



Joseph W. Barr, who was named as chairman of the Franklin last June.

## Franklin Is Biggest, But List of Failures Of Banks Is Growing

The insolvency of the Franklin National Bank comes just one year after the failure of the United States National Bank in San Diego and against a background of a generally rising incidence of banking collapses in recent years.

During the last 10 years, some 55 Federally insured banks have gone under, requiring Federal Deposit Insurance Corporation disbursements. In the 10 years prior to that, only 25 banks had closed their doors.

Franklin, with almost \$1.4-billion in deposits at last count, is by far the largest institution to become insolvent since 1933, when the F.D.I.C. was set up. But the four biggest prior to Franklin also failed in the last 10 years.

### The Larger Failures

They were the Public Bank of Detroit in 1966, with total deposits of \$93-million; the Sharpstown State Bank in Texas in 1971, with total deposits of \$66.8-million; the Birmingham-Bloomfield Bank in Michigan in 1971 with total deposits of \$57.5-million, and the United States National Bank which had deposits of \$932-million.

The F.D.I.C. was established during the banking holiday season which was prompted by a number of casualties in the Depression. During the nineteen-thirties, 9,386 banks were closed temporarily, most reopening during the first four years of the decade.

"By itself, the fact that larger banks than before are showing up among the casualties and problems of the nation's banking system is not surprising in view of the growth in deposits generally and in the persistence of the nation's inflationary trends," Frank Wille, chairman of the F.D.I.C., said in a speech last April.

"What perhaps is surprising is that an increasing number of banks in the size categories of \$100-million or more are included among them. In short, bigger is not always better . . ." he said.

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