

James S. Love, Mississippi Superintendent of Banks

No person had greater influence on the early development of state bank supervision in Mississippi than James Sanford Love. A

country banker himself, Love served on the state's first Board of Bank Examiners, and he became the first Mississippi Superintendent of Banks in from



Love

1924 through 1934, seeing the state's banking industry through the Great Depression.

Love was born in Brooksville in Noxubee County in 1877. His father was a Confederate Army veteran who had been wounded at Manassas, and his mother was a descendant of President William Henry Harrison. He was educated in the public schools of Brooksville and attended Mississippi College, where he completed his junior year. Love did not return to college for his senior year, instead taking a job as a bookkeeper for Merchants & Farmers Bank in Macon at the age of 20. The following year he took a bookkeeping position with National Bank of Commerce in Hattiesburg and, in 1899, he organized the First National Bank of Lumberton. He served the Lumberton bank as cashier and vice president until 1907, when he returned to Hattiesburg to work for the Hattiesburg Trust & Banking Company.

In 1914, the State Legislature enacted Mississippi's first significant banking statutes. Among other things, the new laws established the State Banking Department, composed of three bank examiners – one from each Supreme Court District. By this time, Love had attracted such favorable attention in banking circles that he was chosen as the state examiner for the state's Southern

District. He became chairman of the State Board of Bank Examiners in 1915. At the conclusion of his term as state bank examiner, Love moved to Greenwood as vice president of Greenwood Bank & Trust Company.

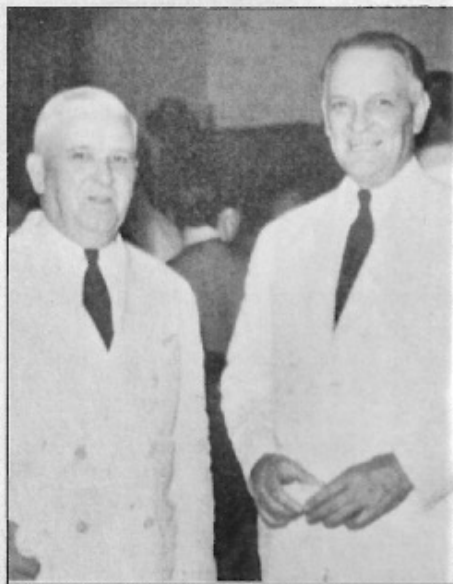
In 1922, the Legislature passed legislation to reorganize the State Banking Department and create the position of State Superintendent of Banks. The Superintendent was to be elected by the state's banks. In December 1923, the state's bankers met in Jackson and elected Love to be the state's first Superintendent of State Banks. Love brought a combination of integrity, fairness and banking knowledge to his new office. He would serve continuously as Superintendent until December 31, 1934.

The stock market crash of October 28, 1929, brought an abrupt end to years of prosperity. As the economy plunged into the Great Depression, thousands of banks failed across the nation. When Franklin Roosevelt moved into the White House in March 1933, he immediately declared a "national bank holiday" – to close all banks and only allow the continued operation of those found to be sound.

In response, Superintendent Love immediately called a meeting of bankers in Jackson and outlined a course of prompt action. With the support of the Mississippi Bankers Association, the State Banking Department took steps to determine the cash position of every Mississippi bank. Only three weeks after the declaration of the "bank holiday" 137 state banks and 18 national banks in Mississippi were allowed to reopen in Mississippi. Virtually all of these banks never experienced trouble again.

Banking legislation passed in 1934 reorganized the State Banking Department, abolishing the position of Superintendent of Banks and creating the position of State Bank Comptroller, to be appointed by the Governor. Despite considerable lobbying on Love's behalf

by bankers, Governor Mike Conner chose to make a different appointment.



Love and J. C. Fair, who became State Banking Comptroller in 1937.

Following his retirement from the Banking Department, Love organized J. S. Love Company in Jackson. His new company was successful for four decades managing state, county, and municipal bonds. Love died in 1957 at the age of 80.



20th Century Brings Depression, War, Prosperity

In 1921, a severe depression struck the nation. Prices dropped precipitously. Total deposits in Mississippi banks fell from \$132 million in 1919 to \$57 million in 1921. A number of banks failed, including many small ones with inadequate capital. In 1922, the Legislature passed an act to reorganize the State Banking Department. The new legislation established the office of Superintendent of Banks, to be selected for a term of one year by banks at their annual convention.

In January of 1924, James S. Love, Sr., who had served as one of the first bank examiners in 1914, became Mississippi's first Superintendent of Banks. A former country banker in the best sense of that term, Mr. Love brought to his office a rare combination of integrity, goodwill, fairness and banking wisdom. The state benefited greatly by having Superintendent Love at the helm of the banking department during the turbulent years of the Great Depression.

The stock market crash of October 28, 1929, brought an abrupt end to years of prosperity. Two years later, Great Britain

went off the gold standard, setting in motion a run on the dollar. Between September 1931 and February 1932 – a period of only six months – 1,825 banks failed in the United States. In January 1932, Congress created the Reconstruction Finance Corporation as an emergency agency to lend money to ailing businesses,

Three weeks after the "bank holiday", 137 state banks and 18 national banks in Mississippi were allowed to reopen.

banks, railroads, schools, public agencies and other entities. The U. S. economy continued to worsen, and by the time President Franklin Roosevelt took office on March 4, 1933, 24 states had declared bank holidays. On his second day in office, President Roosevelt declared a national "bank holiday." All banks in the country closed, and only those which were found to be sound were allowed to reopen.

In facing the challenges brought on by

the "bank holiday," Superintendent Love immediately called a meeting of bankers in Jackson. The State Banking Department, with the wholehearted support and cooperation of the MBA, took firm steps to remedy the situation. Stressing the important of eliminating all losses, the department and the association worked to determine the cash position of every Mississippi bank. By late March – only three weeks after the declaration of the "bank holiday" – 137 state banks and 18 national banks in Mississippi were allowed to reopen. The great majority of Mississippi banks were never in serious trouble again.

In 1934, the Legislature enacted Mississippi's first comprehensive banking laws. This state legislation was greatly influenced by the far-reaching Federal Bank Act of 1933. J. T. Brown, a Jackson banker and a member of the Legislature, compiled Brown's Handbook of Banking Laws which served the state's bankers for many years. As required by the Mississippi Banking Act of 1934, the State Banking Department was reorganized. The office of Superintendent of Banks was abolished,

1921

Severe depression strikes the U.S. Many banks fail.

1922

The Mississippi legislature passes an act to reorganize the State Banking Department.

1924

James S. Love, Sr. becomes Mississippi's first Superintendent of Banks.



1929

October 28, 1929 stock market crash brings an abrupt end to years of prosperity.



1931

Great Britain goes off the gold standard, setting in motion a run on the U.S. dollar.

1932

1,825 banks fail in a six month period.

1933

On his second day in office, President Roosevelt declares a national "bank holiday." All banks in the country close. Three weeks after the "bank holiday" 137 state banks and 18 national banks in Mississippi reopen.



GREENWOOD COMMONWEALTH

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GREENWOOD, LEFLORE COUNTY, MISSISSIPPI, SATURDAY AFTERNOON, DECEMBER 20, 1930.

FIVE CENTS

PANICKY WITHDRAWALS CLOSE LOCAL BANKS

Only Bank Of Commerce Remains Open For Business After Wilson Liquidation

WILSON FAILS TO OPEN DOORS

Death of Hon. G. A. Wilson, Sr., Forces Directors To Place Bank In Liquidation

The Wilson Banking Company, established in 1923, failed to open its doors this morning, following a decision of the directors last night and the failure of the bank to complete its credit arrangements.

At the time of its last statement which was as of the close of business on September 30, the total resources of the bank was listed at \$1,777,000, with deposits \$841,663.25.

Mr. G. A. Wilson, Sr., chairman of the Board of Directors of the bank died on November 30, and in the statement of the directors issued today it was said that, inasmuch as his estate would not be available for assisting the bank for some months and that all credit arrangements had been made by him, the directors were unable to arrange for continuing in business.

The bank was turned over to the State Banking Department for liquidation.

The following statement was issued by the directors:

"Due to the unusual situation brought about by the death of Mr. G. A. Wilson, the Board of Directors has decided to close this bank for liquidation and has placed it in the hands of the State Banking Department. As Mr. Wilson had always arranged the credit for the bank, and as his estate will not be available for use in procuring credit for some months under State laws, after exhaustive every means at our command of raising credit and having left

Cotton Ginnings Thirteen Million

WASHINGTON (AP) — Cotton of the 1930 crop ginned prior to December 12 was announced today by the census bureau to have aggregated 12,259,622 round bales, including 474,421 round bales, counted as half bales, and 17,411 bales of American Egyptian, but excluding linters.

To that date last year 12,456,783 bales including 519,664 round bales and 20,671 bales of American Egyptian had been ginned.

Ginnings to December 12 by states this year were: Alabama 1,421,390; Arizona 110,216; Arkansas \$45,024; California 188,895; Florida 26,646; Georgia 1,588,221; Louisiana 694,696; Mississippi 1,429,649; Missouri 150,507; New Mexico 83,972; North Carolina 128,794; Oklahoma 822,525; South Carolina 981,260; Tennessee 260,734; Texas 3,754,798; Virginia 40,629; and all other states 5,730.

THREE HURT AS TRAIN HITS CAR

Auto Accident in Jackson and Goodman Take Toll of Injuries

JACKSON, Miss. (AP) — Two persons were seriously injured when their car was struck early today by a freight train, a Jackson woman and three others seriously injured in a wreck at Goodman and the victim of a Thursday accident in Jackson died today.

E. J. Davis, injured Thursday when struck by an auto, died early today in a Jackson hospital. Graham Brade and Miss...

I. C. RAILROAD PAY HALF TAXES OF CORPORATION

Assessed Valuation of Lines, Makes up Fifty Per Cent of Public Service Taxation

JACKSON, Miss. (AP) — Assessed valuation of the Illinois Central railroad and lines leased by it make up half the total valuation of public service corporations in Mississippi, according to final figures released by the Mississippi tax commission.

While the valuation of the Illinois Central proper is set at \$21,780,026, the addition of assessed valuation of the Yazoo and Mississippi Valley, the Alabama and Yockburg and the Gulf and Ship Island bring the total to \$29,202,981.

The total for all public service corporations is \$119,976,749 in the final figures, a drop of \$28,171,026 from the tentative assessments announced a month ago. The original tentative figures were \$148,150,575.

In 1929 the total assessment of these properties was \$121,106,908, or \$1,172,159 more than the 1930 figures.

As soon as the new valuations were announced, the Mobile and Ohio railroad was granted a federal inspection preventing the state or county from collecting taxes on the basis of an assessed valuation of \$9,284,656. The road charged that in reaching the figure the commission figured on the road's shops, none of which are located in the state and which "are not a part of its Mississippi properties." It holds that the valuation is 72 per cent of the real value of \$13,125,708.

Depositors Draw Small Dividend At Indianola Bank

INDIANOLA, Miss. (AP) — Effective January 4, a dividend of ten per cent will be ready for distribution to all depositors of Delta Money Savings Bank in liquidation at Indianola, dividends to be payable at office of Forrest G. Cooper, liquidating agent, bank liquidator, who made the announcement.

Smith To Manage Conner's Campaign

LAUREL, Miss. (AP) — W. H. Smith of Laurel, was today named manager of the gubernatorial campaign of Mike Conner, Senecary lawyer and farmer.

Mr. Conner's campaign manager is a leader in educational and agricultural work in Mississippi, being the originator of the "Cotton Club" idea as well as serving as president of Mississippi A. and M. college, State Teachers College and one time superintendent of college education in Mississippi.

Headquarters were opened here today.

DEBUTANTE CROOSES GOLD COLOR FROCK

WASHINGTON (AP) — Gold colored chiffon was chosen as a frock for her debut by Miss George Yealy, niece of Major General and Mrs. Charles H. Deliggs.

The dress, made in princess style, was embroidered in gold threads.

LOVE DECLARES BANKS MAY OPEN

State Superintendent of Banks Declares Conditions Are Fundamentally Sound

JACKSON, Miss. (AP) — Superintendent Love called for "calmness and deliberation" upon the part of the banking public in a statement today.

Speaking of the situation in Greenwood, Superintendent Love said: "By reason of Mr. Wilson's death, it was impossible for the estate to function, continuing to protect the bank; and on account of state laws, the estate can not function for six months. This necessitated the closing of the Wilson Banking Company."

"The banks in Greenwood which suspended, were forced to close in order to protect their depositors. The condition of these banks is fundamentally sound, yet few banks are in position at this time to stand a run, and it was a wise act on the part of the banks' to close, rather than show preference to a few excited depositors. It is my opinion that the majority of these banks in Greenwood can be re-opened, and plans are now being put on foot to that end."

"It is a time when the public, and particularly the depositors, must not become frightened, but must act with calmness and deliberation, and must cooperate with those who are trying to stabilize conditions. While we deplore the necessary closing of these banks, yet the condition of the banks was solvent, and they could have continued in operation with confidence, had the runs not developed."

TO PLAN A WAY OUT

As President of the Greenwood Chamber of Commerce, I hereby call a mass meeting of the depositors of all of the banks in Greenwood which closed their doors today, for the purpose of discussing the present situation.

All citizens of the community are invited to attend whether they are depositors or not.

The meeting will be held in the Court House in Greenwood, tomorrow, Sunday, December 21st, at 2:30 o'clock P. M.

H. L. DeLOACH, President.

A TIME FOR CAREFUL THINKING

This afternoon Greenwood is beginning to recover from an unresisting financial panic which forced the closing of four of the strongest banks in Mississippi.

The runs on the bank this morning were unjustified. The four banks which closed were all solvent, all-able to meet their obligations in the usual course of business.

Had they been permitted by the excited depositors to meet only the anticipated withdrawals they would have been in excellent financial condition and no financial stringency would have followed the closing of the Wilson Bank.

The Wilson closing was not due to insolvency, it was the result of the settlement of an estate which takes time in the courts.

OTHER BANKS FORCED TO CLOSE

Panic Precipitated by Closing of Wilson Banking Company Closes Four Other Banks

With but one of its six financial institutions operating, this afternoon Greenwood was facing the worst financial stringency in its history.

Following the decision of the directors of the Wilson Banking Company to place the affairs of that bank in the hands of the state banking department, panic on the part of depositors brought runs on the other banks of the city.

Within an hour after the opening of the banks this morning the runs had grown to such proportions as to force the closing of the doors of all the banks of the city with the exception of the Bank of Commerce.

The withdrawals during the morning from the institutions were steady and when the solvency of the banks was threatened by the panic which augmented as the morning wore on, the directors made their decision to close for the protection of depositors alike.

The Greenwood Bank & Trust Co., the First National Bank of Greenwood; the Greenwood Savings Bank and the Security Bank & Trust Company in rapid succession locked their doors and posted notices that for the protection of a run and for the protection of the depositors the institutions were closed.

Total assets of the five closed banks according to the last statement issued at the close of business on September 30, was \$6,008,828.24 with total deposits \$4,841,643.45.

A national bank examiner said...

WHAT CONGRESS IS DOING