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The Pecora Investigations

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From Apr. 11, 1932 until May 4, 1934 the Senate Committee on Banking and Currency held investigations to examine stock exchange practices with respect to the buying, selling, borrowing, and lending of listed securities, the valuation of securities, the effects of trading practices, and banking operations and practices. Donald A. Ritchie, then associate historian in the Senate Historical Office described the Pecora Investigations during a July 1987 hearing on "The History of the Glass-Steagall Act and its Current Relevance in the Future of the Nation's Financial Services Industry." Ritchie stated:

My own research has been in this committee's hearings in 1932 and 1933 and 1934 under the direction of Ferdinand Pecora, the committee's energetic chief counsel. These committee hearings had the advantage of bipartisanship. They were begun under a Republican President with a Republican chairman. They were concluded under a Democratic President with a Democratic chairman. In every way, the Pecora investigation is a model of a Senate investigation. They conducted extensive research. They uncovered startling facts. They fully publicized their evidence to educate both the Congress and the public. They facilitated the enactment of a whole series of major legislation, Glass-Steagall being the first, also the Federal Securities Act, the Securities and Exchange Commission Act, the Public Utilities Holding Company Act. And while I'm not arguing that the Pecora investigation had any direct hand in drafting the Glass-Steagall Act, I do think it's fair to say that it had a direct influence over its passage.

Excerpt from [Modernization of the Glass-Steagall Act](#), HRG-1987-BHU-0023, July 30, 1987, LexisNexis Congressional Hearings Digital Collection

Hearings Associated with the Pecora Investigations, 1932-1934

- [Stock Exchange Practices. Part 1](#), HRG-1932-BCS-0014, Apr. 11, 12, 18, 21, 22, 1932
Includes testimony of **Richard Whitney**, New York Stock Exchange President
- [Stock Exchange Practices. Part 2](#), HRG-1932-BCS-0015, Apr. 23, 26, May 19-21, June 3, 1932, LexisNexis Congressional Hearings Digital Collection
- [Stock Exchange Practices. Part 3](#), HRG-1932-BCS-0016, June 4, 10, 11, 14, 16-18, 23, 1932
Includes testimony of **Robert P. Lamont**, Secretary of Commerce
- [Stock Exchange Practices. Appendix to Parts 1, 2 and 3](#), HRG-1933-BCS-0007, [pub. 1933.], LexisNexis Congressional Hearings Digital Collection
- [Stock Exchange Practices. Part 4: Kreuger and Toll](#), HRG-1933-BCS-0008, Jan. 11, 12, 1933, Lexis Congressional Hearings Digital Collection, Full Text Available
- [Stock Exchange Practices. Part 5: Insull](#), HRG-1933-BCS-0009, Feb. 15-17, 1933, LexisNexis Congressional Hearings Digital Collection
- [Stock Exchange Practices. Part 6: National City; Continuation of Richard Whitney Testimony](#), HRG-1933-BCS-0010, Feb. 21-24, 27, 28, Mar. 1, 2, 1933, LexisNexis Congressional Hearings Digital Collection
- [Stock Exchange Practices. Part 1](#), HRG-1933-BCS-0028, May 23-25, 1933, LexisNexis Congressional Hearings Digital Collection
Includes testimony of investment banker **J. P. Morgan**
- [Stock Exchange Practices. Part 2: J. P. Morgan & Co.; O. P. Van Sweringen](#), HRG-1933-BCS-0029, May 26, 31, June 1, 2, 5-9, 1933, LexisNexis Congressional Hearings Digital Collection
- [Stock Exchange Practices. Part 3: Kuhn, Loeb; Pennroad Corporation](#), HRG-1933-BCS-0030, June 27-30, July 6, 1933, LexisNexis Congressional Hearings Digital Collection
Includes testimony of **Otto H. Kuhn**, Kuhn, Loeb and Co. Partner
- [Stock Exchange Practices. Part 4: Dillon, Read & Co.](#), HRG-1933-BCS-0031, Oct. 3-6, 10-13, 1933, LexisNexis Congressional Hearings Digital Collection
- [Stock Exchange Practices. Part 5: Chase Securities Corporation](#), HRG-1933-BCS-0032, Oct. 17-20, 23-25, 1933, LexisNexis Congressional Hearings Digital Collection
Includes testimony of **Albert H. Wiggin**, former President and Governing Board Chairman, Chase National Bank

Mr. PECORA. Mr. Morgan, as the senior partner of the firms of J. P. Morgan & Co. and Drexel & Co. am I justified in assuming that you have a substantial participation in the income and profits of those firms?

Mr. MORGAN. I have, sir.

Mr. PECORA. Now, according to the income-tax returns personally made by you for the calendar year 1930, were you taxed upon any taxable income?

Mr. MORGAN. I do not remember my income-tax return for 1930, sir.

Mr. PECORA. You recall that according to your return you had no net taxable income for that year?

Mr. MORGAN. In that case—that is made up on a mathematical basis out of the figures in the books. I do not know anything about it.

Mr. PECORA. Well, do you know whether or not you paid an income tax for the calendar year 1930?

Mr. MORGAN. I cannot remember, but I can find out.

Mr. PECORA. Can you remember whether or not you paid one for the calendar year 1931?

Mr. MORGAN. I did not, I know, that year.

Resolved, That in order to discharge in some measure the obligations of this bank to Mr. Wiggin and in anticipation that he will be always prepared, when consulted by them, to assist the principal officers and the board of directors of the bank with advice upon important matters affecting its welfare and management, after the expiration of his present term of office, he be paid during his life a salary or compensation which, during the year 1933, shall be at the rate of \$100,000 per year and, thereafter, shall be \$100,000 per year.

- ***Stock Exchange Practices. Part 6: Chase Securities Corporation***, HRG-1933-BCS-0033, Oct. 26, 27, 31, Nov. 1, 2, 9, 10, 1933, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 7: Chase Securities Corporation***, HRG-1933-BCS-0034, Nov. 14-17, 21, 22, 1933, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 8: Chase Securities Corporation***, HRG-1933-BCS-0035, Nov. 23, 24, 27-29, Dec. 5-7, 1933, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 9: Guardian Detroit Union Group***, HRG-1933-BCS-0036, Dec. 19-22, 1933, Jan. 3, 4, 1934, 397 pp., LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 10: Guardian Detroit Union Group***, HRG-1934-BCS-0012, Jan. 5, 11, 12, 15-19, 23, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 11: Detroit Bankers Company***, HRG-1934-BCS-0013, Jan. 24-26, 30, 31, Feb. 1, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 12: Detroit Bankers Company***, HRG-1934-BCS-0014, Feb. 2, 6-9, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 13: Alcohol Pools***, HRG-1934-BCS-0015, Feb. 14-16, 20, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 14: Alcohol Pools***, HRG-1934-BCS-0016, Feb. 21-23, 26, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 15: National Securities Exchange Act, 1934***, HRG-1934-BCS-0017, Feb. 26-28, Mar. 1, 2, 5-9, 12, 16, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 16: National Securities Exchange Act***, HRG-1934-BCS-0018, Mar. 23, 24, 27, Apr. 2, 3, 5, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 17: Aviation Stocks, and Answers to Questionnaire***, HRG-1934-BCS-0019, Apr. 18, May 1, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 18: Reports on Cleveland Banking Investigation***, HEARING-ID: HRG-1934-BCS-0020, May 3, 4, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices. Part 19: Exhibits Cleveland Banking Investigation***, DOC-TYPE: Hearings -- Digital Collection, HEARING-ID: HRG-1934-BCS-0021, May 3, 4, 1934, 693 pp., LexisNexis Congressional Hearings Digital Collection, Full Text Available
- ***Stock Exchange Practices. Part 20: Exhibits Cleveland Banking Investigation***, HRG-1934-BCS-0023, May 3, 4, 1934, LexisNexis Congressional Hearings Digital Collection
- ***Stock Exchange Practices Index***, HRG-1941-BCS-0007, [pub. 1941.], LexisNexis Congressional Hearings Digital Collection

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