

EIR to keep tabs on bank failures

As a service to readers, *Executive Intelligence Review* will henceforth regularly report the bank failures in the United States by name. As reported in the last issue ("More bank failures in 1988 than in all of 1987," page 4), at least 220 banks have already failed in 1988, although the last official figure from the Federal Deposit Insurance Corporation was only 62.

Prior to 1985, the FDIC had listed all failures and "assisted transfers" in one category. But since William Seidman took over as FDIC chairman, there are now three categories of difficulty for banks: 1) failures, 2) assisted transactions,

and 3) assisted banks. These artificial distinctions only serve the purpose of allowing the FDIC to report a portion of the figures as opposed to the total, in order to preserve the myth of the Reagan Recovery. Despite this, the FDIC's own graph of trends in bank failures, reproduced below, gives a grim portrait.

EIR estimated in last week's article, cited above, that the actual total could already be as high as 250 in the first four months of 1988, given that there have been 160 bank failures in the state of Texas alone. Since that article was written, the following three banks have been added to the FDIC's Category 1, "failures":

May 6: Forrest City Bank & Trust, Forrest City, Iowa.

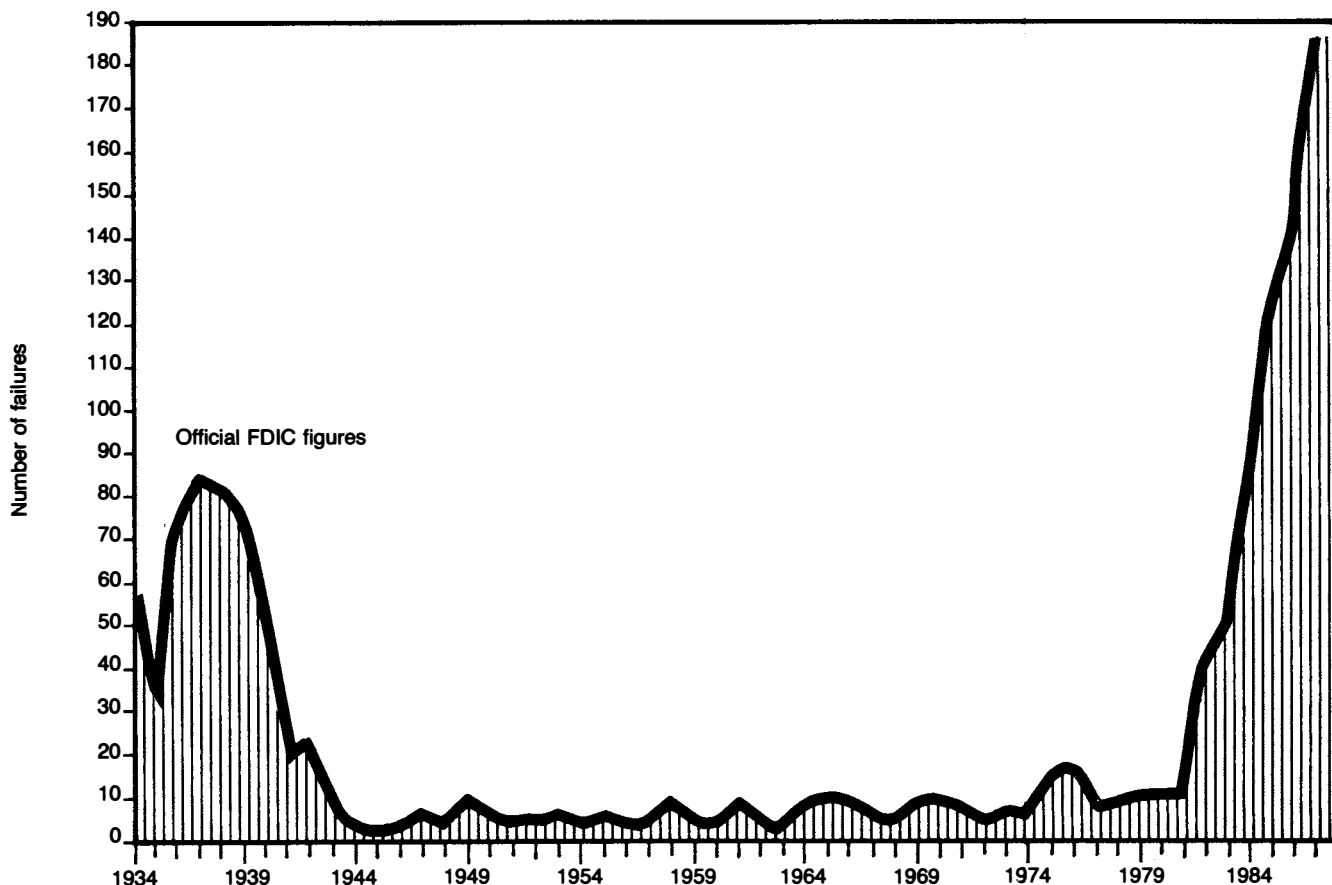
May 12: The First State Bank, Childress, Texas.

May 13: Westside National Bank, Houston, Texas.

EIR welcomes information from readers regarding bank failures in their region, which may be delayed in official government reporting. These reports will be verified by our economics staff.

U.S. bank failures

(FDIC-insured banks)



Even by the FDIC's "official" figures, the number of bank failures has soared during the "Great Recovery."