savings banks.....	69. 59
Other than mutual savings banks.....	58. 00
All State banks (not members of Federal Reserve System).....	64. 86
State banks (members of Federal Reserve System).....	26. 40
National banks.....	34. 59

Banks becoming members of the Fund are subject to a maximum assessment of 1 percent upon the amount of their deposits which are eligible for insurance. At the time of application they are assessed at the rate of one half of 1 per cent on such amount. One half of this assessment is payable at the time of admission to the Fund, the remaining half being subject to call at the discretion of the board of directors of the Corporation. To March 31, 1934, banks admitted to membership in the Fund had paid to the Corporation the sum of \$39,-278,361.65. The remaining half of the first assessment is subject to call. During the period of the operation of the Fund the banks remain liable to another assessment of one half of 1 percent, from which approximately an additional \$80,000,000 could be derived, if needed.

In addition to the activities of the directors and of the Corporation in making effective the deposit insurance provisions of the Banking Act of 1933, consideration was given to those provisions of section 12B, *supra*, which express the authority of the Corporation to purchase assets of closed national banks and of closed State banks, members of the Federal Reserve System, and which authorize receivers and liquidators of member banks to offer such assets for sale to the Corporation or as security for loans from it upon receiving permission from the appropriate authorities so to do. The Corporation has received no applications under these provisions of the law. This is doubtless due to the activity of the Reconstruction Finance Corporation in this field.

Prior to the organization of the board of directors of the Federal Deposit Insurance Corporation, the limitation upon the amount that the Reconstruction Finance Corporation was authorized to loan for the relief of banks in process of liquidation was removed. That corporation with its existing field organization had made loans for liquidation purposes of approximately \$300,000,000.

When the board of directors of the Federal Deposit Insurance Corporation was organized the time was very limited for doing the

necessary preliminary work incident to the prospective insurance of bank deposits by January 1. The directors, therefore, while attending scrupulously to the task of accomplishing the insurance of deposits, nevertheless devoted considerable time and energy cooperating with other agencies of the Government in bringing relief to the depositors in closed banks, member and nonmember alike, through the Reconstruction Finance Corporation.

Through the efforts of the deposit liquidation board which was appointed on October 17, 1933, and upon which the then chairman of the board of this Corporation and the Comptroller of the Currency served as members, the amount of deposit liquidation loans from the funds of the Reconstruction Finance Corporation had been increased on March 24, 1934, to \$746,334,000.

In any consideration of the financial operations of the Federal Deposit Insurance Corporation, it must be borne in mind that those provisions of the law (subsections o, p, and q) which authorize the issuance and sale of its obligations are similar to the provisions of the Reconstruction Finance Corporation Act but different in one important respect; namely, they contain no provision for a guaranty by the Government of such obligations. It is believed that in the absence of such a provision difficulty would be experienced in marketing obligations of this Corporation for the purpose of financing any extensive operations such as would be entailed in making liquidation purchases or loans. The directors, therefore, recommend that the subsections above referred to be amended by providing for a guaranty by the United States Government of such obligations of the Corporation as may be issued with the approval of the Secretary of the Treasury and that the Secretary of the Treasury may purchase and sell such obligations.

The directors of the Corporation have given careful consideration to the problems which seem to be presented in connection with placing into effect the permanent insurance features of the law on July 1, 1934. The results of its consideration have been embodied in a letter to the President of the United States in which certain definite proposals for legislation are made and explained. This letter together with the accompanying proposals were transmitted by the President for the consideration of the appropriate committees of Congress. Copies of these letters are marked as exhibits "G" and "H", respectively, and are appended to this report and made a part of the same.

Respectfully,

LEO T. CROWLEY, *Chairman.*

WALTER J. OWENS, *Secretary.*

THE PRESIDENT OF THE SENATE.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

EXHIBIT A

Statement of membership in the Temporary Federal Deposit Insurance Fund—all banks, Mar. 31, 1934

State	Insured banks	Insured accounts	Insured deposits
Alabama.....	199	598, 011	\$77, 863, 237
Arizona.....	15	69, 093	17, 221, 214
Arkansas.....	206	292, 574	49, 578, 596
California.....	257	3, 622, 253	1, 155, 976, 217
Colorado.....	1 139	391, 261	92, 752, 979
Connecticut.....	109	605, 430	169, 217, 152
Delaware.....	46	212, 193	56, 112, 448
District of Columbia.....	21	403, 172	96, 843, 999
Florida.....	1 142	411, 523	64, 422, 029
Georgia.....	255	737, 091	109, 510, 548
Idaho.....	61	106, 109	23, 543, 313
Illinois.....	1 848	2, 941, 878	695, 820, 828
Indiana.....	1 453	1, 070, 456	266, 762, 513
Iowa.....	1 473	741, 919	154, 275, 531
Kansas.....	1 413	653, 701	108, 354, 230
Kentucky.....	1 383	847, 217	148, 427, 266
Louisiana.....	1 143	571, 304	88, 496, 771
Maine.....	1 85	588, 354	169, 638, 086
Maryland.....	1 183	1, 073, 647	271, 953, 514
Massachusetts.....	1 211	1, 433, 199	467, 824, 500
Michigan.....	1 358	1, 141, 139	286, 463, 328
Minnesota.....	1 654	1, 283, 364	299, 589, 384
Mississippi.....	1 202	339, 382	60, 578, 372
Missouri.....	1 600	1, 526, 990	321, 221, 207
Montana.....	1 121	150, 116	41, 523, 852
Nebraska.....	1 356	448, 900	96, 240, 881
Nevada.....	1 10	21, 861	6, 724, 456
New Hampshire.....	1 57	151, 527	33, 407, 437
New Jersey.....	1 400	3, 153, 601	689, 981, 197
New Mexico.....	1 42	66, 093	13, 543, 480
New York.....	1 902	11, 495, 130	5, 350, 356, 420
North Carolina.....	1 228	546, 473	89, 833, 217
North Dakota.....	1 195	149, 351	32, 614, 493
Ohio.....	1 648	2, 870, 350	660, 776, 210
Oklahoma.....	1 395	705, 532	108, 810, 567
Oregon.....	1 102	423, 752	90, 414, 579
Pennsylvania.....	1 1, 030	6, 016, 925	1, 594, 573, 906
Rhode Island.....	1 16	341, 959	87, 337, 221
South Carolina.....	1 82	188, 539	30, 134, 704
South Dakota.....	1 211	175, 060	32, 500, 811
Tennessee.....	1 314	775, 379	122, 085, 519
Texas.....	1 821	1, 820, 996	350, 673, 991
Utah.....	1 60	209, 387	43, 002, 313
Vermont.....	1 92	339, 136	121, 189, 510
Virginia.....	1 313	1, 094, 222	194, 970, 241
Washington.....	1 189	664, 261	146, 313, 708
West Virginia.....	1 161	673, 772	101, 910, 868
Wisconsin.....	1 607	1, 343, 848	287, 622, 099
Wyoming.....	1 62	110, 269	21, 988, 355
Total.....	1 13, 870	55, 597, 695	15, 700, 917, 289

NOTES.—Number of banks included, not reporting statistics.

1 2 banks. 2 1 bank. 3 6 banks. 4 4 banks. 5 7 banks. 6 3 banks. 7 68 banks.

EXHIBIT B

Statement of membership in the Temporary Federal Deposit Insurance Fund—mutual savings banks (not members of Federal Reserve System), Mar. 31, 1934

State	Insured banks	Insured accounts	Insured deposits
Delaware.....	2	90, 469	\$19, 186, 727
Indiana.....	4	20, 992	8, 318, 078
Maine.....	22	188, 972	73, 222, 728
Maryland.....	12	351, 349	121, 278, 674
Minnesota.....	1	196, 755	43, 086, 396
New Jersey.....	23	510, 441	192, 954, 329
New York.....	135	6, 218, 779	3, 539, 866, 065
Ohio.....	3	156, 109	63, 470, 081
Oregon.....	1	195	32, 427
Pennsylvania.....	7	852, 677	329, 027, 941
Vermont.....	19	117, 149	56, 828, 724
Washington.....	3	183, 822	37, 134, 762
Wisconsin.....	2	2, 777	867, 507
Total.....	234	8, 890, 486	4, 486, 174, 439

EXHIBIT C

Statement of membership in the Temporary Federal Deposit Insurance Fund—State banks, other than mutual savings banks (not members of Federal Reserve System), Mar. 31, 1934

State	Insured banks	Insured accounts	Insured deposits
Alabama.....	113	168,968	\$14,453,175
Arizona.....	3	16,510	3,633,410
Arkansas.....	149	114,163	18,131,323
California.....	112	682,301	245,217,001
Colorado.....	57	56,811	9,970,107
Connecticut.....	49	267,861	63,792,170
Delaware.....	24	64,304	16,790,217
District of Columbia.....	10	126,495	23,518,669
Florida.....	189	105,953	15,828,762
Georgia.....	178	175,658	27,615,759
Idaho.....	27	19,723	3,956,794
Illinois.....	1,608	797,307	127,653,381
Indiana.....	1,326	561,735	96,830,074
Iowa.....	1,331	836,059	68,952,263
Kansas.....	1,203	211,900	31,727,311
Kentucky.....	1,277	864,227	59,520,460
Louisiana.....	1,114	153,562	27,855,008
Maine.....	18	109,836	24,070,819
Maryland.....	104	332,120	55,491,421
Massachusetts.....	45	205,445	55,946,826
Michigan.....	1,215	859,014	61,324,304
Minnesota.....	425	835,427	61,649,877
Mississippi.....	1,175	220,970	39,587,733
Missouri.....	1,464	495,328	83,241,491
Montana.....	54	35,802	7,225,869
Nebraska.....	1,214	136,460	25,506,922
Nevada.....	3	4,988	1,136,529
New Hampshire.....	4	14,836	4,595,188
New Jersey.....	99	710,641	171,446,072
New Mexico.....	16	13,510	2,647,480
New York.....	197	742,940	267,222,808
North Carolina.....	1,177	269,718	42,561,127
North Dakota.....	124	51,214	7,729,084
Ohio.....	1,337	641,066	120,841,025
Oklahoma.....	177	133,510	19,313,845
Oregon.....	43	103,859	11,807,691
Pennsylvania.....	276	1,391,186	263,807,200
Rhode Island.....	2	12,062	3,166,166
South Carolina.....	161	85,485	14,417,437
South Dakota.....	126	65,064	10,066,131
Tennessee.....	239	310,225	39,883,887
Texas.....	812	326,283	61,287,707
Utah.....	28	73,186	12,572,916
Vermont.....	31	122,564	37,696,299
Virginia.....	160	330,960	51,364,062
Washington.....	191	70,549	12,850,674
West Virginia.....	68	179,881	24,535,764
Wisconsin.....	493	707,435	132,759,218
Wyoming.....	29	25,079	6,449,825
Total.....	47,377	12,740,170	2,579,549,271

NOTE.—Number of banks included, not reporting statistics.

¹ 1 bank.

² 2 banks.

⁴ 4 banks.

²² 22 banks.

EXHIBIT D

Statement of membership in the Temporary Federal Deposit Insurance Fund—State banks (not members of Federal Reserve System), mutual savings banks, and other State banks combined, Mar. 31, 1934

State	Insured banks	Insured accounts	Insured deposits
Alabama.....	118	168,968	\$14,453,175
Arizona.....	3	16,510	3,633,410
Arkansas.....	149	114,163	18,131,323
California.....	112	682,301	245,217,001
Colorado.....	57	56,811	9,970,107
Connecticut.....	49	267,861	63,792,170
Delaware.....	26	154,773	35,976,944

Statement of membership in the Temporary Federal Deposit Insurance Fund—State banks (not members of Federal Reserve System), mutual savings banks, and other State banks combined, Mar. 31, 1934—Continued

State	Insured banks	Insured accounts	Insured deposits
District of Columbia.....	10	126,495	\$23,518,699
Florida.....	189	105,953	15,829,762
Georgia.....	178	175,658	27,015,759
Idaho.....	27	19,723	3,950,794
Illinois.....	1508	797,307	127,459,391
Indiana.....	1330	582,727	105,148,182
Iowa.....	1351	336,050	68,952,266
Kansas.....	1203	211,900	31,797,811
Kentucky.....	1277	364,227	59,520,460
Louisiana.....	1114	153,562	27,855,008
Maine.....	40	298,808	97,293,547
Maryland.....	116	683,469	176,770,095
Massachusetts.....	45	205,445	55,946,826
Michigan.....	1215	359,014	61,324,304
Minnesota.....	426	532,132	105,636,273
Mississippi.....	1175	220,970	39,567,733
Missouri.....	1464	495,328	83,241,491
Montana.....	54	35,802	7,225,869
Nebraska.....	1214	136,460	25,509,922
Nevada.....	3	4,988	1,136,529
New Hampshire.....	4	14,836	4,595,158
New Jersey.....	122	1,221,082	364,400,401
New Mexico.....	16	13,510	2,647,480
New York.....	832	6,961,719	3,807,088,873
North Carolina.....	1177	269,718	42,561,127
North Dakota.....	124	51,214	7,729,084
Ohio.....	1840	797,175	184,811,106
Oklahoma.....	177	133,510	19,313,845
Oregon.....	44	104,054	11,840,118
Pennsylvania.....	283	2,243,863	592,835,141
Rhode Island.....	2	12,062	3,166,166
South Carolina.....	161	85,485	14,417,437
South Dakota.....	126	65,064	10,066,131
Tennessee.....	239	310,225	39,883,887
Texas.....	312	326,283	51,287,707
Utah.....	28	73,186	12,672,916
Vermont.....	50	239,713	94,525,013
Virginia.....	160	330,960	51,364,062
Washington.....	194	264,371	49,985,436
West Virginia.....	68	179,881	24,535,764
Wisconsin.....	495	710,212	133,626,725
Wyoming.....	29	25,079	6,449,825
Total.....	47,611	21,630,656	7,065,723,710

Notes.—Number of banks included, not reporting statistics.

¹ 1 bank.

² 2 banks.

⁴ 4 banks.

²² 22 banks.

EXHIBIT E

Statement of membership in the Temporary Federal Deposit Insurance Fund—State banks (members of Federal Reserve System), Mar. 31, 1934

State	Insured banks	Insured accounts	Insured deposits
Alabama.....	17	59,012	\$10,091,665
Arizona.....	4	26,045	6,658,189
Arkansas.....	7	29,366	4,438,259
California.....	14	657,062	206,101,049
Colorado.....	5	31,822	7,520,129
Connecticut.....	6	89,186	14,017,061
Delaware.....	4	32,456	12,384,391
District of Columbia.....	2	104,864	24,830,166
Florida.....	4	9,361	2,341,595
Georgia.....	25	70,832	13,258,385
Idaho.....	9	89,010	8,743,702
Illinois.....	68	506,847	140,229,873
Indiana.....	5	64,173	11,252,647
Iowa.....	23	106,194	21,493,521
Kansas.....	12	28,492	4,417,867
Kentucky.....	9	120,322	20,423,390
Louisiana.....	3	26,829	5,932,341
Maine.....	6	84,493	15,473,658
Maryland.....	6	155,147	20,634,069

Statement of membership in the Temporary Federal Deposit Insurance Fund—State banks (members of Federal Reserve System), Mar. 31, 1934—Continued

State	Insured banks	Insured accounts	Insured deposits
Massachusetts.....	1 30	248, 621	\$38, 423, 615
Michigan.....	1 63	353, 464	89, 383, 955
Minnesota.....	18	15, 548	3, 046, 943
Mississippi.....	3	2, 005	554, 695
Missouri.....	3 49	537, 140	111, 978, 926
Montana.....	19	29, 654	9, 169, 801
Nebraska.....	8	8, 562	1, 848, 602
Nevada.....			
New Hampshire.....	1	4, 142	906, 782
New Jersey.....	51	683, 051	199, 940, 362
New Mexico.....	2	1, 356	303, 165
New York.....	1 111	1, 974, 501	805, 113, 856
North Carolina.....	10	107, 744	20, 116, 824
North Dakota.....			
Ohio.....	1 65	983, 600	226, 813, 660
Oklahoma.....	1	837	197, 998
Oregon.....	5	5, 309	1, 279, 964
Pennsylvania.....	71	874, 175	256, 597, 592
Rhode Island.....	2	285, 413	63, 602, 485
South Carolina.....	4	13, 585	2, 930, 561
South Dakota.....	22	23, 297	3, 995, 618
Tennessee.....	4	17, 852	3, 658, 304
Texas.....	1 56	89, 071	16, 078, 916
Utah.....	18	64, 880	14, 600, 489
Vermont.....			
Virginia.....	23	127, 371	22, 565, 078
Washington.....	29	81, 761	19, 396, 044
West Virginia.....	18	115, 483	24, 483, 279
Wisconsin.....	14	97, 314	24, 657, 574
Wyoming.....	8	7, 712	1, 407, 691
Total.....	4 934	8, 914, 961	2, 563, 204, 686

NOTES.—Number of banks included, not reporting statistics.

1 2 banks.

1 4 banks.

1 1 bank.

1 11 banks.

EXHIBIT F

Statement of membership in the Temporary Federal Deposit Insurance Fund—national banks, Mar. 31, 1934

State	Insured banks	Insured accounts	Insured deposits
Alabama.....	69	370, 031	\$63, 318, 397
Arizona.....	8	26, 538	6, 929, 665
Arkansas.....	50	149, 045	27, 009, 014
California.....	131	2, 402, 890	704, 658, 167
Colorado.....	1 77	302, 618	75, 262, 743
Connecticut.....	54	298, 383	91, 407, 921
Delaware.....	16	24, 382	7, 751, 108
District of Columbia.....	9	171, 813	48, 495, 164
Florida.....	49	296, 215	46, 251, 672
Georgia.....	52	490, 601	68, 636, 404
Idaho.....	25	47, 376	10, 842, 817
Illinois.....	1 272	1, 637, 724	428, 037, 571
Indiana.....	1 118	433, 556	90, 301, 714
Iowa.....	1 119	299, 696	63, 829, 747
Kansas.....	198	413, 309	72, 209, 052
Kentucky.....	97	362, 668	68, 483, 416
Louisiana.....	26	390, 913	54, 709, 422
Maine.....	1 39	205, 053	56, 870, 881
Maryland.....	61	235, 031	74, 549, 350
Massachusetts.....	136	979, 133	323, 454, 059
Michigan.....	1 80	428, 661	115, 755, 069
Minnesota.....	1 210	735, 634	190, 906, 168
Mississippi.....	24	116, 407	20, 435, 944
Missouri.....	87	494, 522	126, 000, 790
Montana.....	48	84, 660	25, 128, 182
Nebraska.....	1 134	303, 878	68, 885, 357
Nevada.....	7	16, 873	5, 587, 927
New Hampshire.....	52	132, 549	27, 906, 487
New Jersey.....	227	1, 249, 468	305, 640, 434
New Mexico.....	24	51, 227	10, 592, 835

1 2 banks.

1 5 banks.

1 3 banks.

1 1 bank.

*Statement of membership in the Temporary Federal Deposit Insurance Fund—
national banks, Mar. 31, 1944—Continued*

State	Insured banks	Insured accounts	Insured deposits
New York.....	1 459	2,558,910	\$738,153,691
North Carolina.....	41	169,011	27,155,266
North Dakota.....	1 71	96,137	24,885,409
Ohio.....	4 243	1,069,575	249,651,444
Oklahoma.....	4 217	571,185	89,298,724
Oregon.....	53	314,389	77,294,477
Pennsylvania.....	4 676	2,898,887	745,141,173
Rhode Island.....	12	44,484	20,568,570
South Carolina.....	17	89,469	12,786,706
South Dakota.....	63	86,709	18,439,062
Tennessee.....	4 71	447,302	78,543,328
Texas.....	4 453	1,405,642	283,307,368
Utah.....	14	71,321	15,828,906
Vermont.....	4 42	99,423	26,664,497
Virginia.....	1 130	635,891	121,041,101
Washington.....	66	328,129	76,932,228
West Virginia.....	75	378,408	52,891,825
Wisconsin.....	4 98	536,322	129,337,800
Wyoming.....	25	77,478	14,130,839
Total.....	4 5,325	26,052,078	6,071,898,893

NOTES.—Number of banks included, not reporting statistics.

1 2 banks.

4 1 bank.

4 6 banks.

4 35 banks.

EXHIBIT G

FEBRUARY 10, 1934.

DEAR MR. PRESIDENT: I have the honor to submit to you the attached draft of a bill embodying certain amendments to the Banking Act of 1933 recommended by this board. These recommendations are concurred in by the Secretary of the Treasury, the Federal Reserve Board, and the Comptroller of the Currency.

The proposed amendments would do the following things:

1. Extend the life of the Temporary Insurance Fund from June 30, 1934, to June 30, 1935, without increasing the limit of liability of the member banks to such Fund.

The Temporary Fund provides for subscriptions if necessary up to 1 percent of the insurable portion of deposits. This would produce \$160,000,000, and the board is of the opinion that a greater potential liability should not be imposed upon the banks at this particular time. The mutual savings banks have approximately 25 percent of the insured deposits of the entire country, and it is important for the stability of the situation that these institutions remain in the Temporary Insurance Fund until a better opportunity may be had for working out a permanent plan of insurance in which they may join. It is believed that increasing the potential liability of the Temporary Fund would result in many, if not practically all, of the mutual savings banks withdrawing.

2. Postpone the inauguration of the Permanent Insurance plan from July 1, 1934, to July 1, 1935.

This deferment is considered necessary in order to provide more time for additional legislation required in some States, to study the operations of the Temporary Fund as a basis for recommendations of changes, if any, that should be had in the Permanent Fund, and to provide adequate time to properly prepare for the operation of the Permanent Plan.

3. Clarify the right of the Corporation to act as receiver under the Temporary Fund.

4. Provide for the guaranty by the United States Government of such obligation of the Corporation issued with the approval of the Secretary of the Treasury, provide that the Treasury may purchase and sell such obligations, that the Federal Reserve banks may do likewise, and that such obligations may be rediscounted by Federal Reserve member banks with the Federal Reserve banks.

The obligations as provided under the present law are not guaranteed by the United States Government, are not eligible for purchase by the United States Treasury, and would be difficult to market. Under the present law such obligations are exempt from all taxation except estate and inheritance taxes. The attached amendment would make the guaranteed obligations exempt from all taxation except surtaxes, estate, inheritance, and gift taxes.

5. Provide that banks not giving notice of withdrawal 30 days prior to July 1, 1934, continue in the Fund for the extended period, and give the board power to regulate the terms which withdrawing members must meet.

The legal counsel of the Federal Reserve Board and of this Corporation are of the opinion that all Federal Reserve member banks must automatically continue with the Temporary Fund for the extended period.

6. Provide that capital notes or debentures of the character sold by banks to the Reconstruction Finance Corporation, and which are subordinated to the claims of depositors and all other creditors, shall be considered as a part of the capital structure of such institutions.

The enclosed statement attached to the proposed bill briefly summarizes the purposes of the suggested amendments. All issues in connection with the Permanent Plan have been purposely avoided, confining the legislation here proposed to what are deemed essential in extending the life of the Temporary Fund for another year. In the event Congress will not extend the Temporary Fund as herein recommended, some revision of the Permanent Plan must be had during the present session of Congress in order to avoid considerable confusion and possibly serious developments in making the Permanent Plan operative July 1, 1934.

Respectfully submitted.

EGB-VB.
The PRESIDENT,
The White House.

(Signed) E. G. BENNETT,
Acting Chairman.

EXHIBIT H

FEBRUARY 14, 1934.

MY DEAR SENATOR: I am transmitting herewith the letter of Hon. E. G. Bennett, acting chairman of the Federal Deposit Insurance Corporation, together with a proposed bill to amend the Federal Reserve Act, as amended, so as to extend for 1 year from July 1, 1934, the present plan of insurance of bank deposits up to \$2,500, which became operative on January 1, 1934.

The Corporation reports that approximately 99 percent of the banks have complied with the provisions of the law and, as a result, 97 percent of their depositors, some 50 million in number, are insured to the full amount of their deposits. This would indicate that insurance of bank deposits throughout the country has become a reality and that we can now afford to advance toward the more complete accomplishment of the aims of Congress in light of such further experience as a year's extension of the present insurance will afford.

I, therefore, bespeak the earnest attention of your committee to the proposals and recommendations of the Federal Deposit Insurance Corporation.

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT.

HON. DUNCAN U. FLETCHER,
*Chairman, Committee on Banking and Currency,
United States Senate, Washington, D.C.*

(An identical letter was addressed to the Hon. Henry B. Steagall, chairman of the Committee on Banking and Currency of the House of Representatives.)