

Concerns About Bank Security (1932)

*John Q. Barrett**

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Margaret Lena Jackson, born in 1866, spent her whole life in and near Spring Creek in Warren County, Pennsylvania. She was in her mid-twenties, never married and childless (as she remained), when her cousin William Eldred Jackson and his wife Angelina (“Lina”), living nearby on their Spring Creek farm, became the parents of Robert H. Jackson in 1892.¹

“Aunt Lena” became a central and beloved figure in Robert Jackson’s life. While he still lived in Spring Creek as a young boy, he saw her constantly and they developed a special bond. Later in boyhood, after his family had moved north, across the state line, to Frewsburg, New York, Robert would visit Lena regularly, sometimes on horseback. They would sit and gossip, often while she quilted. Robert also would see her at extended family gatherings. He continued to see her regularly in adulthood (when the unpaved roads to Spring Creek were passable), and to write to her periodically, as she did to him.

* * *

By 1932, Robert Jackson, age forty, was the leading lawyer of Jamestown, New York, and very well-regarded in New York State and national legal circles. As the lead partner of a Jamestown law firm, his practice included litigation (civil and criminal, trials and appeals) in state and federal courts. He also advised and handled transactions for corporate clients, and he served on a number of corporate boards. In the depths of the Depression, Jackson’s law practice was very successful, even lucrative, and he was financially secure.

* Professor of Law, St. John’s University School of Law, New York City, and Elizabeth S. Lenna Fellow, Robert H. Jackson Center, Jamestown, New York (www.roberthjackson.org). An earlier version of this text was posted to my Jackson Email List on March 3, 2009.

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¹ Margaret Lena Jackson and William Eldred Jackson (born 1862) were first cousins—their respective fathers, Uri Jackson (born 1809) and Robert Rutherford Jackson (born 1829), were two of thirteen siblings. Lena thus was a first cousin once removed of William’s son Robert Houghout Jackson.

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In early July 1932, Robert Jackson had a chance, which he always welcomed, to visit with his Aunt Lena. I suspect that this occasion was a family gathering on the Fourth of July. One topic that they discussed was money, of which Lena had only a modest amount. A thrifty, practical person (as most of the Jacksons were), Lena had savings and checking accounts in the Warren Savings Bank in Warren, PA, the county seat. Robert, who obviously had some basis to know how the Bank was doing, warned her that it was having problems and urged her to withdraw her money.²

On July 8th, Robert Jackson received at his Jamestown law office a letter from Lena Jackson.³ Thanking him for his “warning,” she reported that she had, on July 5th, withdrawn \$100 from the Warren bank and given notice that she wished to withdraw the balance of her savings. She also reported to Robert that she was closing her checking account.

That fall, Robert Jackson wrote to Lena at her home in Spring Creek.⁴ He explained that weekend trips away from Jamestown were preventing him from “get[ting] over” to visit her and, another love, to “go through the woods” near her home and his birthplace.

Robert then turned, in his letter, to giving bank advice. He reported that since he and Lena had spoken during the summer about the Warren Savings Bank, it had been reorganized radically. Although Robert lacked very good information about the Bank, he explained that he was inclined to think that the changes plus the slow, general improvement in the economy at that time meant that it would “come through.” He nonetheless advised Lena not to take a chance at a time when “so many banks are weak”—if she wanted to put money in a bank, he recommended the Warren National Bank or two in Jamestown that were “in strong positions,” adding that he knew nothing about banks in nearby Corry, Pennsylvania, and thus did not recommend them.

Robert also offered Lena some advice on bonds. Generally he recommended something that would be safe, such as AT&T bonds. The

² See M. Lena Jackson to Robert H. Jackson, received July 8, 1932 (date stamp), in Robert H. Jackson Papers, Library of Congress, Manuscript Division, Washington, D.C., (“RHJ LOC”) Box 1.

³ See *id.*

⁴ See Robert H. Jackson to M. Lena Jackson, Sept. 27, 1932 (unsigned carbon copy), in RHJ LOC Box 1.

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safest, he emphasized, were government bonds—“if they are not good, nothing else is likely to be.”

Robert Jackson closed his September 29, 1932, letter to Lena with predictions and assessments that are, in hindsight and in differing ways, interestingly wrong and right:

It seems probably that we are pretty well out of our [economic] difficulties and that we will run along now several years with no further epidemic of bank failures. There will still be occasional failures and there is nothing been done that will prevent future depressions.

* * *

On April 12, 1941, M. Lena Jackson died at the Corry hospital. A few days later, Attorney General of the United States Robert Jackson and his wife Irene attended Lena’s funeral in the small Spring Creek church where she long had taught Sunday school.⁵ Her remains were laid to rest nearby, in the country cemetery that is part of the valley between Jackson Hill and Eldred Hill.

⁵ See *Funeral Rites for Miss Lena Jackson*, CORRY EVENING JOURNAL, Apr. 16, 1941.