
BEFORE THE
FEDERAL RESERVE BOARD

AT WASHINGTON.

In the Matter of the PETITION TO TRANSFER A PORTION OF SOUTHERN OKLAHOMA FROM FEDERAL RESERVE DISTRICT NUMBER ELEVEN TO FEDERAL RESERVE DISTRICT NUMBER TEN.

ANSWER AND BRIEF
OF RESPONDENT
THE FEDERAL RESERVE BANK OF DALLAS.

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To the Honorable Federal Reserve Board:

The petition filed herein seems to be a joint petition and brief, and does not appear to be in conformity with the regulations of the Federal Reserve Board with reference to petition and supporting brief. In replying thereto, this Bank, which will be referred to herein as respondent, will, therefore, file its answer to the petition, and in support of its answer, follow with its brief answering the petition of the Committee and supporting the answer so made by it.

Now comes The Federal Reserve Bank, of Dallas, Texas, respondent, and, answering the petition filed with your Honorable Body, purporting to be on behalf of "Certain Banks in Southern Oklahoma" and asking

the Board to change the lines of Federal Reserve District No. 10 and Federal Reserve District No. 11, so that all of Oklahoma except the Counties of Marshall, Bryan, Choctaw, Pushmataha and McCurtain will be in District No. 10, says:

I

Respondent specially excepts to the petition so filed by three parties, to-wit, Frank Craig, President of the City National Bank, of McAlester, Oklahoma; Guy C. Robertson, Cashier of the First National Bank, of Lawton, Oklahoma, and W. B. Harrison, Secretary of the Oklahoma Bankers' Association, of Oklahoma City, Oklahoma, purporting to act as a committee for certain banks in Southern Oklahoma, for the following reasons, viz.:

(a) The said petition is not executed in the manner and form prescribed by said Federal Reserve Board, governing the procedure in appeals from the decision of the Reserve Bank Organization Committee, in that the same is not signed by two-thirds of all the member banks in the territory sought to be transferred, but is in fact signed by three individuals, acting in their individual capacity as a committee.

(b) The memorandum appearing on the final page of said petition, purporting to be a copy of a petition alleged to have been signed by certain banks in Southern Oklahoma, is not a fair or true representation of what is in fact, on file with said Federal Reserve Board, but same is an attempted consolidation by said committee, of certain slips or memoranda of protest claimed by said committee to have been executed by certain banks immediately following the announcement

of the district lines by the Federal Reserve Organization Committee, which action, if any, upon the part of said banks, was long prior to the filing of the petition herein by said committee, and it nowhere appears in said petition that said banks, for which this committee claims to be acting, filed this petition for transfer or authorized their names to be used in connection therewith, or authorized this committee to refer to any previous action taken by them as a basis of seeking to show that they were joining in this contest.

(c) At the time the petition signed by Frank Craig, of McAlester, Oklahoma; Guy C. Robertson, of Lawton, Oklahoma, and W. B. Harrison, of Oklahoma City, Oklahoma, was filed by them, it does not appear that a majority of the banks listed by them as petitioners had knowledge that their names were being used as petitioning banks asking for a transfer, or that said banks were informed or had knowledge that any prior protest or action upon their part was being used, and urged as a basis upon which to insist, that they were petitioning a transfer from the Eleventh District to the Tenth District.

(d) That the petition so filed, which this respondent is called upon to answer, is replete with references to letters, statements and data, which said committee filing said petition state are being filed with said petition, and called to the attention of the Federal Reserve Board, and this respondent here says that so much of said petition as refers to said letters, statements and data mentioned in said petition, should be stricken out, and that said letters, statements and data mentioned in said petition should be stricken from the record herein.

for the reason that said petition and the additional testimony referred to therein, to-wit: the letters, statements and data, constitute new testimony introduced on this hearing for the first time and not adduced before the Organization Committee, and, therefore, cannot be considered under the regulations of this Board governing appeals from the decision of the Reserve Bank Organization Committee.

II

For further answer to said petition and in support of the exceptions set out in paragraph one above, this respondent says that the petition filed by said committee did not, at the time of its filing, and does not now, correctly represent the real wishes and sentiments of the officers of a large number of the member banks listed in said petition on the final page thereof as petitioning banks, many of whom, subsequent to the filing of said memoranda of protest with the Reserve Board, immediately after the announcement of the district lines by the Federal Reserve Organization Committee and previous to and subsequent to the filing of said committee's petition, after they had taken time to thoroughly consider the Organization Committee's action and their own best interests, have expressed themselves both in writing and verbally, to the effect that they are satisfied with the lines established, and that no action should be taken at this time looking to a transfer of any portion of the territory from the Eleventh District to the Tenth District, and this respondent believes, and upon such information and belief alleges, that resort was made by said committee to said claimed memoranda of protest for a compliance with the rules established by this Board,

requiring the signature of two-thirds of the member banks in the territory sought to be transferred only, because said committee feared that they could not, at that time, have secured the necessary signatures of two-thirds of the member banks in the territory sought to be transferred, as required by the regulations of this Board in this character of proceeding.

In support of the allegations in this paragraph contained, and as illustrative of our position on the exceptions contained in paragraph one above, reference is here made to copies of letters from officers of certain member banks listed in said purported petition as petitioning banks found in the appendix to this brief and marked Exhibit A, numbered 1 to 22 inclusive, to which letters the considerate attention of the Board is requested.

III

For further special answer herein, respondent states that it is well known that, at the time the protest slips were signed by some of the member banks, many of the banks executing them were influenced in so doing by an appeal to their State pride and were opposed to the action of the Organization Committee in the establishment of the lines solely because the State of Oklahoma was being divided and the Northern portion of said State placed in the Tenth District and the Southern portion of said State placed in the Eleventh District, and that said committee filing the petition herein, has segregated certain counties with a view of leaving them in the Eleventh District and that this Board cannot assume that the lines fixed by the committee of three would meet the wishes of the member banks, if said banks were

executing the petition themselves, as they would be required to do under the rules of this board if they were in fact asking for a change of Federal Reserve District lines.

IV

For further special answer, respondent says that the activity for a transfer of territory from the Eleventh District, to the Tenth District, arose outside of the territory sought to be transferred, and that whatever action in the way of protest that was made by member banks within the territory sought by said petition to be transferred was taken upon the invitation and request of parties residing outside of the territory sought by said petition to be transferred, and this respondent here suggests that such outside action was inspired by a laudable ambition upon the part of certain parties non-resident of the territory sought to be transferred, to so arrange the district lines as that the thriving, prosperous and progressive city of Oklahoma City, Oklahoma, might stand a chance to be considered favorably as a location for a branch bank of the Kansas City Reserve Bank.

In support of the suggestion herein made, reference is here made to copies of two letters sent out from Oklahoma City, Oklahoma, on April 7 and 13, respectively, found in the appendix and marked Exhibit B, numbered 1 and 2.

V

For further answer, respondent says that there is no widespread dissatisfaction among the banks of Southern Oklahoma to the location of the present lines of the Tenth and Eleventh Districts, as would appear from the statements in the petition filed herein, and as indicative of

this fact, reference is here made to copies of letters from banks in Southern Oklahoma, addressed to the Federal Reserve Board, and to officers and member banks of the Federal Reserve Bank of Dallas, copies of which letters are to be found in the Appendix, marked Exhibit C, numbered 1 to 14, inclusive.

REMARKS.

Regulation 1, by the Federal Reserve Board, governing procedure in appeals from the decision of the Federal Reserve Organization Committee, provides, among other things, as follows:

“Petition for review of the determination of Federal Reserve Districts by the Organization Committee must be signed by duly authorized officers of at least two-thirds of the member banks in the territory which the petition asks to be taken out of one district and annexed to another.”

Is the petition herein in conformity with this regulation? The parties who filed this petition do not claim that the member banks for whose benefit it was supposed to be filed, ever saw it, signed it, or authorized any one else to sign it for them, or even had an opportunity to sign same. In order to show a semblance of compliance with the regulation of this Board, the committee so filing the petition refers to protest slips claimed to have been filed by certain banks in the territory sought to be transferred. There is no claim made that the member banks designated as petitioning banks authorized this committee to include them as petitioning banks on account of some prior protest. These protests, if made, were made before the organization of this respondent, and at a time when the protesting banks had no means of

determining whether they could obtain satisfactory service from the Dallas Bank or not, and such protests as were made were made, not upon the initiative of member banks, but in response to the invitation of parties outside of the territory sought to be transferred. These protests, when made, were made largely in response to State pride and were made largely because the State of Oklahoma was being divided.

After the Eleventh District had elected as one of its Directors a man from Southern Oklahoma, who was familiar with the wants and needs of that territory, and after this respondent was organized and began business, it nowhere appears that any member bank in Southern Oklahoma protested at being included in the Eleventh District, or that any number of member banks in this territory then availed themselves of the opportunity afforded them by this Board, of filing a petition to be transferred to the Tenth District.

We submit to this Board that there is no petition prepared, signed and filed by two-thirds of the member banks in the territory sought by this purported petition to be transferred from respondent's district to the Tenth District, as required by your regulations, and that this question is fundamentally jurisdictional, and that, therefore, this Board should sustain respondent's exceptions contained in paragraph one of its answer and that this proceeding should here now be dismissed.

Regulation No. 1, promulgated by this Board for guidance in proceedings of this character, among other things, provides:

“The Board will not hear testimony, but the parties will be limited to the record before the Organization Committee.”

The purported petition filed herein nowhere refers to the record made before the Organization Committee, but said petition is based solely upon letters, statistics and testimony which the petitioning committee says it was filing with this Board at the same time it filed the petition. This respondent earnestly urges and insists that it should not be called upon to answer new matter and testimony filed with the Board in support of the purported petition, and which this respondent has never seen and has no way of seeing, and which was not a part of the record made by the Organization Committee, and respectfully insists that its special exception (d), found in paragraph one above, should be in all things sustained, and that said letters, statistics and data so referred to in said petition, constitute new testimony, not adduced before the Organization Committee and should not be heard or considered by this Board, and that such new matter and additional testimony should be purged from the record herein and that its exceptions should be sustained to such portions of the petition as are based upon or refer to such new and additional testimony.

In connection with the exceptions in paragraph one above, the Board's consideration is also asked of the special answer of respondent, contained in paragraph two, and particularly to the letters therein referred to, copies of which can be found in the Appendix. Respondent has made no special effort to obtain an expression from the member banks listed in said petition as petitioning banks, but believing that a great number of said banks have not authorized the use of their names in connection with this proceeding and believing that a great number

of said banks so mentioned in this petition as petitioning banks were in fact satisfied and content to remain as member banks of this district, respondent asked an expression from a few of the banks best known to it, with the result that each bank so inquired of has answered that it was making no effort to have territory taken from respondent's district and placed in the Kansas City district, and that it was satisfied with the district lines as established by the Organization Committee, and that they did not feel like any effort should be made to change the lines of the district until a fair test had been given the action of the Organization Committee, the letters made use of herein being irrefutable proof of the contention of this respondent that the purported petition was not in fact the petition of the banks listed in said petition as petitioning banks.

It is here respectfully suggested that the use of these letters by respondent cannot be considered as the introduction of new testimony, but should necessarily be considered in support of its jurisdictional objection and as going to the good faith of the purported petition which it is here required to answer.

**REPLY TO THE CONTENTIONS MADE
IN THE PETITION AND BRIEF
FILED BY THE COMMITTEE.**

If this Board should fail to sustain our contentions above, and should decide to consider the petition filed by the committee, then this respondent requests that it be permitted to further answer to the merits of said petition.

The petition states that the transfer of territory should be made:

“First—Because the present districting is not in accordance with the spirit of the law which provides, in Section 2, ‘the districts shall be apportioned with due regard to the convenience and customary course of business.’”

In reply to the first contention of petitioners, the following propositions are respectfully submitted:

(a) In establishing the present district lines, due regard was given by the Organization Committee to the same question here presented by petitioners, and the present lines were established, because it was evident that the greatest volume of commerce from Southern Oklahoma was southward and to the Gulf.

(b) The large volume of commerce from Southern Oklahoma being to the southward and through Texas, no violence was done in placing Southern Oklahoma in the Eleventh District, with its Bank at Dallas, Texas.

(c) The principal crops and products of Southern Oklahoma being identical with Texas products and crops, the Dallas Bank can understand and care for the wants and necessities of Southern Oklahoma much better than the Kansas City Bank or any other Bank.

(d) The Organization Committee having taken much time and painstaking care in the establishment of the present district lines, and it being apparent that it was an absolute impossibility for any committee to so district the United States as that its action would meet with the entire approval of all persons, both within and without each respective district, the action of said committee should be given full faith and credit, and no

change should be made in the present district lines of the Tenth and Eleventh Districts until a reasonable time has passed and the action of the Committee has been given a full and fair test, to the end that the Federal Board could then determine whether or not any error had been made by the inclusion of any territory within a given district.

(e) All of Southern Oklahoma being nearer Dallas than Kansas City, it was not only proper but necessary that it be included in the Eleventh District, and the fact that possibly a majority of its banks had heretofore done considerable business with Kansas City banks, furnishes no reason why the action of the Organization Committee should be overruled and that territory, situated almost at the door of the Dallas Reserve Bank, should be transferred to a bank situated hundreds of miles away.

STATEMENT UNDER THE ABOVE PROPOSITIONS.

The petition, under subdivision headed "Course of Business," refers to data which petitioners state was being filed with this Board, and inasmuch as such data is not accessible to respondent, it will be impossible for it to reply fully to the new matter and testimony which it has never seen and which it has no opportunity of seeing.

In addition to the record of the Organization Committee, respondent, solely for the purpose of answering the new matter and testimony filed by petitioners, and without waiving its objection to a consideration by the Board of such new testimony, also will use and refer to some additional letters and statements not found in the

record of the Organization Committee, copies of which will be found in the Appendix to this brief.

Particular reference is here made to the maps found on pages 108, 109, 110 and 111 of the copy of the record filed by the Organization Committee with the Senate of the United States, the date of the letter transmitting such record being May 18, 1914.

On page 115 of said Senate Record will be found the following:

“Signed statements from the Dallas jobbers show that they sell to 28,280 merchants in Oklahoma, 3,151 merchants in New Mexico, 5,698 merchants in Arkansas and 7,222 merchants in Louisiana.”

On page 116 the following:

“The map attached will show that all of the territory claimed in Oklahoma, Arkansas and Louisiana, is within 15 hours by rail from Dallas. That every portion of the territory can be reached from Dallas in less time than from St. Louis. With the exception of a small portion of northern Oklahoma, north of the Canadian River, it can be reached from Dallas by rail in shorter time than from Kansas City. The only portion of the territory that can be reached from Denver in a shorter time than from Dallas is the northern half of New Mexico, and a small portion of the Panhandle of Texas. Less than 5 per cent of the population in the territory, exclusive of Texas, can be reached more quickly from Kansas City or St. Louis, than from Dallas. Eight hundred and ninety-three of the 943 National banks are nearer Dallas than they are Kansas City, St. Louis, Denver or New Orleans. One thousand, seven hundred and sixty-one of the 1,816 State banks are nearer Dallas than any other of the cities mentioned.”

On pages 117 and 118 the following:

"It is a region in every sense, express and implied, in which that word is used under the law. Including the relatively small territory outside of Texas, which has for its convenience been put with Texas, and which can with most advantage to it be best served from a Texas bank, the region contains or produces approximately:

"One-sixth of the area of the United States (such area is large enough for a district, while, if added to the other territory claimed by St. Louis, the enlarged district would embrace approximately one-third of the total area of the United States).

"One-twelfth of the population of the United States (the increase during the last decade being 39 per cent).

"One-eighth of the National banks of the United States.

"One-tenth of the State banks of the United States (the number of total banks increased in the last 14 years 454 per cent).

"One-seventh of the total farm production of the United States (\$1,000,128,597).

"Two-fifths of cotton production of the United States (\$331,132,400).

"Four-ninths of total cotton-seed production of the United States (\$54,785,550).

"One-tenth of live-stock production (\$205,224,132).

"One-half of cotton exports (\$253,020,000).

"One-eighth of the total exports of the United States.

"With the exception of some territory in the extreme western and southern portions of the district, and a small area in southwestern Louisiana, every point in the district is within 12 hours' mail service of Dallas, and those remote portions of the territory are within closer mail service to Texas cities than any other city which has been under consideration as a location for a regional bank."

On page 118 the following :

“For eight months in every year a regional bank in this district would have money to loan ; for 12 months in an ordinary year it could take care of its own member banks and have money left. During the exceptional year (1913) just passed, it could, at the peak of its advances to member banks, have financed itself. If, however, under extraordinary stress, it should need to re-discount the receivables of member banks to a small extent with other regional banks, or to issue emergency currency, it would simply be making use of these features of elasticity which have been advertised as among the chief excellencies of the new banking law.

“If the Texas regional bank should be a lender bank 8 months out of every year, and 12 months out of an ordinary year, why should it not every 4 months, during an occasional extraordinary year, be a borrower or note-issuing bank ?”

William Mee, President of the Oklahoma City Clearinghouse Association, testifying before the Organization Committee at Kansas City, said that the Oklahoma banks did business largely with Kansas City banks, and then added :

“The cotton interests are divided to the East almost altogether, New York and Boston, very largely” (p. 1919, typewritten copy of Testimony taken by the Organization Committee).

P. C. Bings, of the Guarantee State Bank of Ardmore, Oklahoma, testified before the Organization Committee at Kansas City, that he was there as a committee representing the southern part of Oklahoma for the Oklahoma Bankers' Association, and, while so testifying, he was interrogated by the Secretary of the Treasury, and answered as follows :

"The Secretary of the Treasury: If you did not have it at Kansas City, where would you then prefer it?"

"Mr. Bings: As I say, it does not make any difference to me as long as we have a branch bank in our own State.

"The Secretary of Agriculture: You are pretty near Ft. Worth and Dallas. You do not want to be connected with a bank at any place in Texas?"

"Mr. Bings: I am afraid that neither Ft. Worth nor Dallas will get a regional bank, hence we would have to go further south, to New Orleans.

"The Secretary of Agriculture: Suppose one were at Dallas?"

"Mr. Bings: That would be our second choice.

"The Secretary of the Treasury: It would be?"

"Mr. Bings: Yes, sir, from the fact that three months in the year there is the cotton season and 60 per cent of our business goes south of Ft. Worth, Dallas or Houston" (pp. 1998 and 1999, Transcript of Testimony taken by the Organization Committee).

Sam I. Hynds & Company, cotton merchants, and members of the New Orleans Cotton Exchange, in a letter to B. A. McKinney, a Director of respondent, made the statement that practically all of the cotton produced in Oklahoma, sold for export and to New England mills, passes through Texas ports or New Orleans, and, further, that farmers and merchants who ship cotton on consignment forward same to Houston, Galveston or New Orleans. In other words, almost the entire Oklahoma cotton crop is shipped by way of the Gulf. See letter in Appendix, marked Exhibit D.

Frank Kell, the principal owner of the Wichita Mill & Elevator Company, and the Oklahoma City Mill & Elevator Company, the largest mill operator and grain

dealer in the Southwest, in a letter to B. A. McKinney, a Director of this respondent, shows that practically 90% of the grain, such as wheat, oats and corn, raised in Southern Oklahoma, moves southward and is consumed in Texas and Louisiana or moves out through Texas Gulf ports. See letter marked Exhibit E in Appendix.

Particular attention is called to the trend of questions asked by the Secretary of the Treasury at the hearings in Kansas City and Austin, which indicates that the matters made the basis of this first complaint in the petition were being duly considered by the Organization Committee.

The second proposition advanced by petitioners, headed "Loan and Discount Facilities," is as follows:

"Second—In the second place, Southern Oklahoma should be placed in the Kansas City District, because the figures show the Kansas City District will be better able to meet the re-discount requirements of the Southern Oklahoma banks, than will the Dallas District."

In support of this proposition, petitioners use data and new testimony not contained in the record of the Organization Committee, a great part of which is not fully shown in the petition.

In reply to the second contention so made by petitioners, respondent respectfully submits counter-propositions as follows:

(a) The reports of the Dallas Reserve Bank, made to this Board, and of which this Board is fully apprised, show conclusively that the petitioners' fears are unfounded and that the Dallas Reserve Bank is able to furnish

proper and adequate discount facilities to all of its member banks, including the banks in Southern Oklahoma, and that the Southern Oklahoma banks have already begun to use the Dallas Reserve Bank as a medium of discount, and that of the discounts made by the Dallas Reserve Bank, 25% of the amount was for Southern Oklahoma banks.

(b) The showing of petitioners under their second proposition proves only and conclusively that the banks in the Eleventh District in Texas and Louisiana are thoroughly cognizant of the needs of their territory, and furnish readily and fully the necessary funds with which to move the products and crops of their territory, and that, when necessary, they will borrow sufficient money for this purpose.

(c) The Federal Reserve Act was purposely designed to take care of just the contingency suspected by the petitioners to arise, but which has not been shown by the petitioners to have arisen; and if such a contingency should arise, adequate provision therefor is made in the Act without the necessity of changes in district lines.

(d) The petitioners wholly fail to show any condition of inability upon the part of the Dallas Reserve Bank to properly care for the needs and necessities of the Southern Oklahoma banks, and until such a condition is shown, there can certainly be no reason or cause justifying a reversal of the judgment of the Organization Committee in establishing the present district lines.

(e) Neither the present district lines nor the terms of the Federal Reserve Act prevents any member bank in Southern Oklahoma from carrying an account with any other bank in Kansas City or elsewhere, and the in-

clusion of Southern Oklahoma in the Eleventh District does not deprive any member bank of its right or privilege of carrying an account with Kansas City banks, if it desires.

(f) According to the terms of the Federal Reserve Act, it is impossible for the reserve banks to reach their full measure of strength and usefulness for a period of three years from the date of the opening of the banks, and until such a length of time has elapsed in which to permit the reserve banks to in a measure reach the maximum of their strength and efficiency, certainly no action should be taken by this Board changing the present lines of Districts Ten and Eleven, because at this time the banks have not been in operation a sufficient length of time to enable the Board to correctly determine whether the judgment of the Organization Committee in establishing the present lines was erroneous.

(g) The very purpose of the Federal Reserve Act was to furnish stability to our financial system and to change some former methods in the banking world, and to prevent a repetition of the disastrous conditions which have befallen this country in the past, and which were believed by the framers of the Act to have been occasioned in a large measure by customs and methods heretofore pursued, and certainly no just criticism can be made of the acts of the Organization Committee in establishing the present district lines, when it is said, as it is said in the petition, that such action in a measure changed banking customs heretofore prevailing.

STATEMENT UNDER PROPOSITIONS (a) to (g), INCLUSIVE.

See former Statement hereinbefore set out.

On page 118, Senate Record, will be found the following:

“The unassailable fact is—St. Louis and Kansas City will not dispute it—that when Texas needs money to move its crops, its banks can not borrow money in any considerable quantities in either St. Louis or Kansas City, and must go to Chicago or to the Atlantic seaboard. Balances are kept in St. Louis now, not in order to secure loans there in time of need, nor because trade sets that way, but in order to secure exchange facilities and provide means for making collections at par.

“The re-discounts and bills payable in the district Texas has defined, were \$23,000,000 at the peak of the heaviest demand of 1913. How much duplication or pyramiding was in this sum it is not easy to say; but, as shown in the Dallas Book of Facts, more than three-fifths of the amount could have been absorbed by the reduction in the percentages of reserve which are provided for under the law. The National banks in the territory would have had \$15,000,000 more of loanable funds at that time, if the present law had then been in force, leaving only \$8,000,000 to be taken care of by the regional bank. Its available funds for that purpose would have been far in excess of these demands.

“If the new law is simply going to provide new machinery (perhaps more complex than the old) for doing what is already being well done under the existing banking system, its importance and efficiency has been vastly exaggerated. We do not believe it is so limited in function. We think it was intended to provide elasticity and a means for equalizing seasonal inequalities, to relieve strain where strain has been great under the old system. It is, however, going to be a handicap instead of an advantage, if its effect will be normally to restrict Texas banks or banks in any other single district, to their regional bank and affect their open market connections. If it is going to be thought

a crime, or even bad banking, for one regional bank to use the surplus funds of another at one season, and to render the same service to another bank at another season, the law will prove to be absurdly inadequate.

“Moreover, why should it be thought inevitable that the member banks will deal only with the regional bank when wanting to borrow money? No one doubts that banks which now have resources beyond their local needs will continue to lend that money to other banks to meet seasonable requirements. If the new law is to create in the Government a monopoly of the business of loaning money to National banks to meet their seasonable requirements, it has not been so advertised. Member banks will, of course, maintain their legal reserve with the regional banks, but they will deposit as in the past surplus funds with other banks, receiving interest on daily balances and having constant transactions in the borrowing and loaning of money as heretofore.”

On page 120, the following:

“Southern Oklahoma is identified with Texas in every way. Texas people settled it up; Texas buys its cotton; her cattle graze its ranges; Texas buys its stock, its gas, its oil and its lumber. Northern Oklahoma is divided, a part preferring Kansas City, a part preferring St. Louis. Texas is closer to it, however, in every way, and can serve it better than any other State.

“No doubt there are many people in Louisiana, Southwestern Arkansas and Oklahoma, who would prefer not to be put in the District with Texas cities. There are many, however, who favor the Texas district. Some violence must be done, for manifestly this committee can not please those holding such opposing views. The nearest possible reconciliation—if the endeavor is to be made to please everybody—would be, to put Southern Oklahoma with the Texas district and Northern Okla-

homa with the St. Louis district, assuming, of course, that no bank is to be put at Kansas City."

On page 112, the following:

"Nine trunk-line railroads radiating in 27 different directions, with 91 daily passenger trains: Chicago, Rock Island & Gulf Railway; Gulf, Colorado & Santa Fe Railway; St. Louis, San Francisco & Texas Railway; Houston & Texas Central Railroad; Missouri, Kansas & Texas Railway of Texas; St. Louis Southwestern Railway of Texas; Texas & New Orleans Railroad; Trinity & Brazos Valley Railway; Texas & Pacific Railway.

"Five electric interurban railroads radiating in seven different directions, with 156 daily trains, handling 4,000,000 passengers annually: Northern Texas Traction Co., Southern Traction Co., Texas Traction Co., Eastern Traction Co., Dallas-Corsicana Traction Co.

"Dallas has headquarters and general offices for the Southwest, of the Western Union, Postal, and Mackay Telegraph Cos., with 262 circuits, handling 18,497,300 telegrams per year. Dallas ranks sixth in the United States in total volume of business.

"Dallas has headquarters and general offices for the Southwest of the Southwestern Telephone (Bell) Co., with 159 toll circuits, originating 554,000 long-distance calls per year, increasing at the rate of 50,000 calls per year; 2,924 toll stations operated from Dallas as headquarters; 643 towns served from Dallas on 50-cent rate, 169 on 25-cent rate. Fifteen and nine-tenths per cent of all the telephones in Texas are in Dallas.

"Dallas has the largest telephone development per capita of any city in the United States.

"All express companies operating in the territory have headquarters at Dallas.

"Only six cities in the United States have a larger volume of express business than Dallas.

"Dallas has more express business per capita than any city in the United States.

“Dallas has 176 mail receipts and 137 mail dispatches daily.

“Dallas has 111 daily exchanges of mail pouches direct with towns in Texas. Dallas has 65 daily mail dispatches to railway post offices. Dallas has 80 daily receipts of pouches direct to Dallas from other Texas cities. Dallas has 57 mail receipts daily from railway postoffice lines, exclusive of the 80 direct receipts from Texas. In reaching territory outside of Texas, Dallas has 57 receipts of mail and 65 dispatches of mail daily.

“While Dallas is the fifty-fourth city in size, its postal receipts are thirty-third in volume, and as much as any two cities in the territory combined.”

On page 123, the following:

“M. H. Wolfe has furnished the following cotton statistics:

“Cotton area of all the South, 892,072 square miles.

“Cotton area in 12 hours' ride of Dallas, 437,794 square miles, or 49 per cent.

“Total cotton produced in South last year, 14,101,000 bales.

“Cotton produced in 12 hours' ride of Dallas, 6,857,000 bales, or 48½ per cent.

“Texas produced last year 4,902,000 bales.

“Oklahoma produced last year 1,057,000 bales.

“Arkansas produced south of the Arkansas River 505,000 bales.

“Louisiana produced 393,000 bales.

“Dallas cotton buyers bought last year 1,459,000 bales.

“Dallas cotton buyers have salaried men covering all sections of Texas, Oklahoma, Arkansas and Louisiana, and paid out for cotton last year approximately \$92,000,000, and approximately \$80,000,000 of this cotton was financed directly or indirectly by the Dallas banks.”

At the hearing before the Organization Committee in

Austin, Texas, on February 9, 1914, Thomas H. Ball, of Houston, testified before the Organization Committee, and while he was testifying, the following interrogatories and answers were given:

“The Secretary of the Treasury: Suppose New Orleans made exactly the same argument you are making, that she did not want to be attached as a vassal to Texas, what is this Committee to do? There are various sections of the country that are arguing that they ought not to be attached to anything, they must be kept off by themselves, they do not want a re-united country on the financial question; and so, if that argument is good here, it is good in other sections of the country we have visited, so we are bound to consider this question from the economic standpoint, having relation to all these parts of the whole, and that is the only way we can consider it.

“Mr. Ball. Yes, and I do not expect you to do it any other way. And if New Orleans puts up that kind of an argument, she is at perfect liberty to do so, and I will not resent it; and I do not resent these people coming in from St. Louis and trying to make representations, and do the best they could to get us in with them.

“After all, the responsibility will come back to you gentlemen who are charged with it, and you will give such attention to our representations and views and figures as you think they are worthy of. And though you slay us, we will still serve this administration. We gave up the tariff on our raw material, against the judgment of a great many without a murmur, and we are trying to do what is right, and we want to help you in your great task; but we certainly think, with a State of this magnitude, and this showing, which must appeal to you as reflecting some degree of credit upon our people and their resources, we do feel very deeply in earnest about this matter, and we think that, with

the Pacific Coast, conceding it to San Francisco—I do not want to be in the attitude of hostility towards St. Louis, and I had her on the list of the eleven cities that I thought ought to be given regional reserve banks, but I do think that Texas, with her position, her great geographical area, her tremendous resources, the manner in which she is forging to the front in every line, and the confidence of her own people, that she can take care of the situation; that these points which have been suggested by our committee and by the Dallas committee, will not be any more bitterly opposed certainly to being attached to Texas, than Texas will be to being attached to these other points, and I was just suggesting that because while we are amiable, we want to do all we can; we want you to consider as far as you can consistently with your enormous responsibility, the desires and wishes of this great State of ours.

“The Secretary of the Treasury: That is what we came here for, to get your views, and we are going to give fair consideration to every argument that has been presented. But I should like to say just this in answer to your remarks, that though we slay you, you will still be loyal to the administration, Colonel—

“Mr. Ball: Well, I mean the Government.

“The Secretary of the Treasury: I want to say that in that connection, of course I assume you are speaking facetiously, but somebody may not understand you, and therefore I do wish to say, that it is impossible, of course, in the laying out of these districts as required by law, to slay any section of this country, or injure any section, whatever these districts may be. This new system is bound to be more beneficial than what you have got today, so that while the desire of every local community will be impossible to meet, and if we allowed every community to lay out its own district, we would never get the country divided into these districts; the purpose of the committee in having these hearings through-

out the country has been solely to give the people of this country the largest and amplest opportunity to present the views as they see them for our consideration; and we are going to give those views fair and impartial consideration and our decision will be rendered from that standpoint, and no other.

“Mr. Ball: We know that, Mr. Secretary.”

Mr. W. W. Collier, Commissioner of Banking and Insurance of the State of Texas, testified before the Organization Committee at the hearing at Austin, Texas, on February 9, 1914, and, while testifying, the following interrogatories and answers were given:

“The Secretary of the Treasury: We should like some information as to that, and also whether State banks, under your law, are entitled to become members in this system.

“Mr. Collier: Yes, sir, there is nothing in our law to prevent them becoming members.

“The Secretary of the Treasury: Is there anything that authorizes them? Are they permitted to own stock?

“Mr. Collier: Yes. Under the statutory provision they can own not in excess of 10 per cent of the capital stock of the corporation in which they are investing.

“The Secretary of the Treasury: You mean 10 per cent of their own capital?

“Mr. Collier: No. 10 per cent of the corporation in which they are investing.

“The Secretary of the Treasury: That would seem to give them ample power.

* * * * *

“Mr. Collier: There are 849 State banks in Texas, with a total capital, surplus and profits of \$44,645,000. I will omit the odd figures. They have total deposits of \$96,000,000 and total resources of \$149,000,000.

“The Secretary of Agriculture: What has been the growth in the last five years?

“Mr. Collier: The growth of the banks during the fiscal year 1912-1913, there were 111 new charters granted, with aggregate capital of \$3,358,500. The growth of the deposits from the time the State Bank Law went into effect in 1906, was \$8,000,000; 1907, \$19,000,000; 1908, \$22,000,000; 1909, \$39,000,000; 1910, \$48,000,000; 1911, \$58,000,000; 1912, \$71,000,000; 1913, \$96,000,000.

“The Secretary of Agriculture: That is the growth in the last seven years?

“Mr. Collier: That is the growth since the system was established.

“The Secretary of the Treasury: How many are eligible under the Federal Reserve Act?

“Mr. Collier: 377, with an aggregate capital and surplus of \$31,857,500.

“The Secretary of Agriculture: And deposits?

“Mr. Collier: I did not give the deposits, because I was not called on until this morning for this data, and did not have time to prepare that, but it is fair to assume that the deposits of those would be about \$60,000,000.

“The Secretary of the Treasury: Have you any indication from these banks as to their purpose with regard to the Federal Reserve Act?

“Mr. Collier: I will say this, Mr. Secretary. I have had, I suppose, inquiries from almost every one, and the attitude of the Department of Banking in Texas is to encourage them to become members.

“The Secretary of the Treasury: Are they showing a disposition to come into the Federal Reserve system?

“Mr. Collier: I believe it is fair to assume that more of them would become members if a Federal Reserve Bank is located in Texas, than they would if it was located otherwise.

“There is one point I want to touch on, if you will pardon me. That is, it has been suggested that having

a Reserve Bank located in Texas, where it was entirely a borrowing country, would not be advantageous or wise. I want to say that if the banks used their reserves, they would always be able to take care of themselves. At the date of the last call, our State banks in Texas only had four and one-half million dollars borrowed, and had in Eastern Exchange over \$14,000,000."

ARGUMENT.

Petitioners state, on the first page of their petition, their reasons for omitting the Counties of Bryan, Choctaw, Marshall, McCurtain and Pushmataha from their application to transfer certain territory in Southern Oklahoma from the Eleventh District to the Tenth District.

Their reasons, as stated, may be correct, but a very sufficient and potent reason will also be found by reference to Exhibit F, 1 to 26, inclusive, in the Appendix, wherein will be found copies of letters from twenty-six member banks situated within this territory, stating most unequivocally that they are situated in the District of their preference.

As shown in the Appendix, Exhibit "G," there are one hundred and sixty-six member banks in Southern Oklahoma within the Eleventh District. The Committee filing this petition have excluded from the terms of the petition the Counties of Bryan, Choctaw, Marshall, McCurtain and Pushmataha. In these five counties there are thirty member banks, as shown by Exhibit G, in the Appendix, the name of each member bank being preceded by a star. Deducting these thirty banks from the number of member banks in Southern Oklahoma, there are left one hundred and thirty-six member banks.

In order for any territory to be transferred from one District to another, it is absolutely necessary, under the rules and regulations of this Board, for appeal from the decision of the Federal Reserve Organization Committee, that two-thirds of the member banks in the territory sought to be transferred, join in the petition asking to be transferred from one District to another. Thus it will be seen that it requires a petition signed by ninety member banks before this Board would have jurisdiction to hear any petition at all looking for a transfer of territory from the Eleventh to the Tenth District.

Attention is here called to the fact that certain banks which filed protest slips with the Federal Reserve Board, some time before the opening of the Federal Reserve Banks have been listed by the Committee filing this petition as petitioning banks. The Board's attention is respectfully called to copies of letters from twenty-two of these banks so listed as petitioning banks, found in the Appendix, marked Exhibit A, 1 to 22, inclusive, which letters show not only that these banks are not petitioning banks, but that the great majority of them are perfectly satisfied and want to remain in the Eleventh District, and that the remainder feel that no change should be made now, and that no effort should be made to change the lines until after the Federal Reserve Banks have been in operation a sufficient length of time to enable your Board to intelligently and properly determine whether or not the Federal Reserve Organization Committee made error when it established the present lines.

On the last page of the petition will be found the

statements: "Total number of national banks in the territory sought to be transferred, 128. Total number of banks asking to to be transferred, 104. Two-thirds majority required by rules, 85." Each of these statements is erroneous and misleading, and none of them can be accepted as correct. In the first place, there are 136 member banks in the territory sought to be transferred. In the next place, out of the 104 banks which the petition lists as petitioning banks, the Board will find, upon examination of Exhibit A, 1 to 22, inclusive, that twenty-two of these banks have, in effect, expressly stated that they are not petitioning this Board to make any transfer of this territory at this time.

In order for the Board to hear a petition from the banks in Southern Oklahoma, that petition, in accordance with your regulations, must be signed by the duly authorized officials of ninety member banks. Respondent has heretofore insisted, and now insists, that this petition has never been authorized or signed by any banks in the territory sought to be transferred, with the exception of the City National Bank, of McAlester, and the First National Bank, of Lawton. The third man signing the petition does not even claim to reside in the territory sought to be transferred.

If your Board overrules the exceptions heretofore urged and overrules the contention here made, that no proper petition has ever been filed, in accordance with your regulations, then most certainly, when you deduct from the number of banks which this Committee states are petitioning banks, the twenty-two banks which have expressed a desire either to remain within the Eleventh District, or a purpose not to urge any change or trans-

fer at this time, you will then have left only eighty-two banks, or eight less than the number required to file a proper and legal petition under the Board's rules and regulations.

Attention is here called to the fact that whatever protest slips have been filed with your Board antedate the letters from the banks in Southern Oklahoma shown in the Appendix and referred to in this brief.

Attention is further called to the fact that there are sixty-two letters from banks in Southern Oklahoma showing that they are not in sympathy with the Committee filing this petition. Had not the five counties above mentioned been excluded from the territory sought to be transferred by this petition, it would have required one hundred and ten banks to file a proper petition under your rules. It is, therefore, apparent that the Committee filing this petition were forced to exclude from the territory in the Eleventh District situated in Oklahoma certain Southern Oklahoma counties or that it could not have claimed, even by referring to prior protest slips, to have filed a petition which could be considered at all under your rules.

It will be noticed, from certain expressions found in the letters in the Appendix, that the reason first assigned by certain parties outside of the District why Southern Oklahoma should not be included within the limits of the Eleventh District was, that the State of Oklahoma was being divided. Appeals were made to the patriotism of the bankers in Southern Oklahoma to protest against the inclusion of Southern Oklahoma within the limits of the Eleventh District because, and

for the sole reason, as first claimed, that the State was being divided.

Under the first proposition in petitioner's brief page 1, is found subdivision entitled, "(a) Course of Business," and the contention is there made that because the Oklahoma banks have heretofore done some business with Kansas City banks, therefore the course of business was to Kansas City, and that, for this reason, the transfer of territory should be granted.

In order to properly analyze the contention made by petitioners, it is necessary to view the circumstances which forced the course of the banking business to take the unnatural trend and not follow the course of commerce.

Under the old law, St. Louis was a central reserve city, and Kansas City was a reserve city. Chicago, New York, and other Eastern cities were central reserve, or reserve, cities. This condition prevailed for a great number of years before the development of the great Empire State of Texas. Kansas City, St. Louis, Chicago, and other cities were reserve cities for a number of years prior to the establishment of any reserve cities in the State of Texas, and, under the then existing law, it was incumbent upon the banks to carry balances in the reserve cities.

Therefore, Oklahoma banks, Texas banks, Louisiana banks, New Mexico banks, and Arizona banks, and a great many other banks in the Southwest, were forced to carry balances and do business through Kansas City and St. Louis, because of the advantages those cities had by reason of being reserve cities; and this business, which the petitioners state is the natural course

of business, was built up by virtue of this condition just mentioned, which forced the trend of the banking business to be to Kansas City and St. Louis, rather than to follow the commerce, which was to the South and Southwest.

It may be conceded that a great many banks in Southern Oklahoma heretofore, have done and now do, business in Kansas City, but the conceding of that point does not necessarily show an error in judgment on the part of the Organization Committee. The Federal Reserve Act does not force these banks to discontinue carrying balances in Kansas City, if they find it to their advantage to do so, but simply requires them to also carry part of their reserve in the Federal Reserve Bank of their District.

Instead of working to the disadvantage of the banks in Southern Oklahoma, this Act works to the distinct advantage of these banks, in that it permits them to retain a banking connection in Kansas City and opens for them a very valuable banking connection with the Reserve Bank in Dallas, in the very locality where their products are marketed and paid for.

On the first part of the second page of petitioners' brief, is found certain figures claimed by the petitioners to support their theory as to why the transfer of this territory should be made. These figures are not new. They were known to the Organization Committee, and are readily explained in the light of what has heretofore been said with reference to the forced banking connections heretofore existing at Kansas City and St. Louis, and other Reserve cities.

On the second page of the petition is found the following:

“We invite the attention of your Board especially to a perusal of the letters from which these figures were tabulated, as many of them show the dissatisfaction existing among the bankers in Southern Oklahoma, and their evident desire to be included in the Kansas City District.”

Such letters therein referred to are not accessible to respondent and are not found in the record of the Organization Committee, and constitute new testimony, introduced on this hearing for the first time, in violation of the regulations of the Board, and cannot be considered; but, if considered, and if, as stated by petitioners, these letters show dissatisfaction among some bankers with the establishment of the lines, then the question arises, whether or not this is simply a bankers' law, or if this law shall be permitted to perform the functions which its authors and friends claim for it; that is, to be a benefit and relief to the business of the entire country.

It may well be here suggested, that it would be impossible, indeed, to frame any law with reference to banking matters, which would please all bankers. In fact, when this law was first proposed, a great many bankers were against it in its entirety, and this same dissatisfaction, which petitioners state these letters show, may grow out of the dissatisfaction held by certain bankers to the law itself.

Because some banks in Southern Oklahoma have heretofore done business with Kansas City, does not show that that is the natural trend of business, but the pe-

tioners themselves in the brief, show that the trend of business, that is, the trend of commerce itself, is not in the direction of Kansas City. Everybody else's business except the bankers' business, goes to the South and Southwest, and, therefore, the Dallas Bank is in line with the trend of the commerce and business from Southern Oklahoma.

The next subdivision of petitioners' brief, entitled "Oklahoma-Dallas Relations," page 2, refers to a letter from Mr. Thralls, manager of the Kansas City Clearinghouse, which letter we are unable to find in the record of testimony taken by the Organization Committee and we, therefore, naturally conclude that this letter is also new testimony furnished by the petitioners for the first time.

But what has been above said with reference to the course of business, in our opinion, completely answers this contention of the petitioners, and the contention itself, we submit, is not worthy of any serious consideration.

In this connection, we desire to call the Board's attention to a portion of the testimony set out under our second statement above, which will also be found on page 118, Senate Record, and is as follows:

"If the new law is simply going to provide new machinery (perhaps more complex than the old) for doing what is already being well done under the existing banking system, its importance and efficiency has been vastly exaggerated. We do not believe it is so limited in function. We think it was intended to provide elasticity and a means for equalizing seasonal inequalities, to relieve strain where strain has been great under the old system. It is, however, going to be a

handicap instead of an advantage, if its effect will be normally to restrict Texas banks or banks in any other single District to the Regional Bank and affect their open market connections. * * *

“Moreover, why should it be thought inevitable that the member banks will deal only with the Regional Bank when wanting to borrow money? No one doubts that banks which now have resources beyond their local needs will continue to lend that money to other banks to meet reasonable requirements. If the new law is to create in the Government a monopoly of the business of loaning money to National banks to meet their reasonable requirements, it has not been so advertised. Member banks will, of course, maintain their legal reserve with the regional banks; but they will deposit as in the past, surplus funds with other banks, receiving interest on daily balances and having constant transactions in the borrowing and loaning of money, as heretofore.”

This quotation is from the record of the Organization Committee, and, of course, it would be absurd to suggest that the Organization Committee did not give due consideration to this statement, as well as the other facts introduced, before it at its numerous hearings, and it is apparent, from a careful reading of the Federal Reserve Act, that its purpose was not to limit member banks to Federal Reserve Banks, but was enacted for the purpose of giving the member banks the benefit of the new facilities in addition to the facilities they had already enjoyed.

On page 3 of petitioners' brief is found subdivision entitled as follows: “What Dallas Bankers Say.” Under this heading, reference is made to letters from two banks in Dallas, which letters, from their dates,

show to have been written after the hearing of the Organization Committee, and which letters are not found in the record before the Organization Committee. The letters, however, when read and considered, form no basis upon which to predicate the argument that the Federal Reserve District lines should be changed. If Dallas banks have not sought business from Oklahoma banks, it may be to the disadvantage of the Dallas banks, but it certainly does not show a reason for transferring territory situated at the door of the Dallas Reserve Bank, to a bank situated several hundred miles away.

On page 3 of petitioners' brief is found subdivision entitled: "What Freight Shipments Show." The statements made by the petitioners under this heading refute the contention that the trend of business is to Kansas City, but show that it is to the Southwest, or towards the Gulf.

In this connection, reference is here made to a letter from Sam I. Hynds & Company, cotton merchants and members of the New Orleans Cotton Exchange, to B. A. McKinney, which letter, marked Exhibit D and found in the Appendix, shows that practically all of the cotton produced in Oklahoma, sold for export and to New England mills, passes through Texas ports or New Orleans, and further shows that the farmers and merchants who ship cotton on consignment, forward same to Houston, Galveston and New Orleans.

Reference is also made to letter from Frank Kell, reputed to be the largest grain operator of the Southwest, to B. A. McKinney, designated as Exhibit E,

which shows that practically ninety per cent of the grain, such as wheat, oats and corn, raised in Southern Oklahoma, moves southward, and is consumed in Texas and Louisiana, or moves out through the Gulf ports.

We submit that these two letters are new testimony, but they are only used to refute the new testimony adduced on this hearing, and which was not adduced on the hearing before the Organization Committee.

It is absurd to say that the freight rates to Gulf ports in Texas and Louisiana are not lower than they are to the Northern and Northeastern markets from Southern Oklahoma, because it is a self-evident fact that commerce follows the trend of lower rates. If there were equally as good markets for cotton and grain in Kansas City, St. Louis and Eastern points, and the rates to those markets were lower than to Gulf ports, it would then be natural that the commerce flow in those directions, instead of through Texas, and to the Gulf.

We have not felt that it was necessary to set out the different freight rates on these commodities, because, whenever it is shown to this Board, that the commodities themselves move to the Gulf and Gulf ports, it then becomes evident that the freight rates in that direction must be the favorable rates.

On page 4 of petitioners' brief is found subdivision entitled: "Showing of Farm Loan Companies." Under this subdivision, reference is made to letters showing that Eastern money had been used for farm loans in Oklahoma.

We have no doubt but what that statement is true, although this fact is not shown in the only record to which we have reference; that is, the testimony before

the Organization Committee; but, granting that Eastern money is loaned on Oklahoma farms, does that show any good reason why the portion of Oklahoma South of the Canadian River should not be included within the Eleventh Reserve District, with its bank located at Dallas? Will the inclusion of this territory within the Eleventh District in the least manner prevent a continuation of loaning of money on Oklahoma farms by Eastern capital if it so desires?

It is not contended that these farm loans are made from Kansas City, but they are made in Oklahoma as well as in the entire Southwest, by parties all over the Eastern States, and certainly the fact that part of Oklahoma is in the Eleventh District, with its bank at Dallas, cannot, in the remotest degree, affect this character of business.

On the fourth page of petitioners' brief is found subdivision entitled: "(b) Convenience in Doing Business." Under this subdivision, petitioners contend that, because Southern Oklahoma banks have heretofore done some business with Kansas City banks, therefore the officers of the Kansas City Bank would be in better position to find out about the Southern Oklahoma banks, and would render quicker service than the Dallas Bank.

Of course, this contention, followed to its logical conclusion, is an indictment of the entire theory of the Federal Reserve Act.

Under this heading is found the following:

"The situation at present is such, owing to this acquaintanceship, that any good bank in Southern Oklahoma will be granted a re-discount immediately upon application to its Kansas City correspondent:

whereas, an application to a new bank to the south of Oklahoma would result in delay, in many cases, until an investigation could be made, and as these applications for re-discounts in the future will doubtless be made at times when prompt action is necessary, another reason is afforded why these banks should be attached to the Kansas City District."

If the applications for loans that petitioners refer to are to be granted by the correspondent banks in Kansas City, then certainly the inclusion of Southern Oklahoma in the Eleventh District would not affect the Kansas City correspondent's knowledge of the Oklahoma banks so applying for loans, and this contention, when analyzed, falls of its own weight.

If the point sought to be made by petitioners is that, by reason of the fact that the Kansas City banks are acquainted with the Southern Oklahoma banks and that, by reason of that acquaintance, they would furnish the Federal Reserve Bank at Kansas City with information regarding the Southern Oklahoma banks, then a complete answer to that proposition is that the Kansas City banks do not possess an absolute monopoly of knowledge regarding Southern Oklahoma banks, and that the same information which they have has been and is readily obtainable by the Dallas Reserve Bank, when making investigation of the solvency and condition of Southern Oklahoma banks.

An analysis of the re-discounts made by the Dallas Reserve Bank will explode this proposition in an instant. There are 757 member banks in the Eleventh Reserve District. Out of this number there are 166 banks in Southern Oklahoma. Reference is here made

to reports filed with this Board by the Federal Reserve Bank of Dallas, which show that the Federal Reserve Bank, of Dallas, out of the total amount re-discounted by it, has furnished re-discount facilities to Southern Oklahoma banks of more than twenty-five per cent of the total.

Thus it will be seen that this apparent hardship which petitioners dreamed would develop, has not developed, but has faded in reality, when put to the test suggested by petitioners.

On the fifth page of petitioners' brief is found subdivision entitled: "Mail Facilities." Petitioners there contend that Southern Oklahoma should have been included in the Kansas City District, because of the mail facilities.

In support of this contention, reference is made to testimony not accessible to respondent, because not found in the record of testimony taken by the Organization Committee; but an analysis of the position so taken by petitioners shows that the contention is absolutely unfounded and that the weight of the testimony accessible to your Board and to respondent establishes the fact that, instead of the mail facilities from Southern Oklahoma points to Kansas City being better than to Dallas, the reverse in fact is true.

Reference is here made to a letter from W. S. Cross, President of the State National Bank of Hollis, Oklahoma, to the Federal Reserve Board, dated January 15, 1915, designated and shown as Exhibit A-14, found in the Appendix, reading as follows:

"In regard to the proposed change in this Reserve District, we prefer to stay in the Dallas Dis-

trict, on account of the distance and connections which the mails make. We are only twelve hours from Dallas, and about forty-eight from Kansas City."

This letter is from the President of a bank which has been listed as one of the petitioning banks asking for this transfer.

We refer further to a portion of the first statement set out above, wherein there is a quotation from page 116 of the Senate Record, reading as follows:

"The map attached will show that all of the territory claimed in Oklahoma, Arkansas and Louisiana, is within 15 hours by rail from Dallas. That every portion of the territory can be reached from Dallas in less time than from St. Louis. With the exception of a small portion of northern Oklahoma, north of the Canadian River, it can be reached from Dallas by rail in shorter time than from Kansas City."

Attention is called to the fact that no part of Northern Oklahoma, north of the Canadian River, is included in the Eleventh Reserve District, and that, therefore, by the testimony here shown and considered by the Organization Committee, it is absolutely established, beyond any controversy, that all of the territory in Oklahoma included within the Eleventh District, is shorter distance by rail from Dallas than it is from Kansas City.

Attention is further called to a portion of the first statement found in respondent's brief, quoting from pages 117 and 118 of the Senate Record, reading as follows:

"With the exception of some territory in the extreme western and southern portions of the District,

and a small area in southwestern Louisiana, every point in the District is within twelve hours' mail service of Dallas."

If further argument is necessary to refute this contention of petitioners, the Board will only have to turn to the maps on file with them, and look at the territory in Southern Oklahoma sought to be transferred, when it will be seen at a glance that this territory is almost at the door of the Dallas Reserve Bank, and is several hundred miles from Kansas City.

On page 5 of petitioners' brief is found subdivision entitled, "Loan and Discount Facilities," from which we quote:

"Second. In the second place, Southern Oklahoma should be placed in the Kansas City District, because the figures show the Kansas City District will be better able to meet the re-discount requirements of the Southern Oklahoma banks, than will the Dallas District."

Reference is here made to the testimony set out in the second statement above of respondent, being a quotation from page 118 of the Senate Record, as follows:

"The unassailable fact is—St. Louis and Kansas City will not dispute it—that when Texas needs money to move its crops, its banks can not borrow money in any considerable quantities in either St. Louis or Kansas City, and must go to Chicago or to the Atlantic seaboard. Balances are kept in St. Louis now, not in order to secure loans there in time of need, nor because trade sets that way, but in order to secure exchange facilities and provide means for making collections at par.

"The re-discounts and bills payable in the District Texas has defined were \$23,000,000 at the peak of the

heaviest demand of 1913. How much duplication or pyramiding was in this sum it is not easy to say; but, as shown in the Dallas Book of Facts, more than three-fifths of the amount could have been absorbed by the reduction in the percentages of reserve which are provided for under the law. The National banks in the territory would have had \$15,000,000 more of loanable funds at that time if the present law had then been in force, leaving only \$8,000,000 to be taken care of by the Regional Bank. Its available funds for that purpose would have been far in excess of these demands."

It will thus be seen that the only testimony introduced before the Organization Committee, and which is the only testimony that can be considered by this Board, refutes in toto the contention made by petitioners.

As further bearing on this point, reference is now made to a portion of the first statement of respondent, quoting from page 118 of the Senate Record, as follows:

"For eight months in every year a Regional Bank in this District would have money to loan; for twelve months in an ordinary year it could take care of its own member banks and have money left. During the exceptional year (1913) just passed, it could at the peak of its advances to member banks, have financed itself. If, however, under extraordinary stress it should need to re-discount the receivables of member banks to a small extent with other Regional Banks, or to issue emergency currency, it would simply be making use of these features of elasticity which have been advertised as among the chief excellencies of the new banking law.

"If the Texas Regional Bank should be a lender bank eight months out of every year and twelve months out of an ordinary year, why should it not every four months during an occasional extraordinary year, be a borrower or note-issuing bank?"

Under the terms of the Federal Reserve Act, the Regional Banks cannot reach the height of their efficiency for a period of three years. At present they are operating only with a portion of the capital provided by the terms of the Act. Before tearing up these Districts and crippling the Bank of the Eleventh District in its operation, would it not be the part of wisdom to wait a sufficient length of time until the Dallas Bank could, in a measure, reach the height of efficiency made possible for it by the terms of the Act?

At this time there is nothing to indicate that the grounds of fear entertained by the petitioners will ever materialize. To act now would be a step in the dark, and would be to anticipate a condition when there is nothing to justify an expectation of its realization. Although the Dallas Bank has not, in the smallest degree, reached the height of its efficiency, yet, at this time, all of the legitimate wants and needs of the Southern Oklahoma banks are being taken care of as fast as they are suggested.

Suppose, in an exceptional year, it should become necessary for the Dallas Bank, in order to move the great cotton crop of its District, to re-discount the receivables of its member banks to a small degree with other Regional Banks, would this constitute a crime, or would the Bank then be simply putting into operation the very terms of the law under which it was created? The testimony which this Board must consider does not show that even it will be necessary to do this; but, if an extraordinary period should come and this became necessary, would not this course be much better than the tearing up of the present District lines and the in-

clusion of Southern Oklahoma in the Kansas City District, where admittedly there is no need for additional territory?

What we have just said above, in respondent's opinion, completely disposes of what has been said by petitioners under subdivisions headed: "Heavy Dallas Re-discounts," "Transfer Would Help Both Districts," and "Comparative Loaning Resources," found on pages 6, 7 and 8 of the petition.

On page 8 of the petition is found subdivision entitled: "How Proposed Change Would Benefit."

Petitioners have already attempted to show to this Board that the Dallas Bank lacks the resources to care for its member banks in Southern Oklahoma, and yet they have the temerity to propose to further reduce the resources of the Dallas Bank, and, by so doing, the claim is put forward that this action would help both banks.

If the Dallas Bank, with the inclusion of the 166 member banks in Southern Oklahoma, does not have sufficient resources to meet the dire conditions which petitioners profess to see in the future, then, in respondent's opinion, it is a strange course of reasoning to say that, if you weaken this already claimed weak bank by taking from it almost one-fourth of its means of available resources, you will, in that manner, help the already claimed weak bank.

Respondent does not, for an instant, concede that the Dallas Bank will not have resources to care for all of its member banks in Southern Oklahoma and elsewhere, but simply points out the fallacy of the reasoning

of petitioners under the heading: "How Proposed Change Would Benefit."

The proposition is here laid down that, under the testimony taken by the Organization Committee, the Dallas Bank, with the inclusion of the Southern Oklahoma banks, will have adequate resources to care for the legitimate needs and necessities of each of its member banks. It has just been shown that this Bank could have cared for all of the needs of its member banks for the year 1913, which was one of the heaviest borrowing years in the history of the Southwest.

If the petition is denied and the Bank of Dallas is permitted to work out its problems in the manner prescribed by the Federal Reserve Act, in respondent's opinion, time will show that not only have the petitioners been in error as to their claimed foresight of calamity, but that the Dallas Bank will become one of the strongest institutions created by this Act.

The next subdivision of the petition is headed: "Protests of Banks Practically Unanimous."

Under this subdivision, the contention is made that banks in Southern Oklahoma were practically unanimous in protesting against the present District lines. It is there shown that W. B. Harrison, Secretary of the Oklahoma Bankers' Association, and a resident of Oklahoma City, sent out a letter to the banks in Oklahoma, asking them to sign protest slips and return to him. It is claimed that 309 banks signed protest slips, indicating their displeasure at the establishment of the present lines.

If 309 banks in Southern Oklahoma signed such protest slips, then there was either some duplication or

error has been made in the count. There are only 166 member banks in Southern Oklahoma. Petitioners themselves, for reasons which they found sufficient to themselves, excluded the banks in five counties, leaving only 136 member banks in the territory which petitioners ask to be transferred. Out of this number, 32 admittedly, according to the petition, never filed any protest. Of the remaining 104, twenty-two have since that time indicated either a preference to remain in the Dallas District, or a desire to see no change made at this time.

Thus, it will be seen that, upon careful scrutiny, this contention cannot stand.

The next two subdivisions found in petitioners' brief, are headed: "Protest of Millers' Organization" and "Transfer Would Not Injure Dallas Bank."

What has already been said, in respondent's opinion, completely disposes of the contentions made under these two headings.

The next and last subdivision in petitioners' brief, is headed: "Oklahoma Asks Only Fair Play."

Under this heading it is said:

"It is the belief of the bankers of Oklahoma, that the present division of the State will operate to hamper the upbuilding of the financial interests within the State, through the diversion from Oklahoma financial centers of bank business to which they are legitimately entitled, by reason of the fact that many bankers will feel compelled to open accounts in Dallas, other than with the Federal Reserve Bank."

It is here suggested that when the Committee fling

this petition prepared the petition, it saw fit, for reasons of its own, to divide the State and to leave five counties of Oklahoma in the Eleventh District. If the division which the Organization Committee made of the State of Oklahoma when it established the present lines was hurtful to the State of Oklahoma, why does it not follow that, by the same course of reasoning, the divisions which the Committee filing this petition makes of the State of Oklahoma would be equally as hurtful?

The above quotation shows that probably some financial center feels that its territory has been encroached upon by reason of the establishment of the present District lines. It may be possible that there is more under the surface than the above statement would show.

In a letter from the First National Bank of Colbert, Oklahoma, to the Federal Reserve Board, dated June 15, 1914, the following is found:

"I understand that bankers of Oklahoma City are making an effort to transfer us to Kansas City. I wish to protest against any change being made, as I feel that it is to our interest to remain as we are" (See Exhibit F-11).

Reference is here made to a letter from the First National Bank of Frederick, addressed to the Federal Reserve Board, under date of January 8, 1915, found in the Appendix, designated Exhibit C-4, from which the following is quoted:

"It is my opinion that this movement was instigated by Oklahoma City bankers, and is being pushed on account of Oklahoma City parties, and not for the welfare of the majority of the bankers in the District. We are highly pleased with the

selection of Dallas as the reserve center of this District, and hope that no change will be made in the present District lines."

Reference is further made to a letter written by the First National Bank of Kiowa, addressed to the Federal Reserve Board, dated August 14, 1914, found in the Appendix, and designated as Exhibit C-7, reading as follows:

"Referring to the efforts of Oklahoma City to change that part of Oklahoma that is in Federal Reserve District No. 11 from the Dallas to the Kansas City District, we are pleased with the District as made, and feel that the business of Southern Oklahoma can be best handled through the Dallas District, and desire to protest against this change being made."

Reference is further made to a letter from the Tishomingo National Bank, directed to the Federal Reserve Board, dated June 15, 1914, found in the Appendix, and designated C-13, from which letter we quote as follows:

"I notice from the press that there will be a committee of bankers from Oklahoma to appear before you in an effort to get all of the State of Oklahoma placed in the Kansas City Federal Reserve District. This committee will doubtless represent that 95% of the banks of Southern Oklahoma of the Dallas Reserve District are protesting against being left in the Dallas District, and probably there are a majority of banks South of the Canadian River on record as protesting against the division, but I wish to submit that the majority of these protests have been made as a direct result of a persistent campaign waged by Oklahoma City bankers. These Oklahoma City bankers have emphasized the fact

that our State has been divided and put into two different Districts, while, under the present condition, our State is divided into a dozen or more different Districts. Some of us borrow our money from and keep our reserves with New York, while others are with St. Louis, Chicago, Kansas City, Fort Smith, Little Rock or various other centers. * * * The Oklahoma City banks sent out the protests all ready to be signed up by the different banks, and urged that every bank join in the protest."

Quotation is now made from a letter from the Durrant National Bank, directed to the Federal Reserve Board, dated June 13, 1914, the letter being found in the Appendix, designated Exhibit F-12:

"We believe that a large part of the sentiment manifested by some of the banks in Southern Oklahoma in desiring to be transferred to the Kansas City District is due, in a great measure, to the agitation brought on by Oklahoma City. They are in the Kansas City District themselves, and, believing that benefit would accrue to their own city by having Southern Oklahoma transferred to Kansas City, have conducted a vigorous campaign to bring about that result."

We quote further from a letter written by W. T. Clark, President of the First National Bank of Apache, dated August 31, 1914, to Oscar Wells, Houston, Texas, the letter being found in the Appendix, and designated A-4, as follows:

"Naturally we are in close touch with Oklahoma City bankers, and they are very desirous to get the lines changed. I have not heard lately of any action being taken in the matter. In our dealings with a regional or reserve bank, I do not see that it makes very much difference whether the bank is located

in Dallas or Kansas City; however, as stated above, our business relations with Texas points have been very limited."

On page 2 of the petition is a statement to the effect that the parties filing the petition had never seen representatives of Dallas banks at the Oklahoma Bankers' Convention until the last one in May, 1914, just after the announcement was made of the present District lines.

The committee filing the petition have seen fit to testify to this fact, and we, therefore, presume that it will be legitimate if we do a little testifying also with reference to the presence of Oklahoma City bankers at Dallas; and, as a matter of information, and as throwing light on the immediate question under discussion, it is here stated that, upon the occasion of the meeting of the representatives of all of the banks in the Eleventh District at Dallas, on May 30, 1914, for the purpose of nominating candidates for the several directorships in the Eleventh District, a delegation of Oklahoma City bankers was in attendance, and was present at a caucus held by Southern Oklahoma bankers the day previous to the general convention. These gentlemen from Oklahoma City had prepared and brought with them a resolution which they asked the Oklahoma bankers to adopt, to the effect that it was the sense of the caucus that Southern Oklahoma should be transferred to the Kansas City District. Great pressure was brought to bear in their efforts to get this resolution adopted, but the caucus of Southern Oklahoma bankers voted down the resolution.

It is, therefore, apparent from the statement and

letter quotations above, that Oklahoma City has more than a passing interest in this contest. If it has an interest in the contest, of course, the Board hearing the contest is entitled to know that Oklahoma City has manifested some concern over the change of lines, and if the contest was instigated through the efforts of Oklahoma City bankers, and was not a voluntary move upon the part of Southern Oklahoma banks, this fact will, of course, be duly weighed and considered by the Board.

It is more than evident that the bankers of Oklahoma City are not neutral onlookers in this contest, but that they have, from the beginning, violated the laws of neutrality, and at times have taken an open and vigorous position for a change in the present District lines. That fact being established, it, of course, becomes pertinent to find a reason for this violation of neutrality upon the part of Oklahoma City bankers.

This activity upon the part of the Oklahoma City bankers may have been brought about by reason of a well defined idea that these bankers may entertain that Oklahoma City would be an excellent place for the designation of a branch bank of the Kansas City Bank in the event the Oklahoma City bankers should be successful in bringing about a change of the present District lines, as prayed for in the petition. Respondent does not imagine that it would be hard to convince Oklahoma City bankers that their city would be an excellent point for the designation of a branch bank. Indeed, that ambition on the part of Oklahoma City is a worthy and commendable one, but should not, in our opinion, outweigh the facts hereinabove presented.

It has already been abundantly shown that the grain

products of Southern Oklahoma pass into Texas and Louisiana and that the surplus not consumed therein passes out through the Gulf ports in these States, and that the cotton from Southern Oklahoma all passes through Texas and out through the Gulf ports of Texas or Louisiana.

The wisdom of the Organization Committee, therefore, becomes more manifest when it is considered that the financing of the cotton crop during the progress of production and while being marketed, is a problem and a burden to the banker, not understood or appreciated by those living in sections outside of the cotton district. Generally speaking, the business of a cotton community ebbs and flows once in a year, necessitating periods of expansion which might not appeal favorably to persons not conversant with conditions which produce them.

It is therefore apparent that the Federal Reserve Bank of Dallas, managed as it is and as it necessarily will continue to be, by a Board of Directors who have an intimate knowledge of the cotton industry, can better serve the banks of Southern Oklahoma than the Kansas City Reserve Bank, which is operated by directors and officers who, though thoroughly qualified in a general way and properly disposed toward their member banks, cannot, of course, understand the needs of a bank in a cotton growing region.

If weight and credit is given to the argument of the petitioners that, because the Southern Oklahoma banks have, in a large measure, done business with banks in Kansas City, therefore, Southern Oklahoma should be transferred to the Kansas City District, then, by the same course of reasoning, Texas and Louisiana should

have been attached to the New York District, because the financing of the Texas and Louisiana banks heretofore has been largely through New York. The petitioning committee's argument continued to its logical conclusion, would necessarily lead to the result that there should be only one Federal Reserve Bank, and that a central institution located in New York City.

The Federal Reserve Act, in the opinion of the majority of thinking men, is the greatest piece of constructive legislation placed upon the statute books within a period of fifty years. If properly worked out, panics such as this country has suffered in the past will disappear as a mist before the rising sun. The Act was intended as a benefit and a stay for the business of the United States. The success of the Act now depends upon the patriotic co-operation of the bankers throughout the country. If the bankers of the United States will hold up the hands of the Federal Reserve Board and the officers and directors of the Federal Reserve Banks, the success of this legislation is already assured and the blessings and benefits flowing therefrom will be widespread and substantial. If, however, the time of the Federal Reserve Board is to be taken up by contests between jealous communities, the success of this legislation will be jeopardized and the benefits arising therefrom will be materially diminished.

Respondent, therefore, submits this matter to the careful consideration of the Board, upon the record made by the Organization Committee, firmly believing that the action of the Organization Committee in establishing the present lines was correct and proper, and will result beneficially to both Districts.

The original letters referred to in this brief are being filed with the Secretary of the Federal Reserve Board for the use and benefit of the Board.

Respectfully submitted,
CHARLES C. HUFF,
Counsel for The Federal Reserve
Bank of Dallas, Texas.

APPENDIX

EXHIBIT A.**THE FIRST NATIONAL BANK OF ADA.**

Ada, Okla., Sept. 1, 1914.

(1)

MR. OSCAR WELLS,
First National Bank,
Houston, Texas.

My dear Mr. Wells:

I am in receipt of your letter of August 29th, relative to a movement on the part of certain Oklahoma bankers to have the Southern portion of Oklahoma removed from Dallas Reserve District and placed in the Kansas City District.

I think that I got into disfavor with the Oklahoma bankers immediately after the designation of this District, by reason of my publishing my opinion of the District, which was: "That it was very pleasing to me as it was arranged." Afterward, considerable pressure was brought to bear on Mr. Norris and myself, in which an appeal was made to our patriotism to the State of Oklahoma, and after it had gotten down to the point where we were told that every other bank in Oklahoma besides the First National of Ada and one other, had signed the request that all of Oklahoma be placed in the Kansas City District, I was prevailed upon to sign such a request.

You may feel assured that I will do nothing whatever to have the boundaries of this District changed.

I am enclosing you with this a circular letter that I have just received from W. B. Harrison, Secretary of the Oklahoma Bankers Association, wherein you will note that Comptroller Williams has decided, after a full consideration of the matter, that no currency association will be formed in Oklahoma, and has advised all banks to join the currency association in their District. It rather strikes me that this is almost equal to a decision against changing the Reserve District as already established.

I appreciate hearing from you, and when I can be of further assistance to you in this country, it will be a pleasure to me.

With kindest regards, I am,

Yours truly,

Enc.
 AGA-RHG

A. G. ADAMS
 President.

THE OKLAHOMA BANKERS ASSOCIATION,
Office of the Secretary.

Oklahoma City, Okla., Aug. 31, 1914.

(1-X)

TO O. B. A. MEMBERS:

After thoroughly discussing the matter, the Executive Committee has decided there is little the Association as a body can do to help out the cotton situation. It is a problem for each individual banker to work out. No one knows yet what the price of cotton will be when the Oklahoma product comes on the market; it may be lower or higher than the price in Texas, which now ranges from $7\frac{1}{2}$ to 9 cents. Most of the propositions put forward for holding the cotton crop INDEFINITELY are believed to be impractical, but it is important to market the crop slowly, and where the farmer is in a position to hold some of the crop over, he should be encouraged to do so. Oklahoma has a very liberal warehouse law, and cotton warehouses, bonded, should be arranged for in every important cotton shipping town. This will help the farmer and the banker alike. Warehouses will make it possible for the banker to obtain accommodations he could not otherwise secure from his correspondents, and especially from the regional reserve banks.

Bankers should seize the present opportunity to induce the cotton farmer to get away from that crop into diversified farming and live stock.

Comptroller Williams has advised all National Banks to join the nearest currency association, and many Oklahoma banks are inquiring whether such an association will be formed in Oklahoma. Full consideration of the matter has resulted in a decision in the negative. It would require almost the entire number of eligible banks in the Oklahoma portion of the Kansas City District to obtain the necessary capital for such an association, and it is doubtful whether the Comptroller would approve of its organization. It is already known he does not approve of crossing District lines. Hence, banks in the Kansas City District should join the Kansas City Association, and those in the Dallas District, the Texas Association, if they desire emergency currency. There is danger of getting too much of this currency on the market, because it cannot be used as reserve, but requires additional reserve to handle it, so the emergency currency should not be put into circulation unless actually needed. Remember that the notes and collateral to be offered for re-discount must be in tip-top shape and prepare your securities accordingly.

Press reports that the Executive Committee of the O. B. A., or any of its officers, favors rushing the cotton crop onto the market or oppose cotton warehouse plans, are false. They favor co-operation between the bankers and the farmers to work out this big problem. We will be glad to receive suggestions from you.

Yours truly,
W. B. HARRISON,
Secretary.

CITY NATIONAL BANK.

Altus, Okla., Dec. 24, 1914.

(2)

MR. FRANK KELL,
Wichita Falls, Texas.

Dear Mr. Kell:

Regarding proposed change of Southern Oklahoma banks into Kansas City District:

I deem it unwise at this time to make any change, in fact, we are very well pleased with Dallas. Should a majority of Southern Oklahoma bankers favor Kansas City, the change could be effected at some future time.

I trust that there will be no change made at this time.

Yours very truly,
J. T. WOOD,
President.

THE FIRST NATIONAL BANK.

Apache, Okla., Aug. 31, 1914.

(3)

MR. OSCAR WELLS,
Houston, Texas.

Dear Sir:

I have your letter of the 29th instant, relative to the matter of making any changes in the present boundary lines of the Dallas Regional Bank.

I would be very glad indeed to favor you personally in any way that I could, but we feel in Oklahoma that our State should not be divided, and since we have, most of us, dealt principally with Kansas City, we naturally look that way for our banking connections. I like Texas and her people, but I would have to get acquainted down there. Naturally, we are in close touch with Oklahoma City bankers, and they are very anxious to get the lines changed. I have not heard lately of any action being taken in the matter.

In our dealings with a Regional or Reserve Bank, I do not see that it can make very much difference whether the Bank is located in Dallas or Kansas City; however, as stated above, our business relations with Texas points have been very limited.

Our business outlook would be very good only from the fact that the cotton market is unsettled.

Very truly,

W. T. CLARK,
President.

THE FIRST NATIONAL BANK.

Ardmore, Okla., Dec. 24. 1914.

(4)

TO THE FEDERAL RESERVE BOARD,

District No. Eleven,

Dallas, Texas.

Dear Sirs:

There has something been said about, and some protest been made against, the Southern part of Oklahoma being placed in Federal District No. Eleven, and, in connection with this matter, we desire to say, so far as we are concerned, we are absolutely satisfied as it is now. It is true that when the Districts were first designated by the Department at Washington we signed a printed request that was circulated for that purpose, to have Southern Oklahoma changed, and placed in the Kansas City District. But, so far as we now can see, we think we would be better served, and have so far been better served, by the Dallas District, than we could have been by the Kansas City District.

Very truly,

C. L. ANDERSON
Cashier.

STATE NATIONAL BANK.

Ardmore, Okla., Sept. 4, 1914.

(5)

MR. OSCAR WELLS,

Houston, Texas.

Dear Mr. Wells:

In reply to your favor of the 28th ult., we understand that there is still some work being done to try to have us transferred to Kansas City. Of course, the majority of the boys in the Southern part of the State were against dividing

Oklahoma, and preferred to have it all in the Kansas City District. We, however, have decided to remain neutral, as we have very friendly relations both with Kansas City and Texas. In our case, most of our officers are Texans and have a large acquaintance in that State, and, naturally, we feel that we will be well taken care of.

With best personal wishes, I remain,

Yours very truly,

HAROLD WALLACE,

Cashier.

THE CHICKASHA NATIONAL BANK.

Chickasha, Okla., Aug. 31, 1914.

(6)

MR. OSCAR WELLS,
Vice-Pres. First Nat. Bank,
Houston, Texas.

Dear Mr. Wells:

I am just in receipt of yours of 29th, relative to the Southern portion of Oklahoma making an effort to connect itself with the Federal Reserve Bank at Kansas City, instead of the Dallas District, and in reply I will say that I attended a meeting of the State Executive Committee of the Oklahoma Bankers Association, of which I am a member, on Saturday, August 29th, and this matter came up for discussion before the meeting. I suggested that we pass the matter over now and make no effort at all to do anything along this line, as it had already been ordered and decreed that we were to be placed in the Dallas District, and that I for one saw no hopes of making any changes and that it was far best for us to go on and make the best of the situation and later on, if we found that it was not convenient for us to handle our business through Dallas, that we could then take the matter up with the Federal Reserve Board and ask for the change at some future date, but that at the present time I saw no hopes for any change being made in the District. I am glad to say that my views were considered in the matter, and it was passed over without any action being taken. In justice to Mr. Bligs, of Ardmore, I will say that he agreed with me on this proposition, and we two were the main ones who advocated no change being made at this time, and I don't think anything more will come of the proposition. Being a Texan myself, I feel very much at home with a great many of the Texas

bankers, but there is a strong feeling here for a change.

With kind personal regards and best wishes, I am,

Yours very truly,

T. H. DWYER,

President.

THE FIRST NATIONAL BANK.

Chickasha, Okla., Aug. 31, 1914.

(7)

MR. OSCAR WELLS,
 Care First National Bank,
 Houston, Texas.

Dear Mr. Wells:

I have your favor of the 29th, advising that owing to the division made in locating Federal Reserve Banks at Dallas and Kansas City, you have been very much interested in the affairs of the Southern portion of the State, and in reply beg to state that we naturally thought all the time that we would be put in a District whereby we would patronize a bank located at Kansas City or St. Louis, and we preferred Kansas City, our mail facilities being very good, and of course having done a large per cent of our business at Kansas City, but after learning we had been placed in the 11th District, with a Bank to be located at Dallas, we did not allow ourselves to be discouraged, as we felt this matter was of much importance to the whole country, and had been well looked into by the gentlemen making such division, and if it developed that it was a disadvantage to the State to be divided, it could later be worked out.

We have contented ourselves on being able to transact our business satisfactorily with the Federal Reserve Bank at Dallas, and we should still be able to maintain our business relations with Kansas City, St. Louis and other Eastern points.

We have no special objection to make as to the mail facilities at Dallas, and if our securities which we have in Oklahoma can be recognized at the Federal Reserve Bank at Dallas by the Board, we know of no reason why our business should not be pleasant.

I appreciate very much the interest you are taking in the affairs, and hope to see you often on the Board.

Yours very truly,

BEN F. JOHNSON,

Vice-Pres.

BFJ.

THE OKLAHOMA NATIONAL BANK.

Chickasha, Okla., Aug. 31, 1914.

(8)

MR. OSCAR WELLS,
First National Bank,
Houston, Texas.

Dear Mr. Wells:

Replying to yours of August 29th, while to begin with, it was the opinion of our bank, considering the trend of business in this section, that it would be best for us to be in the Regional Bank District with Kansas City or St Louis, however, since the boundaries were fixed different and not knowing just what would be best for us, we have never joined in any move looking to a change, and don't think we shall until after we have tried out the proposition and realize what is best for us.

Some of our Oklahoma banker friends have criticised us severely for the stand we have taken. Anyway, their views have not changed our plans.

Thanking you for your letter, and hoping it may be proven it is best for us to be coupled up with the Dallas Reserve Bank and that all of us may see lots of benefits under the new scheme, I am, with personal regards,

Yours very truly,

R. K. WOOTTEN,
President.

RKW-BH

THE OKLAHOMA STATE NATIONAL BANK.

Clinton, Okla., Jan. 16, 1915.

(9)

FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

In the matter of change in the boundary line between 10th and 11th Federal Reserve Districts, the hearing of which is soon to come up before your Board, it might be wise to postpone your decision until the different Regional Banks get into full working order in all its functions, and then it could be readily ascertained to which District the questioned territory belongs.

If the discount rates are kept somewhere near equal, it matters but little to which District any of us belong, until

the functions of the Clearing House are put into operation, and then some re-adjusting will most likely be in order.

Yours truly,

C. W. BREWER,
President.

THE FIRST NATIONAL BANK.

Comanche, Okla., Dec. 26, 1914.

(10)

FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

Some time ago we expressed our preference to be in the Kansas City District, but since they have begun operations and we have thought the matter over, will say that it would be agreeable to us to remain in the Dallas Federal Reserve District.

Very truly,

R. M. RALLS,
President.

THE FIRST NATIONAL BANK.

Elk City, Okla., Dec. 24, 1914.

(11)

MR. FRANK KELL, Director,

Federal Reserve Bank,
Dallas, Texas.

Dear Mr. Kell:

In regard to making any changes of the boundary lines of the Federal Reserve Banks: In my opinion it would be best to wait until the Federal Reserve Banks are in good running order.

We would prefer being in the Kansas City District, but we are willing to wait until the Board of Directors of the Federal Reserve Bank have their banks in good running order, as to make any changes now might cause some complications and we would want to reserve our right of trying to get changed as soon as the Reserve Banks got in good running order and where it would not cause any complication.

Very truly yours,

A. L. THURMOND,
Cashier.

ALT-AH

AMERICAN NATIONAL BANK.

Holdenville, Okla., Aug. 31, 1914.

(12)

MR. OSCAR WELLS,
Vice President, First National Bank,
Houston, Texas.

Dear Sir:

In reply to your letter of August 29th, will say that, as far as I am concerned now, I had just as soon be in the Dallas District as in the Kansas City District, for the reason that I think the Dallas District will understand this cotton condition better than any other. I think the Dallas District will fully realize what we are up against in this cotton section, and will understand how to handle the situation better than if we were in a grain or any other territory. Therefore, I am perfectly content to remain in the Dallas District.

Yours very truly,

L. T. SAMMONS.
President.

NATIONAL BANK OF COMMERCE.

Hollis, Okla., Jan. 5, 1915.

(13)

THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

Having had a conversation with Mr. Frank Kell, of Wichita Falls, Texas, who is a member of the Board of the 11th District, regarding the contemplated change from the 11th to the 10th Federal District of the Southern part of Oklahoma, I wish to say that it seems to me that the first thing we should do is to lend all of our energies toward the perfection of the Federal Bank plan.

We are in the 11th District, and as yet I have been unable to decide as to which District it would be most to our interest to be permanently placed in. We have a direct railroad connection with Dallas and, from the standpoint of convenience it seems that Dallas would be our preference.

Of course, there is a possibility that the financial interest of the State of Oklahoma might be injured should the boundary lines remain as they now are, but as it has not been tried out, and the entire plan is an experiment, I hardly believe that the matter could be intelligently settled at this time.

Respectfully,

C. W. GILLILAND,
President.

CWG-M

THE STATE NATIONAL BANK OF HOLLIS.

Hollis, Okla., Jan. 15, 1915.

(14)

FEDERAL RESERVE BOARD,
Washington, D. C.

Gentlemen:

In regard to the proposed change in this Reserve District, we prefer to stay in the Dallas District, on account of the distance and connections which the mails make. We are only twelve hours from Dallas and about forty-eight hours from Kansas City.

Yours respectfully,

W. S. CROSS,
President.

THE FIRST NATIONAL BANK.

Mangum, Okla., Aug. 31, 1914.

(15)

MR. OSCAR WELLS,
Houston, Texas.

Dear Mr. Wells:

I am very glad to have your letter regarding the move on part of the Oklahoma bankers to be transferred to Kansas City District.

Personally, we would prefer to remain as we are, in your District. However, this is on second judgment, as we preferred Kansas City at first, and when the remonstrance was first made, we joined in this, but since then we will stand pat on Dallas.

I want to congratulate you on being selected on the Board, and we feel that the entire District will be benefited by having you as a Director.

With kindest personal regards,

Yours very truly,

H. MATHEWSON,
President.

THE FIRST NATIONAL BANK.

Marietta, Okla., Aug. 27, 1914.

(16)

MR. BEN O. SMITH, President,
F. & M. National Bank,
Fort Worth, Texas.

Dear Smith:

I am duly in receipt of your favor of the 24th inst., and

note what you say about it having been brought to your attention that there might still exist some opposition to the Southern part of Oklahoma being included in the Eleventh Regional Bank District, and desiring to know from me, in my opinion, what this opposition, if any, will amount to or exert with the Washington Department.

In reply will say, as far as my personal views are concerned, when I first learned that the Southern part of Oklahoma was to be included in the Dallas District, instead of Kansas City, I thought it was a mistake and that it would have been better if we had been placed in the Kansas City District. However, since then, and after thinking the matter over more carefully, I am frank to say, that while from one standpoint it looks like it would be better for the State of Oklahoma to all be in one District, from a financial standpoint and the further fact of Dallas being very centrally located as a cotton point and in a sense having a great deal more transactions and business with banks in the cotton section than Kansas City, it appears to me, as you say, that the Dallas Regional Bank should be more competent and possibly have more experience in the handling of cotton than the Kansas City Bank would. On this account, I am very much in favor of the District being left alone and the Southern part of Oklahoma remaining in the Dallas District.

* * * *

Hoping, however, that this opposition may not amount to much and that there will nothing come of it, and the District remain unchanged, and further, that I have made myself clear, as to how I stand personally, with regard to same, with kindest regards and best wishes, I remain,

Yours very truly,

F. B. CONRAD.

President.

THE FIRST NATIONAL BANK OF MARLOW.

Marlow, Okla., Aug. 29. 1914.

(17)

BEN O. SMITH, President,
F. & M. National Bank,
Fort Worth, Texas.

Dear Mr. Smith:

In my opinion, there is not much opposition to being in with Texas among the small banks, or at least nothing like there was at first. Anyway, there is no agitation of it. Most of us have come to the conclusion that it makes no difference

where we are. So many much greater and more grave matters are coming up that I doubt if anything is tried that will change the District lines.

Today's papers say that a meeting of bankers is on in Oklahoma City, but I had heard nothing of it, although I am reported to be there. A few people would like to have the change made, but they are not getting up much enthusiasm.

With the best of regards, and hoping to have more business some of these days for you,

Yours very truly,

T. L. WADE,
Cashier.

THE STATE NATIONAL BANK.

Marlow, Okla., Jan. 9, 1915.

(18)

FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

Some months ago, when we were advised that we were to be placed in the Dallas District (No. 11), we, along with others from this country, entered our protest, as most of our business had been in Kansas City and St. Louis.

After further consideration of the matter, we desire to say that we will, for the present, withdraw our protest and will be satisfied to remain in the Dallas District until the system has been given a thorough trial, and until such time as we ascertain from experience whether or not, in our judgment, it would be better for us to be in the Kansas City District.

Respectfully,

O. R. MCKINNEY,
Cashier.

THE FIRST NATIONAL BANK.

Poteau, Okla., Jan. 12, 1915.

(19)

MR. B. A. MCKINNEY,
Federal Reserve Bank,
Dallas, Texas.

Dear Buck:

In these days of agitation, financial and otherwise, I am becoming convinced that to "Let well enough alone" is a good axiom.

The strenuous effort to effect a change in Federal Reserve District No. 11, adding Oklahoma to the Kansas City Dis-

trict, seemed to me to be a proper procedure and for the best interest of all of we Oklahoma bankers who petitioned; and, not to be contrary, I signed the petition for this bank, like a majority. Since the matter will soon be heard by the Federal Reserve Board, I have given the question of changing, more thought than heretofore—at least more intelligent thought—for the reason that I now know more about the Federal Reserve Banks and their functions than heretofore, and I imagine this is true of the most of the bankers.

Take the individual case of this bank. After summing it all up, I find our mail service to Dallas is a few hours shorter than into Kansas City. The SERVICE of one Federal Reserve Bank appears to be about the same as the other. So far as I know, the discount rates are the same. Items for credit and balances to check against seemingly are just as convenient for us as they would be in Kansas City or St. Louis. A few weeks' operation of the banks has changed my ideas concerning them.

I do not want to be put in the position of going back on the petition I signed along with the other Oklahoma bankers, but thought would drop you a line to say that since finding out more about the modus operandi of Federal Reserve Banks, that it makes do difference to me if the District remains like it is. In fact, I believe I prefer it now, as it is.

I have felt that the strong effort being put forth to change the boundary lines would naturally cause you to take a keen interest in the matter from a personal standpoint, and I wanted, in this letter, to express my "honest convictions" that perhaps a lot of us had rushed into something that we really didn't know whether we wanted it or not.

With the kindest of regards, I remain,

Cordially and sincerely yours,

TOM WALL.

Cashier.

THE FARMERS AND MERCHANTS NATIONAL BANK.

Roff, Okla., Aug. 25, 1914.

(20)

RESERVE BANK ORGANIZATION COMMITTEE.

Washington, D. C.

Sirs:

We understand that there is a move on foot to place the entire State of Oklahoma in the Kansas City Reserve District.

If the Dallas District will be as able to take care of

our needs for funds as the Kansas City District, we prefer that the Districts be left as they are, for the reason that we are a cotton growing section and our needs are identical with most of the banks of the Dallas District.

We are not in favor of any move that will delay the completion of the organization of the Reserve Banks.

Yours very truly,
FARMERS & MERCHANTS NATIONAL BANK,
 By J. A. GILBERT, Cashier.

Tishomingo, Okla., Dec. 19, 1914.

(21)

TO THE HONORABLE FEDERAL RESERVE BOARD,
 Washington, D. C.
 Gentlemen:

The undersigned banks of Johnston County, Oklahoma, hereby petition your Honorable Board to make no change in the lines of the Federal Reserve District as established by the Organization Committee, and we express ourselves as satisfied with the lines as they now exist.

If in the event the lines should be disturbed in any manner, we ask that at least Johnston County be permitted to remain in the Dallas District.

Respectfully yours,
THE TISHOMINGO NATIONAL BANK,
 L. L. CALDWELL, Cashier.
FIRST NATIONAL BANK, Wapanucka, Okla.
 R. E. WADE, President.
FIRST NATIONAL BANK, Milburn, Okla.
 J. W. WALKER, Cashier.
***FARMERS NATIONAL BANK, Tishomingo, Okla.**
 C. B. BURROWS, President.

THE FIRST NATIONAL BANK.

Wapanucka, Okla., Dec. 22, 1914.

(22)

MR. B. A. MCKINNEY,
 Durant, Okla.

Dear Sir:

Your letter bearing date of the 19th inst. received, and in reply will say that we are perfectly satisfied in the District No. 11, and will be glad to sign the petition to stay in

the Dallas District, and be glad to do all we can for you.
I remain,

Yours very truly,

R. E. WADE,
President.

EXHIBIT B.

THE OKLAHOMA BANKERS ASSOCIATION.

Office of the Secretary.

Oklahoma City, April 7, 1914.

(1)

TO O. B. A. MEMBERS IN DALLAS DISTRICT.

Gentlemen:

Without presuming in the least to dictate in the matter of the regional reserve bank Districts, we feel that another letter at this time will be welcomed by you, in view of the many urgent letters and telegrams we have received.

The writer has much information which it is impossible to convey in a letter, but the main point is: After communicating with Senators Owen and Gore, all Oklahoma's Congressmen, and after consulting with bankers in Kansas City personally and canvassing the situation as thoroughly as time has permitted, we are convinced that there is a reasonable chance, by proper activity, to get Oklahoma placed in one regional district.

As for a branch bank, the administration forces are inclined to adopt the policy of placing branches only where there are not overnight facilities for handling business. Under that policy, and the Districts as now framed, every city in Oklahoma is barred from obtaining a branch.

Our information is, that 95% of the Oklahoma banks that have been placed in the Dallas District are very much opposed to this arrangement. We ask that any bank that is contented to remain in that District, please write us at once. All others should fill out the enclosed form AND RETURN TO THE WRITER (Do not mail it to Washington). This is VERY IMPORTANT AND SHOULD HAVE YOUR IMMEDIATE ATTENTION.

Further suggestions will follow developments.

Very truly yours,

W. B. HARRISON,
Secretary O. B. A.

THE OKLAHOMA BANKERS ASSOCIATION,
Office of the Secretary.

Oklahoma City, Okla., April 13, 1914

(2)

TO THE BANK ADDRESSED:

We have not as yet received from you one of the signed slips like the enclosed which we mailed you a week ago and asked to be returned immediately. This is exceedingly important, and we cannot put too much stress on the necessity of hearing from every Oklahoma bank in the Dallas District at once definitely. If you want to be in the Dallas District, please state that plainly. If you do not, sign this slip today, and mail to us, unless you already have one in the mail.

We admit that there is only a fighting chance to get the District changed, but we have good reason to believe it can be done. Today we have received from Washington a signed statement by a high government official, whose support means as much to us as that of any other man, saying he thinks this change can be made if the banks will all sign the protest.

It is very important to not only send this in, but to wire your Congressman and Senators, unless you have already done so. Let them hear from you direct in protest against the lines as at present formed, if you feel that way about it. We have received 220 replies to date, of which 215 have been protest.

Remember we are working day and night on this proposition in your interest and intend to keep up that work until we get a decision. So please do your part by forwarding the slip to us by next mail.

Yours truly,

W. B. HARRISON,
Secretary O. B. A.

EXHIBIT C.

THE FIRST NATIONAL BANK.

Altus, Okla., Dec. 24, 1914.

(1)

MR. FRANK KELL,
Director of the Federal
Reserve Bank, 11th District,
Dallas, Texas.

Dear Sir:

In my opinion it would be unwise to make any change of the line of Southern Oklahoma from this District, especially

just now. Trust your Board will consider the matter carefully and decide not to make any change.

Yours very truly,

J. A. HENRY,
President.

THE FIRST NATIONAL BANK.

Broken Bow, Okla., Aug. 14, 1914.

(2)

HON. B. A. MCKINNEY,
Durant, Okla.

Dear Sir:

We desire to congratulate you upon your election as a Director of the Federal Reserve Bank of this District, and to congratulate the District upon its wise selection, which is entirely in accord with our own personal wishes.

We are now ready to give our heartiest support towards retaining the Southern part of Oklahoma in the Dallas District, as it is now divided. We will oppose any plans which may be presented to include us in the Kansas City District, and if there is any way in which we may be of assistance in this matter, kindly let us know.

We are satisfied with our Directors, and with the District as it stands.

Yours very truly,

F. L. MALLORY.

(Seal)

Cashier.

THE FIRST NATIONAL BANK.

Coalgate, Okla.. 8-24-14.

(3)

FEDERAL RESERVE BOARD,
Washington, D. C.

Gentlemen:

We have been informed recently that there is a movement on foot to transfer the banks in Southern Oklahoma now in the Eleventh District, headquarters at Dallas, Texas.

Speaking for ourselves, as well as for many other bankers in this section of the State, we much prefer being in the Dallas District than that of Kansas City, and would regret very much to be transferred.

Hoping that you may see matters as we do in regard to this matter, we remain,

Very respectfully,

R. P. CARSON,
Vice-Pres.

RPC-MKH

THE FIRST NATIONAL BANK.

Frederick, Okla., Jan. 8, 1915.

(4)

FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

It appears that an effort is being made by certain Oklahoma bankers to change the boundaries of this District, and that they have presented a petition to your Board, asking that all of Oklahoma except a few Southern Counties be transferred to the Kansas City District.

It is my opinion that this movement was instigated by Oklahoma City bankers, and is being pushed on account of interests of Oklahoma City parties, and not for the welfare of a majority of bankers in the District.

We are highly pleased with the selection of Dallas as the reserve center of this District, and hope that no change will be made in the present District lines.

Yours very truly,

J. B. BEARD, Jr.

Cashier.

THE NATIONAL BANK OF COMMERCE.

Frederick, Okla., Sept. 1, 1914.

(5)

MR. OSCAR WELLS,

V. P. First National Bank,
Houston, Texas.

Dear Mr. Wells:

Your letter of the 29th ult. is just received, and I wish to say, in reply, that I have been one of the few in Southern Oklahoma who have been entirely content with the arrangement of the District.

It appears to me that the arrangement was perfected after a comprehensive and a thorough examination into the claims of all parties concerned, and by a committee which had a much better opportunity to weigh matters with justice.

I feel altogether inclined to remain in the Dallas District, and in fact am glad that we are placed there. I am glad you wrote me about the matter, and with kind personal regards, I am,

Yours truly,

C. W. HOWARD,

Pres.

CWH-MMC

THE FIRST NATIONAL BANK.

Grandfield, Okla. Apr. 4, 1914.

(6)

CITY NATIONAL BANK,
Dallas, Texas.

Gentlemen:

We wish to congratulate you and your city upon the securing of the location for one of the Regional Reserve Banks.

And we are indeed glad to be located in a District with the central city so close to our doors.

We thank you for the services tendered in connection with handling business through the Reserve Bank, and when the opportune time arrives for opening an account in Dallas, we shall remember your good bank.

Yours respectfully,

O. E. MAPEL,
Cashier.

THE FIRST NATIONAL BANK.

Kiowa, Okla., Aug. 14, 1914.

(7)

FEDERAL RESERVE BOARD,
Washington, D. C.

Gentlemen:

Referring to the effort of Oklahoma City to change that part of Oklahoma that is in Federal Reserve District Eleven, from the Dallas to the Kansas City District, we are pleased with the District as made, and feel that the business of Southern Oklahoma can be best handled through the Dallas District, and desire to protest against this change being made.

Yours Respect.,

C. W. CRUM,
Cashier.

(Seal)

THE LEHIGH NATIONAL BANK.

Lehigh, Okla., June 11, 1914.

(8 and 9)

TO THE FEDERAL RESERVE BOARD,
Washington, D. C.

Gentlemen:

We, the undersigned banks, of Lehigh, Oklahoma, hereby protest against any change being made toward re-districting the Southern part of Oklahoma, which is located in the 11th Reserve District.

The undersigned banks are satisfied with Dallas for the reason that we have daily connections with this city, whereby we believe that it will be to our best interest to be associated with this bank.

Further, we do not believe that the Reserve Board will allow any discrimination in the interest rates, owing to the strong demand for assistance during the marketing of our cotton crop, which the entire 11th District is called upon to finance at the same time.

Assuring you of any assistance or information that we have, at any time called upon, we are,

Very truly yours,

THE LEHIGH NATIONAL BANK, Lehigh, Okla.
TOM MITCHAM, Cashier.

THE MERCHANTS NATIONAL BANK, Lehigh, Okla.
OLLIE L. BEARD, Cashier.

THE FIRST NATIONAL BANK.

Milburn, Okla., June 6, 1914.

(10)

TO THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

We feel it our duty to say a few words in behalf of the Reserve Board in locating the District line as they did through the State of Oklahoma. Inasmuch as the Southern part of the State is devoted to cotton growing, as well as the balance of the Eleventh District.

We believe it would also be to the best interest of all concerned should we have a Board of Directors coming from Texas, the Southern part of New Mexico, and the Western part of Louisiana, rather than one coming from Colorado, Wyoming, Nebraska, and those other States that know nothing about the problems of a bank charged with the duty of financing a cotton crop.

It appears to us that the Federal Board has acted wisely in placing us in the Eleventh District, with Dallas as a reserve center. We therefore commend them.

Yours very truly,

C. B. CARTER,
Asst. Cashier.

(Seal)

THE FIRST NATIONAL BANK OF ROFF.

Roff, Okla., Aug. 21, 1914.

(11)

**FEDERAL RESERVE BOARD,
Washington, D. C.**

Sirs:

There is a movement on foot among some of the bankers of Oklahoma to try to have all of Oklahoma placed in the Kansas City Federal Reserve District. We understand that a delegation is already on the way to Washington for that purpose.

We feel that there are a great many of the bankers of Southern Oklahoma who feel as we do about the matter: We would much prefer that the arrangement be left just as it is.

The interests of Southern Oklahoma are identical with those of Texas and the other cotton States. We are strictly a cotton country, and what would serve Texas the best would also be best for us. On the other hand, were we to be placed with Kansas City, we would only be a very small cotton producing community, placed with a large country, where practically nothing is known about cotton, or the handling of it. Dallas is much easier to reach from this section by mail or telephone, and we feel that practically everything is in favor of Dallas, over Kansas City, as far as Southern Oklahoma is concerned.

We are sure that in considering this proposed change, both sides of the question will be fully considered, and we feel that you will decide to let the Districts remain as they are. No doubt, there will be more agitation for a change than there is against a change, as there are a great many more banks in Oklahoma who are in the Kansas City District, than are in the Dallas District, but we have discussed the matter with a great many of the bankers of Southern Oklahoma, and we believe a great majority favor remaining in the Dallas District.

Very respectfully,

H. HUGHES,

Cashier.

THE FIRST NATIONAL BANK.

Ryan, Okla., Jan. 7, 1915.

(12)

**MR. OSCAR WELLS, Governor,
Federal Reserve Bank, of Dallas.**

Dear Sir:

While there is being made strong efforts to re-district our section of Oklahoma by a few of our members, we feel

others are with St. Louis, Chicago, Kansas City, Fort Smith, Little Rock or various other centers.

You will find on investigation that the reasons given by these banks protesting against Southern Oklahoma being placed with Dallas for wanting the District changed, will vanish as soon as the Federal Reserve system is put in actual operation.

The Oklahoma City banks sent out the protests all ready to be signed up by the different banks and urged that every bank join in the protest.

I thoroughly believe that it is unwise to make any change in our District at this time, and that time will prove the wisdom of the Organization Committee in dividing Oklahoma along the line of its natural line of division.

Respectfully submitted,

L. L. CALDWELL,
Cashier.

WAURIKA NATIONAL BANK.

Waurika, Okla., Sept. 1, 1914.

(14)

OSCAR WELLS,
Houston, Texas.

Dear Sir:

Replying to yours of 29th ult.:

Our judgment has been all the while to keep every interest together as much so as possible. We think the Southern part of Oklahoma should be kept in the 11th District, that being the cotton producing part of the State. Those of us who hale from the South seem, and the cotton country seem, to be of that opinion; but, when you find a banker from the North, who is not acquainted with the cotton business, as we are, and they want out and go to Kansas City or St. Louis. We think it a grave mistake to transfer us to one of those Districts. We think we would be lost sight of in the mixup of the commercial and cattle interest. Of course, there is argument pro and con, BUT LET US STAY WHERE WE ARE.

Yours very truly,

WADE ATKINS,
President.

EXHIBIT D.**SAM I. HYNDS & CO.**

Cotton Merchants.

Durant, Okla., Dec. 19, 1914.

MR. B. A. MCKINNEY, Cashier,
 Durant National Bank,
 Durant, Okla.

Dear Sir:

We beg to advise that all cotton produced in Oklahoma and sold for export to foreign countries, is shipped from Oklahoma via Galveston or New Orleans, and in our opinion fully seventy-five per cent of Oklahoma cotton sold to New England or Canadian mills, is also shipped via Galveston or New Orleans, and practically all cotton produced south of the Canadian River or Rock Island Railroad, is shipped via Galveston, thence by water to New England or Canadian points, as the combination of rail and water rates via the Gulf is less than the all rail rates from Southern Oklahoma.

We also beg to point out that farmers and merchants who ship cotton on consignment, forward same to Houston, Galveston or New Orleans; in other words, almost the entire Oklahoma cotton crop is shipped via the Gulf.

Yours very truly,

SIH-M

SAM I. HYNDS & CO.**EXHIBIT E.****KEMP & KELL.**

Wichita Falls, Tex., Dec. 21, 1914.

MR. B. A. MCKINNEY,
 Durant, Okla.

My dear Mr. McKinney:

I have your favor of 19th inst. The movement of the wheat crop from that part of Oklahoma included in the 11th Regional District, is nearly exclusively to the south, either through Galveston and New Orleans for export or to Texas for local consumption. In the territory above named, there is probably a larger per cent of the grain moved to Texas for local consumption by reason of the fact that the adjustment of rates from this territory is more favorable to a Texas destination on a domestic basis than to any other point for consumption, either for domestic or export use.

Most of the wheat grown in this territory above outlined is grown in the Southwestern part of the State of Oklahoma, where the commercial affiliation is largely with Texas con-

nections, and I might say, almost exclusively with Texas connections, so far as the grain business is concerned.

The surplus oats grown in the State of Oklahoma embraced in the 11th District, is very largely consumed in the Southeast, either in Arkansas and Louisiana, or beyond the river, through the Memphis gateway. Some of this comes to Texas, and is consumed in a local way, when the Texas crop is short; but most of the crop in the territory above named goes to the Southeast.

The surplus corn of this part of Oklahoma is nearly all moved to Texas or to Galveston and New Orleans for export. Seldom does the surplus corn of that section move in any other direction. Now and then you will find seasons when, for a short while, it will move through the Memphis gateway. This lasting only until such time as the Kansas corn may commence to move freely.

I feel quite sure that so far as the surplus grain grown in the territory above named is concerned, that 80 or 90 per cent of it moves to the South and Southeast, either for local consumption in that territory, or for export through Galveston and New Orleans.

I do not think that the opening of the Panama Canal will increase or in any wise affect the movement of grain from this territory for export, as the Pacific coast is well supplied with grain grown west of the mountains. Now and then we may have a shipment of oats to go to the Pacific coast, during years when the crop of this cereal is short in that country. Later, we may be able to increase our volume of flour moving out through the Gulf ports for export by extending our trade to the west coast of South America, and probably the Philippine Islands and Japan. This, however, is quite remote and in a measure quite doubtful.

There is no doubt that the imports through Galveston and New Orleans, induced by the opening of the Panama Canal, will largely increase the volume of tonnage destined to Southern Oklahoma, as the rate from the Pacific coast, through the canal to the entry ports of New Orleans and Galveston, plus the rail rate from New Orleans and Galveston to final destination will be lower than the all rail rate across the continent. Indeed, the canned goods shipments have already commenced to move in this direction.

I shall be pleased to have your further inquiries at any time that you think I can be of service to you.

With kindest regards, I am,

Yours truly,

FRANK KELL.

FKG-

EXHIBIT F.**THE FIRST NATIONAL BANK.**

Achille, Okla., June 12, 1914.

(1)

FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

Inasmuch as the banks in the Northern part of Oklahoma are making a strong fight to have all of the State of Oklahoma placed in Reserve District Ten, I wish to state how the Directors of this Bank feel about the situation.

We realize that the Southern part of Oklahoma is a cotton growing country and that we have practically the same crops and conditions that the people of Texas have to contend with.

The business trend of this part of Oklahoma is towards Dallas, and we feel that we ought to have our banking facilities in the same part of the country that our other business is centered.

We are of the opinion that the Directors of the Federal Reserve Bank that is to be located at Dallas, in Reserve District Eleven, will better understand the conditions that we have to contend with and therefore will be in a better position to take care of the needs of the banks located in the Southern part of Oklahoma.

We want to file a protest against any change that may be made in the lines of the Reserve Districts that would place this part of the State in Reserve District Ten.

We feel that we properly belong to District Eleven, and we hope that no change will be made.

Respectfully,

W. G. COTNER,

Cashier.

(Seal)

THE FARMERS AND MERCHANTS NATIONAL BANK.

Achille, Oklahoma, June 10, 1914.

(2)

THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

The proposition to revise the findings of the Organization Committee in locating Southern Oklahoma in Federal Reserve District No. 11, Dallas, Texas, is very objectionable to this section of the country, and, on behalf of this bank, I

earnestly protest against any change being made from the original decision.

Our interests and those of Texas are closely merged, and I might say, identical. The character of the soil is practically the same, our crops are of the same character, and the principal markets for our cotton crop, give us exchange on Dallas, Houston, Galveston and New Orleans in payment thereof, and at the same time afford us a better price, because of the shorter haul to destination. Our corn and other small grain crops find a ready market in those sections of Texas where the agricultural conditions make other crops more profitable, in consequence of which, very little corn and oats are raised.

Since this town was established, our trade relations with Texas points have steadily increased, and I feel that it is to our best interests that we remain a member of Federal Reserve District No. 11. It is probably true that the majority of Oklahoma banks maintain their reserves in Kansas City, St. Louis and New York, but this is no doubt due to the fact that these connections were established before reserve cities were designated in Texas, and it is convenient to draw Eastern exchange in payment of the purchases of our merchants from Eastern and Northern cities. Altogether, I believe that the Organization Committee acted very wisely in embracing Southern Oklahoma in the Dallas Reserve District, and I sincerely trust that no change will be made from the original designation, because I believe it will be prejudicial to our interests to make any change.

Very truly yours,

W. E. HOLLAND,

Cashier.

(Seal)

THE ANTLERS NATIONAL BANK.

Antlers, Okla., June 17, 1914.

(3)

THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

This bank desires to express its complete satisfaction with being placed in Federal Reserve District Number Eleven, to be served from Dallas, Texas. In our opinion, Dallas is the logical point for the Southern section of Oklahoma, and we should be sorry, indeed, to be attached to either the St. Louis or Kansas City District. We are satisfied that whatever opposition there has been to the placing of Southern Oklahoma in the

Dallas District, is due to the agitation of persons whose personal interests would be better served by some other arrangement.

Respectfully,

ANTLERS NATIONAL BANK,

By M. D. JORDAN, Cashier.

THE FIRST NATIONAL BANK.

Aylesworth, Okla., June 4, 1914.

(4)

THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

Realizing that there is an attempt being made by some of the banks in Oklahoma, located in District No. 11, and others in the Northern part of the State, to bring pressure to bear upon you to change the boundary lines of District No. 11, so as to place the entire State of Oklahoma in District No. 10, we, as a member bank of District No. 11, wish to say that we heartily endorse the division of Oklahoma made by you in outlining this District, and wish to enter our protest against any change whatsoever in the territory included therein.

The natural trend of the business of the banks of Southern Oklahoma is not toward Kansas City and the placing of us in District No. 10, would necessitate our forming new relations altogether.

The State of Oklahoma should be divided, from the fact that the seasons are the same, and the crops grown are identical with those of the State of Texas, while the Northern portion of Oklahoma is the same as the State of Kansas.

At the Bankers' Convention, held in Dallas for the purpose of recommending Directors for the Regional Bank, Southern Oklahoma was shown due consideration, both in giving us a Director, and in selecting B Class Directors who were thoroughly identified with Southern Oklahoma interests.

Yours for District No. 11 to stand,

Respectfully,

JAS. N. KING,

Cashier.

(Seal)

THE BENNINGTON NATIONAL BANK.

Bennington, Okla., Aug. 25, 1914.

(5)

THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

After studying the situation carefully, I am convinced it

is to the best interest of our institution for us to remain in the Eleventh Reserve District. The matter of having our entire State placed in the District with Kansas City as the center, has been agitated, but owing to the fact that our interests are largely dependent upon the cotton crop, I feel that we can be served much better from Dallas than from Kansas City, and therefore write this letter in behalf of our section remaining as it is.

Respectfully,
L. E. BATCHELOR,
President.

FIRST NATIONAL BANK OF BENNINGTON.
Bennington, Okla., Aug. 25, 1914.

(6)

THE FEDERAL RESERVE BOARD,
Washington, D. C.
Gentlemen:

We desire to express our satisfaction and desire to remain in the Eleventh Reserve District, of which Dallas is the center. We feel that, owing to the fact of our principal resources being derived from the cotton crop, our conditions and circumstances will be better understood in Dallas than at Kansas City, and for this reason it is our wish to remain in this District.

Respectfully,
LEWIS T. MARTIN,
Cashier.

THE FIRST NATIONAL BANK.
Bokchito, Okla., June 4, 1914.

(7)

HON. FEDERAL RESERVE BOARD,
Washington, D. C.
Gentlemen:

We want to protest against any change that might be made in the lines of the Federal Reserve District that we are in.

The crops grown in Southern Oklahoma are the same as those grown in Texas and are not the same as those grown in the Kansas City District.

We think the Committee acted wisely in dividing the State as they did.

Respectfully,
TOM KING,
Cashier.

THE FIRST NATIONAL BANK,

Boswell, Okla., June 15, 1914.

(8)

THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

The purpose of this letter is to protest against any change whatever of that part of Oklahoma now in District No. 11, to District No. 10.

At first we were of the opinion that it would have been better if all of Oklahoma could have been in one District, even if the Southern part would have been in District No. 10; but, since studying the matter more closely, as to climate, soil, and crops, and the cattle and stock business, we are more fully convinced that we can be better served from the Dallas District, and it is our honest opinion that the same rule will apply to nearly all of the Southern part of Oklahoma.

As stated above, we are against any change whatever of the North line of District No. 11, in Oklahoma, and our appeal to you is, that you make no change, as we believe that the Organization Committee showed good judgment in dividing the State as they did.

Yours very truly,

W. W. MORAN,
Cashier.

(Seal)

THE STATE NATIONAL BANK.

Boswell, Okla., June 16, 1914.

(9)

THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

We desire to protest against any change in the Federal Reserve Districts, so far as they relate to the Southern part of Oklahoma.

We believe that our interests will best be served by continuing in the Dallas District, because of the similarity of the climate, soil and crops, and the further fact that the Dallas Bank will be managed by a Board of Directors who are acquainted with the needs of a bank in the cotton district.

We believe the Organization Committee showed good judgment in dividing the State as they did, and we trust that the lines as established will remain as they are.

Yours very truly,

W. W. JETER,
Cashier.

(Seal)

THE CADDO NATIONAL BANK.

Caddo, Okla., June 17, 1914.

(10)

THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

There has been considerable discussion lately among the banks of Southern Oklahoma with reference to being placed in District No. 11 with Dallas, and I desire to say that we are entirely satisfied with the condition as it is and certainly hope that no change will be made placing us in some other District. In the first place, I believe that we can get better service from Dallas, because they are nearer to us, and are more familiar with our wants. I believe it would be a mistake to change this part of Oklahoma back to the Kansas City District, as the Organization Committee would have to give a great deal of time to the consideration of other changes.

I respectfully request that no change be made,

Yours very truly,

(Seal
FP-MTF. P. SEMPLE,
Cashier.

THE FIRST NATIONAL BANK.

Colbert, Ind. Ter., June 15, 1914.

(11)

THE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

I understand that the bankers of Oklahoma City are making an effort to transfer us to Kansas City. I wish to protest against any change being made, as I feel that it is to our interest to remain as we are. I feel that the Dallas District understands our needs and knows our condition better than Kansas City, and would be in a better position to assist us. I think the Federal Reserve Board acted wisely in placing this portion of Oklahoma in the Dallas District.

Yours very truly,

W. H. McCARLEY,
President.

(Seal)

THE DURANT NATIONAL BANK.

Durant, Okla., June 13, 1914.

(12)

THE HONORABLE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

The officers and directors of this bank are thoroughly satisfied with the arrangement of the Federal Reserve Districts, and we protest against the Southern part of Oklahoma being transferred to the Kansas City District or any other District. We believe that the Organization Committee used good judgment in placing this part of our State in with Texas, because many of our citizens are from that State, we have similar soil and seasons, and similar crops. We know them and they know us.

We believe that a large part of the sentiment manifested by some of the banks in Southern Oklahoma in desiring to be transferred to the Kansas City District is due in a great measure to the agitation brought on by Oklahoma City. They are in the Kansas City District themselves and believing that benefit would accrue to their own city by having Southern Oklahoma transferred to Kansas City have conducted a vigorous campaign to bring about that result. They lined up a great many banks in this part of the State before those banks had stopped to consider what was for their best interest. We think the enterprise they have shown is worthy of commendation, but then we feel the Board should also know to what extent they have been active in the effort to get Southern Oklahoma transferred to the Tenth District.

We believe that a bank managed by a Board of Directors coming from Colorado, Wyoming, Nebraska and the other States of the Tenth District, would not know and care for our needs like the Texas bank would.

Yours very truly,

(Seal)

JAS. R. MCKINNEY,

JRM-MES

Vice-President.

THE STATE NATIONAL BANK.

Durant, Okla., June 13, 1914.

(13)

HONORABLE FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

This bank desires to express its satisfaction with the Federal Reserve Districts as established by the Organization Committee. We believe that our interests will best be served

by connection with the Dallas Reserve Bank, rather than any other District to which we might be transferred. We think that the Committee showed a thorough consideration of our needs when they separated the cotton growing region of Oklahoma from the other section of the State and placed it along with Texas and the other States which have cotton as their chief product.

We respectfully protest against any change being made in our Reserve Bank connections.

Respectfully yours,

GREEN THOMPSON,
Vice-President.

GT-MES

THE FIRST NATIONAL BANK.

Fort Towson, Okla., 6-23-14.

(14)

FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

Some time ago we made a protest against having been placed in the Dallas (No. 11) District, but we now want to withdraw our objection, and state that we are perfectly satisfied with said District, as we feel that our interests are more closely allied with the other banks in this District than they would be with those of any other to which we could be attached.

Yours truly,

CHARLIE SWITZER,
Cashier.

THE FIRST NATIONAL BANK OF HAWORTH.

Haworth, Okla., Aug. 14, 1914.

(15)

MR. B. A. MCKINNEY,
Federal Reserve Bank Director,
District No. Eleven,
Durant, Oklahoma.

Dear Sir:

Having our attention called to the fact, by our mutual friend, Mr. R. D. Wilbor, of Hugo, Oklahoma, that we had failed to file our protest with you, protesting against being attached to the Kansas City Federal Reserve District, as suggested by the Kansas City and Oklahoma City bankers:

In this connection beg to state that we are unconditionally opposed to being attached to the Kansas City Federal Reserve

District. Kansas City is foreign to us in a financial way, and they are not acquainted with the local conditions of Southeast Oklahoma.

And we further believe that the Federal Reserve Board acted fairly and impartially in making the division of Oklahoma as they did and putting Southeast Oklahoma in the Dallas District, thereby making it possible for the Directors of the Federal Reserve Bank to know the conditions of each locality in their district.

You can use the above letter for your authority to file our protest against any change in the Federal Reserve District No. 11, and if we can serve you further, command us.

Yours very respectfully,

A. M. HOFFMAN,

Cashier.

(Seal)

THE FIRST NATIONAL BANK.

Hugo, Okla., June 16, 1914.

(16)

FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

We would like to express ourselves as being satisfied in District No. 11. We believe that the lines as they are now drawn, in reference to that part of Oklahoma being in District No. 11, were well defined by the Organization Committee. This from the fact that the greater part of this section mentioned is a cotton growing country, and naturally should be served by a bank which will be supported largely by this factor.

We oppose being annexed to the Kansas City District, and are entirely satisfied in District No. 11.

Yours very truly,

R. D. WILBOR,

President.

(Seal)

FIRST NATIONAL BANK.

Idabel, Okla., June 17, 1914.

(17)

HON. ORGANIZATION COMMITTEE,

Federal Reserve Board,

Washington, D. C.

Gentlemen:

It appears that considerable effort is being put forth by bankers of this State in the 10th District to bring about a change whereby all of Oklahoma would be in the 10th District.

At the beginning, we were disappointed, looking at it from a patriotic view, in having our State divided in two Districts, but further consideration makes it plain that our interest and that of Texas are very much the same in industry, and we feel that our interest will be best served in the 11th District.

Respectfully,

H. C. MORRIS,
Cashier.

THE FIRST NATIONAL BANK.

Kenefick, Okla., June 6, 1914.

(18)

FEDERAL RESERVE BOARD,
Washington, D. C.

Gentlemen:

We desire to state that we think the Organization Committee used good judgment in placing Southern Oklahoma in the Eleventh Federal Reserve Bank District, as that part of Oklahoma placed in the Dallas District is essentially a cotton producing region.

We feel that our interests will be served better by a Board of Directors coming from Texas, Western Louisiana, Southern New Mexico, than one coming from Nebraska, Kansas, Colorado, Wyoming, or any other State that knows nothing of the great problems involved in financing the cotton crop.

Respectfully,

BRUCE MAY,
Vice-President.

(Seal)

THE FIRST NATIONAL BANK.

Kingston, Okla., June 6, 1914.

(19)

FEDERAL RESERVE BOARD,
Washington, D. C.

Gentlemen:

We wish to commend the action of your Board in cutting off that part of the State of Oklahoma which is a cotton growing section and attaching it to the Eleventh District.

We feel that our interests would be better served by a Board of Directors coming from Texas, the Western part of Louisiana, and the Southern part of New Mexico, than one coming from Colorado, Wyoming, Nebraska, and those other States that know nothing about the problems of a bank

charged with the duty of financing a cotton crop, and we sincerely hope that no change will be made in this District.

Yours very respectfully,

JNO. LANDRAM,

Cashier,

(Seal)

THE FIRST NATIONAL BANK.

Madill, Okla., June 6, 1914.

(20) (21) (22)

RESERVE BANK ORGANIZATION COMMITTEE,

Washington, D. C.

Gentlemen:

We, the undersigned National Banks of Madill, Oklahoma, believe that your Committee exercised a wise judgment in locating Southern Oklahoma in the Dallas District.

Geographically, Dallas is convenient and easily accessible to our section; a large percentage of the population of Southern Oklahoma is composed of Texans, which tends to a closer acquaintance of the two peoples, and thus obviates what might be a serious problem in the selection of suitable men to direct the affairs of the District Reserve Bank.

The agricultural conditions and products of Southern Oklahoma and Texas are almost identical, and the business relations between the two sections are close and of long standing.

We understand there is a movement towards locating our section in another District.

In view of the conditions stated above, we think the change would be very unwise, and we wish to enter our unqualified protest against any change whatever.

Respectfully,

MADILL NATIONAL BANK,

By J. W. DERRICK, Cashier.

CITY NATIONAL BANK,

By W. H. LAWRENCE, President.

FIRST NATIONAL BANK,

By F. B. HERRON, Cashier.

THE FIRST NATIONAL BANK.

Soper, Oklahoma, 6-17-14.

(23)

FEDERAL RESERVE BOARD,

Washington, D. C.

Gentlemen:

The Reserve Bank Organization Committee, in establishing the Reserve Districts, saw fit to place Southern Oklahoma, in

which we are fortunate enough to be located, in District No. 11, with headquarters in Dallas, Texas. In view of the complaint which has been made in regard to the action of the Board, in dividing the State of Oklahoma between Districts Nos. 10 and 11, the officers and directors of The First National Bank of Soper desire to go on record as being of the opinion that the interest of Southern Oklahoma and the interest of this bank can be better served from Dallas than it can be from Kansas City, and to further express themselves as being perfectly satisfied with the action of the Committee of the formation of the Bank Reserve District of the Southwest.

Yours very truly,

A. J. STEEN,
Cashier.

(Seal)

**THE FIRST NATIONAL BANK
OF STERRETT.**

Calera, Okla., Aug. 22, 1914.

(24)

**HONORABLE FEDERAL RESERVE BOARD,
Washington, D. C.**

Gentlemen:

The officers of this bank are satisfied with the action of the Organization Committee in placing this part of Oklahoma in the Dallas Reserve District, and protest against any change in the lines that would transfer us to another District.

As we are in what is essentially a cotton-growing region, we think we are fortunate in being included in a District whose Directors so thoroughly understand the cotton business; and especially is this true in view of the difficulty that will confront us this fall in handling the cotton business on account of the European war.

Respectfully,

J. C. KENTON,
Cashier.

THE FIRST NATIONAL BANK OF VALLIANT, OKLAHOMA.

August 21, 1914.

(25)

**FEDERAL RESERVE BOARD,
Washington, D. C.**

Gentlemen:

Relative to the opposition of the State being divided as to the Reserve Districts, beg to request that any and all opposition voiced by this bank, be ignored.

We have gone into the proposition and feel that placing the Southern part of this State in with Texas, was an act of wisdom, owing to the community of interest between this section of the State and Texas.

Thanking you to act in accordance with the above covering our wishes, we are,

Yours truly,
THE FIRST NATIONAL BANK,
VALLIANT, OKLAHOMA,
 By **JAS. M. CECIL,**
 President.

(Seal)
 Attest:
W. E. WATKINS,
 Cashier.
 WEW-LCS

THE FIRST NATIONAL BANK.

Woodville, Okla., June 10, 1914.

(26)

FEDERAL RESERVE BOARD,
 Washington, D. C.

Gentlemen:

In the matter of the protest which is being made on behalf of the State of Oklahoma by certain of the banks located therein against the action of the Federal Reserve Bank Organization Committee, I beg to advise you that it is the desire of this bank that the District remain as laid out and designated and, in support of my protest against any change, beg to submit that, in my opinion, the interests of the banks located South of the Canadian River in Oklahoma will be best served by remaining in District No. 11, Dallas, rather than by being attached to the 10th Reserve District, Kansas City.

The principal crop of this section of the country is cotton, and all the exchange for that commodity goes south either to Dallas, Houston, Galveston or New Orleans, and cattle and hogs are shipped mainly to Fort Worth, Texas, while our corn and small grain products find a market either at home, or are distributed through these sections of Texas which raise little feedstuffs.

The character of the soil is practically the same as that of Texas; the majority of our people are Texas born or descendants from Texas people, and I cannot see any advantage that can result from any change in the decision of the Organization Committee, while there are many advantages that will accrue to us by being so closely in touch with the Federal Reserve Bank located at Dallas, and I sincerely trust that the

lines, as originally fixed, attaching Southern Oklahoma to the Dallas District No. 11, will be sustained.

Very truly yours,

M. U. AYRES,
Cashier.

(Seal)

EXHIBIT G.

OKLAHOMA NATIONAL BANKS IN ELEVENTH DISTRICT

Bank	Town	County
*Farmers & Merchants Nat'l. Bank	Achille	*Bryan
*First National Bank	Achille	*Bryan
First National Bank	Ada	Pontotoc
Merchants & Planters Nat'l. Bank	Ada	Pontotoc
First National Bank	Addington	Jefferson
First National Bank	Alex	Grady
First National Bank	Allen	Pontotoc
City National Bank	Altus	Jackson
First National Bank	Altus	Jackson
First National Bank	Anadarko	Caddo
National Bank of Anadarko	Anadarko	Caddo
*Antlers National Bank	Antlers	*Pushmataha
*Citizens National Bank	Antlers	*Pushmataha
First National Bank	Apache	Caddo
First National Bank	Arapaho	Custer
Ardmore National Bank	Ardmore	Carter
First National Bank	Ardmore	Carter
State National Bank	Ardmore	Carter
American National Bank	Atoka	Atoka
*First National Bank	Aylesworth	*Marshall
*Bennington National Bank	Bennington	*Bryan
*First National Bank	Bennington	*Bryan
First National Bank	Berwyn	Carter
First National Bank	Blair	Jackson
First National Bank	Blanchard	McClain
*First National Bank	Bokchito	*Bryan
*First National Bank	Boswell	*Choctaw
*State National Bank	Boswell	*Choctaw
First National Bank	Broken Bow	Tulsa
*Caddo National Bank	Caddo	*Bryan
*Security National Bank	Caddo	*Bryan
Calvin National Bank	Calvin	Hughes
First National Bank	Calvin	Hughes
Chickasha National Bank	Chickasha	Grady
Citizens National Bank	Chickasha	Grady
First National Bank	Chickasha	Grady

Bank	Town	County
Oklahoma National Bank	Chickasha	Grady
First National Bank	Clinton	Custer
Oklahoma State Nat'l. Bank	Clinton	Custer
First National Bank	Coalgate	Coal
*First National Bank	Colbert	*Bryan
First National Bank	Comanche	Stephens
Cordell National Bank	Cordell	Washita
Farmers National Bank	Cordell	Washita
State National Bank	Cordell	Washita
First National Bank	Custer City	Custer
Peoples State National Bank	Custer City	Custer
First National Bank	Davis	Murray
City National Bank	Duncan	Stephens
Duncan National Bank	Duncan	Stephens
First National Bank	Duncan	Stephens
*Durant National Bank	Durant	*Bryan
*First National Bank	Durant	*Bryan
*State National Bank	Durant	*Bryan
American National Bank	Dustin	Hughes
First National Bank	Eldorado	Jackson
First National Bank	Elk City	Beckham
*First National Bank	Fort Towson	*Choctaw
Francis National Bank	Francis	Pontotoc
First National Bank	Frederick	Tillman
National Bank of Commerce	Frederick	Tillman
First National Bank	Gotebo	Kiowa
First National Bank	Grandfield	Tillman
Farmers National Bank	Hammon	Roger Mills
First National Bank	Hartshorne	Pittsburg
National Bank of Hastings	Hastings	Jefferson
*First National Bank	Haworth	*McCurtafn
First National Bank	Heavener	LeFlore
State National Bank	Heavener	LeFlore
City National Bank	Hobart	Kiowa
F. & M. National Bank	Hobart	Kiowa
First National Bank	Hobart	Kiowa
American National Bank	Holdenville	Hughes
Farmers National Bank	Holdenville	Hughes
First National Bank	Holdenville	Hughes
State National Bank	Holdenville	Hughes
City National Bank	Hollis	Harmon
National Bank of Commerce	Hollis	Harmon
State National Bank	Hollis	Harmon
*First National Bank	Hugo	*Choctaw

Bank	Town	County
*Hugo National Bank	Hugo	*Choctaw
Farmers National Bank	Hydro	Caddo
First National Bank	Hydro	Caddo
*First National Bank	Idabel	*McCurtain
*First National Bank	Kenefick	*Bryan
Keota National Bank	Keota	Haskell
*First National Bank	Kingston	*Marshall
First National Bank	Kiowa	Pittsburg
Peoples National Bank	Kiowa	Pittsburg
City National Bank	Lawton	Comanche
First National Bank	Lawton	Comanche
Lawton National Bank	Lawton	Comanche
Lehigh National Bank	Lehigh	Coal
Merchants National Bank	Lehigh	Coal
First National Bank	Lindsay	Garvin
First National Bank	Lone Wolf	Kiowa
*City National Bank	Madill	*Marshall
*First National Bank	Madill	*Marshall
*Madill National Bank	Madill	*Marshall
First National Bank	Mangum	Greer
Mangum National Bank	Mangum	Greer
First National Bank	Marietta	Love
Marietta National Bank	Marietta	Love
National Bank of Marlow	Marlow	Stephens
State National Bank	Marlow	Stephens
Farmers National Bank	Maysville	Garvin
First National Bank	Maysville	Garvin
American National Bank	McAlester	Pittsburg
City National Bank	McAlester	Pittsburg
First National Bank	McAlester	Pittsburg
First National Bank	Milburn	Johnston
First National Bank	Mill Creek	Johnston
First National Bank	Minco	Grady
First National Bank	Mountain View	Kiowa
First National Bank	New Wilson	Carter
First National Bank	Olustee	Jackson
First National Bank	Pauls Valley	Garvin
National Bank of Commerce	Pauls Valley	Garvin
Pauls Valley Nat'l. Bank	Pauls Valley	Garvin
First National Bank	Poteau	LeFlore
National Bank of Commerce	Poteau	LeFlore
Chickasaw National Bank	Purcell	McClain
Union National Bank	Purcell	McClain
First National Bank	Quinton	Pittsburg

First National Bank	Ringling	Carter
F. & M. National Bank	Roff	Pontotoc
First National Bank	Roff	Pontotoc
First National Bank	Rush Springs	Grady
First National Bank	Ryan	Jefferson
Beckham County National Bank	Sayre	Beckham
First National Bank	Sayre	Beckham
First National Bank	Sentinel	Washita
First National Bank	Snyder	Kiowa
*First National Bank	Soper	*Choctaw
First National Bank	Spiro	LeFlore
*First National Bank	Sterrett	*Bryan
American National Bank	Stigler	Haskell
First National Bank	Stigler	Haskell
First National Bank	Stonewall	Pontotoc
First National Bank	Stratford	Garvin
First National Bank	Stuart	Hughes
Park National Bank	Sulphur	Murray
First National Bank	Talihina	LeFlore
Temple National Bank	Temple	Cotton
First National Bank	Thomas	Custer
Farmers National Bank	Tishomingo	Johnston
First National Bank	Tishomingo	Johnston
Tishomingo National Bank	Tishomingo	Johnston
Farmers National Bank	Tupelo	Coal
*First National Bank	Valliant	*McCurtain
First National Bank	Verden	Grady
National Bank of Verden	Verden	Grady
First National Bank	Walter	Cotton
Walter National Bank	Walter	Cotton
First National Bank	Wapanucka	Johnston
First National Bank	Washington	McClain
First National Bank	Waurika	Jefferson
Waurika National Bank	Waurika	Jefferson
First National Bank	Weatherford	Custer
German National Bank	Weatherford	Custer
American National Bank	Wetumka	Hughes
First National Bank	Wetumka	Hughes
Latimer County National Bank	Wilburton	Latimer
*First National Bank	Woodville	*Marshall
First National Bank	Wynnewood	Garvin
Southern National Bank	Wynnewood	Garvin

Total number of member banks in the Eleventh District in Southern Oklahoma—166.

Total number of member banks in the Counties of Bryan, Choctaw, Marshall, McCurtain and Pushmataha, which are excluded from the territory sought to be transferred by the Committee filing the petition—30.

Total number of member banks situated outside of the Counties of Bryan, Choctaw, Marshall, McCurtain and Pushmataha—136.

Total inumber of member banks required to file petition in accordance with the regulations of the Federal Reserve Board—90.