

## The Papers of Charles Hamlin (mss24661)

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Hamlin, Charles S., Scrap Book – Volume 166, FRBoard Members

205.001 - Hamlin Charles S  
Scrap Book - Volume 166  
FRBoard Members

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BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date July 3, 1941To The Files

Subject: \_\_\_\_\_

From Mr. Coe*MPC.*

After correspondence with Mrs. Hamlin (See letters of May 25 and June 4, 1941) the items attached hereto and listed below, because of their possible confidential character, were taken from Volume 166 of Mr. Hamlin's scrap book and placed in the Board's files:

VOLUME 166

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Memo to Mr. Hamlin from Mr. James giving comparison of Federal Reserve Branches.

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Transfers Payable by the Havana Agency of the Federal Reserve Bank of Atlanta, sold by the Federal Reserve Bank of Boston.

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Memo to Mr. Hamlin from Mr. Smead re Retirement of Atlanta Federal Reserve notes in circulation in Cuba.

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Financial Results of Operation of the Federal Reserve Banks for 1926. (Marked Confidential)

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Memo to Mr. Hamlin from Mr. Smead re location of State bank and trust companies, members of Federal Reserve System.

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Memo to Mr. Hamlin from Mr. Smead re Amount of required reserves of national banks released in 1914 by the passage of the Fed. Res. Act.

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Bank Suspensions - Year 1926.  
(Marked Confidential)

## Office Correspondence

FEDERAL RESERVE  
BOARD

Date December 31, 1925.

To Mr. Hamlin

Subject: Comparison of Federal Reserve

From Mr. James

Branches.

DECEMBER 31, 1925.

BRANCH	Items handled. No. of checks and pieces of currency com- bined.	Manager's Salary	Officer's Salaries	Current Expenses
Buffalo	50,952,000	\$15,000.00	\$29,700.	\$308,701.
Cincinnati	48,953,000	10,000.00	33,600.	336,720.
Pittsburgh	76,270,000	13,500.00	41,100.	520,808.
Baltimore	62,996,000	12,000.00	25,100.	370,746.
New Orleans	28,081,000	14,000.00	32,400.	204,563.
Nashville	17,840,000	5,500.00	11,300.	89,256.
Birmingham	18,810,000	6,600.00	12,300.	87,002.
Jacksonville	27,588,000	5,500.00	13,200.	117,427.
Detroit	75,932,000	10,000.00	34,500.	392,136.
Little Rock	14,056,000	8,000.00	18,200.	124,236.
Louisville	29,926,000	8,500.00	20,700.	174,670.
Memphis	22,093,000	5,500.00	17,000.	156,722.
Helena	4,425,000	6,500.00	17,500.	102,418.
Denver	15,464,000	6,500.00	16,300.	184,673.
Oklahoma City	22,817,000	7,000.00	14,500.	192,694.
Omaha	15,967,000	8,400.00	20,580.	217,371.
El Paso	7,277,000	5,000.00	8,600.	128,828.
Houston	17,821,000	6,600.00	13,960.	165,373.
Los Angeles	74,759,000	8,500.00	20,500.	524,744.
Portland	11,447,000	5,000.00	13,100.	209,046.
Salt Lake City	11,551,000	7,000.00	15,400.	357,166.
Seattle	15,520,000	6,300.00	10,200.	174,637.
Spokane	5,872,000	5,500.00	13,300.	158,187.

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See An 25

TRANSFERS PAYABLE BY THE HAVANA AGENCY OF THE FEDERAL RESERVE BANK OF ATLANTA,  
SOLD BY THE FEDERAL RESERVE BANK OF BOSTON

Month	Federal Reserve District in which sold					
	Boston		New York		Total	
	Number	Amount	Number	Amount	Number	Amount
<u>1923</u>						
September	-	-	-	-	-	-
October	-	-	-	-	-	-
November	-	-	7	\$7,100,000	7	\$7,100,000
December	-	-	1	100,000	1	100,000
Total	-	-	8	7,200,000	8	7,200,000
<u>1924</u>						
January	1	\$1,500	1	50,000	2	51,500
February	-	-	14	3,500,000	*15	*3,500,175
March	-	-	18	6,200,000	18	6,200,000
April	4	2,000,000	20	5,714,000	24	7,714,000
May	6	462,000	6	1,500,000	12	1,962,000
June	-	-	-	-	-	-
July	-	-	-	-	-	-
August	-	-	-	-	-	-
September	-	-	-	-	-	-
October	-	-	3	900,000	3	900,000
November	-	-	3	700,000	3	700,000
December	1	15,000	2	640,000	3	655,000
Total	12	2,478,500	67	19,204,000	80	21,682,675
<u>1925</u>						
January	-	-	14	3,017,000	14	3,017,000
February	2	25,000	12	2,400,000	14	2,425,000
March	-	-	6	2,250,000	6	2,250,000
April	-	-	13	4,050,000	13	4,050,000
May	-	-	6	1,350,000	6	1,350,000
June	-	-	1	300,000	1	300,000
July	-	-	2	150,000	2	150,000
August	-	-	-	-	-	-
September	-	-	-	-	-	-
October	-	-	6	800,000	6	800,000
November	-	-	4	1,405,000	#5	#1,406,000
December	-	-	3	1,030,000	3	1,030,000
Total	2	25,000	67	16,752,000	70	16,778,000
Grand Total	14	2,503,500	142	43,156,000	158	45,660,675

\*Includes one transfer sold in the Atlanta district amounting to \$175 on which a commission of 18 cents was charged.

#Includes one transfer sold in the Philadelphia district amounting to \$1,000 on which a commission of \$1 was charged.

NOTE: Exclusive of ten transfers, for \$3,000 each, in September and November, 1923; January, June and September, 1924; January, February, May, August and December, 1925, made by the Federal Reserve Bank of Boston to its Havana Agency.

TRANSFERS SOLD BY THE HAVANA AGENCY OF THE FEDERAL RESERVE BANK OF BOSTON

Month	Federal Reserve District in which payable					
	Boston		New York		Total	
	Number	Amount	Number	Amount	Number	Amount
<u>1926</u>						
January	1	\$50,000	12	\$1,061,050	13	\$1,111,050
February	-	-	7	1,282,000	7	1,282,000
March	-	-	12	1,166,000	12	1,166,000
April	1	250,000	28	12,741,000	29	12,991,000
May	3	650,000	25	8,519,200	28	9,169,200
June	5	400,000	37	10,893,000	42	11,293,000
July						
August						
September						
October						
November						
December						

TRANSFERS PAYABLE BY THE HAVANA AGENCY OF THE FEDERAL RESERVE BANK OF ATLANTA,  
SOLD BY THE FEDERAL RESERVE BANK OF BOSTON

Month	Federal Reserve District in which sold					
	Boston		New York		Total	
	Number	Amount	Number	Amount	Number	Amount
<u>1926</u>						
January	-	-	3	\$280,000	3	\$280,000
February	-	-	13	1,760,000	13	1,760,000
March	-	-	10	2,560,000	10	2,560,000
April	1	\$1,000,000	28	40,080,000	29	41,080,000
May	-	-	1	100,000	1	100,000
June	-	-	2	300,000	2	300,000
July						
August						
September						
October						
November						
December						

EXCLUSIVE OF TRANSFERS MADE BY THE FEDERAL RESERVE BANK OF BOSTON TO  
ITS HAVANA AGENCY AS FOLLOWS:

	Number	Amount
February	1	\$1,000
March	1	3,000
June	1	3,000

745

TRANSFERS SOLD BY THE HAVANA AGENCY OF THE FEDERAL RESERVE BANK OF BOSTON

Month	Federal reserve district in which payable					
	Boston		New York		Total	
	Number	Amount	Number	Amount	Number	Amount
<u>1923</u>						
August	2	\$800,000	3	\$7,000,000	5	\$7,800,000
September	12	2,200,000	8	1,185,000	20	3,385,000
October	2	200,000	13	1,589,000	15	1,789,000
November	4	601,000	16	3,016,000	20	3,617,000
December	-	-	10	678,000	10	678,000
<b>Total</b>	<b>20</b>	<b>3,801,000</b>	<b>50</b>	<b>13,468,000</b>	<b>70</b>	<b>17,269,000</b>
<u>1924</u>						
January	-	-	7	1,405,000	7	1,405,000
February	-	-	7	360,000	7	360,000
March	-	-	8	334,000	8	334,000
April	-	-	6	242,500	6	242,500
May	-	-	10	825,000	10	825,000
June	-	-	10	1,024,000	10	1,024,000
July	-	-	28	5,561,000	28	5,561,000
August	-	-	39	5,547,000	39	5,547,000
September	-	-	28	4,800,000	28	4,800,000
October	-	-	15	1,655,000	15	1,655,000
November	-	-	10	927,000	10	927,000
December	-	-	18	3,227,000	18	3,227,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>186</b>	<b>25,907,500</b>	<b>186</b>	<b>25,907,500</b>
<u>1925</u>						
January	-	-	10	518,000	10	518,000
February	-	-	9	412,000	9	412,000
March	-	-	14	2,638,000	14	2,638,000
April	-	-	17	3,676,000	17	3,676,000
May	-	-	7	366,000	7	366,000
June	-	-	14	1,011,000	14	1,011,000
July	-	-	19	4,981,000	19	4,981,000
August	2	170,000	19	3,650,000	21	3,820,000
September	3	300,000	17	3,881,000	20	4,181,000
October	-	-	11	2,261,000	11	2,261,000
November	-	-	11	1,069,000	11	1,069,000
December	2	380,000	14	1,640,000	16	2,020,000
<b>Total</b>	<b>7</b>	<b>850,000</b>	<b>162</b>	<b>26,103,000</b>	<b>169</b>	<b>26,953,000</b>
<b>Grand total</b>	<b>27</b>	<b>4,651,000</b>	<b>398</b>	<b>65,478,500</b>	<b>425</b>	<b>70,129,500</b>

## Office Correspondence

FEDERAL RESERVE  
BOARDDate July 30, 1926. see B4  
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To Mr. Hamlin

Subject: Retirement of Atlanta Federal Reserve notes in circulation in Cuba.

From Mr. Smead

Mr. Goldenweiser has asked me to reply to your memorandum addressed to him under date of July 22, requesting that a plan be worked out for the Cuban Agency of the Atlanta Bank based on the retirement each year of say \$25,000,000 of the Federal Reserve Bank of Atlanta's notes, showing how much extra cash and lawful money Atlanta would have to carry under these conditions.

On May 7 Mr. Newton estimated that the amount of Federal reserve notes in circulation in Cuba approximated \$78,000,000 and since that time the purchase and sale of transfers has caused a net reduction of about \$18,000,000, or to the neighborhood of \$60,000,000, which is approximately the same level that obtained before the recent run started on the Cuban banks.

If the Atlanta Federal reserve notes now in circulation in Cuba were to be retired, the Atlanta bank would lose an equal amount of gold, but inasmuch as the bank now has an excess reserve of approximately \$88,000,000, it is in a position to redeem the entire amount of its note circulation in Cuba without liquidating any of its open market holdings of bills and securities, which aggregate about \$25,000,000. The retirement as of July 1 of the \$60,000,000 of notes in Cuba would have reduced the banks excess reserve from \$88,000,000 to \$52,000,000 and its reserve percentage from 73.6 to 65.4 per cent, or well above that of the Richmond, St. Louis, Kansas City and Dallas banks. If the Atlanta notes were retired at the rate of \$25,000,000 each year, it would take between 2 and 3 years to complete such retirement, but as on the basis of past experience the annual turnover of paper currency at the agency is only about \$25,000,000, it is evident that while retirement of Atlanta notes might be effected at about that rate during the first year, the volume received the second year would undoubtedly be considerably less, with the result that probably 4 years or more would be required to approximately complete the retirement of Atlanta notes in circulation in Cuba. The effect upon the reserve position of the Atlanta bank of the gradual retirement of its notes in circulation in Cuba would not be essentially different from that outlined above.

Except for about 2 months at the end of 1925 the bank has been in a position at all times since the end of 1923 to redeem in lawful money all of its notes in Cuba without selling any of its open market holdings of bills and securities and without letting its combined reserve ratio drop below 40 per cent. During the period of two months referred to the bank held an unusually large volume of bankers' acceptances and the complete retirement of its Federal reserve notes in Cuba would have necessitated the liquidation of only a portion of its acceptance holdings. Late in 1923, however, when the borrowings of member banks in the Atlanta district averaged about \$80,000,000 (as compared with \$45,000,000 at the present time) there were 55 days on which the Federal reserve bank would have had to rediscount paper with other Federal reserve banks, in addition to liquidating all of its open market holdings, in order to completely retire its Cuban circulation and still maintain a minimum reserve ratio of 40 per cent against deposits and note liabilities.

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Inasmuch as the only function of the Atlanta Agency at present is to take care of the currency requirements of the Cuban banks, the retirement of its circulation in Cuba would necessitate the closing of the agency, unless it was decided to maintain the agency for the purpose of supplying the Cuban banks with lawful money of the United States. If lawful money of the United States were substituted for Federal reserve notes in Cuba and the Atlanta Agency discontinued, the Atlanta bank would save the cost of printing and shipping its currency used in Cuba, estimated at about \$40,000 a year, and approximately \$20,000, which it now costs to operate the agency.

The cost of printing the notes if lawful money were used instead of Federal reserve notes would, of course, devolve upon the United States Treasury and the transportation charges on such currency to and from Cuba upon the Cuban banks or upon an agency of the Federal Reserve Banks in case one were kept in Cuba and cable transfers bought and sold as is now done by the Boston Agency.

**CONFIDENTIAL**

For use of Federal Reserve Board only

FINANCIAL RESULTS OF OPERATION OF THE FEDERAL RESERVE BANKS FOR 1926

(Preliminary Statement)

*ALH*

Federal Reserve Bank	Gross earnings	Current expenses	Current net earnings	Additions to current net earnings	Deductions from current net earnings	Net earnings
Boston	\$3,319,076.97	\$2,032,412.22	\$1,286,664.75	\$8,530.29	\$138,322.36	\$1,156,872.68
New York	10,600,967.55	6,421,441.47	4,179,526.08	174,366.14	604,143.98	3,749,748.24
Philadelphia	3,626,648.00	2,056,273.72	1,570,374.28	1,130.31	37,770.92	1,533,733.67
Cleveland	4,517,597.54	2,531,746.02	1,985,851.52	10,533.17	335,622.98	1,660,761.71
Richmond	2,429,017.34	1,383,938.92	1,045,078.42	561.14	317,994.30	727,645.26
Atlanta	3,045,867.47	1,389,168.39	1,656,699.08	51,017.44	479,389.26	1,228,327.26
Chicago	6,567,042.60	3,834,471.67	2,732,570.93	11,711.48	490,359.64	2,253,922.77
St. Louis	2,511,508.72	1,380,103.67	1,131,405.05	27,802.01	476,185.32	683,021.74
Minneapolis	1,622,332.64	1,063,757.20	558,575.44	79,772.49	190,315.45	448,032.48
Kansas City	2,677,340.32	1,682,928.86	994,411.46	5,555.75	243,498.20	756,469.01
Dallas	2,127,049.00	1,178,730.94	948,318.06	5,919.03	97,026.35	857,210.74
San Francisco	1,554,860.03	2,405,243.82	2,149,616.21	89,642.39	683,259.35	1,555,999.25
TOTAL, 1926	47,599,308.18	27,360,216.90	20,239,091.28	466,541.64	4,093,888.11	16,611,744.81
" 1925	41,800,706.00	27,528,163.00	14,272,543.00	479,331.00	5,302,808.00	9,449,066.00

	Dividends paid	Franchise tax paid	Transferred to surplus account	Surplus account Jan. 1, 1927	Subscribed capital Jan. 1, 1927
Boston	\$525,022.91	\$45,962.38	\$585,887.39	\$17,606,006.93	\$17,600,900
New York	2,100,190.56	-	1,649,557.68	61,613,950.08	72,898,500
Philadelphia	730,598.51	-	803,135.16	21,267,328.43	25,210,300
Cleveland	808,504.67	-	852,257.04	23,745,854.56	27,235,500
Richmond	363,957.40	84,472.44	279,215.42	12,198,185.83	12,188,800
Atlanta	296,573.25	-	931,754.01	9,631,766.14	10,039,700
Chicago	985,959.07	-	1,267,963.70	31,880,795.53	33,432,100
St. Louis	314,419.42	-	368,602.32	9,939,012.47	10,586,200
Minneapolis	187,609.25	234,380.91	26,042.32	7,527,027.95	6,127,500
Kansas City	252,763.70	453,334.78	50,370.53	9,029,480.61	8,393,500
Dallas	257,502.03	-	599,708.71	8,215,000.88	8,603,100
San Francisco	505,067.94	-	1,049,931.31	16,120,924.42	17,311,900
TOTAL, 1926	7,329,168.71	818,150.51	8,464,425.59	228,775,333.85	249,628,000
" 1925	6,915,958.00	59,300.00	2,473,808.00	220,310,908.26	234,472,900

FEDERAL RESERVE BOARD  
DIVISION OF BANK OPERATIONS  
JANUARY 3, 1927.

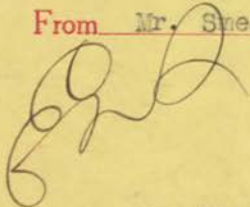
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## Office Correspondence

FEDERAL RESERVE  
BOARDDate January 15, 1927. *See A1* *121*To Mr. Hamlin

Subject: \_\_\_\_\_

From Mr. Shead2-8496  
G P O

In accordance with your memorandum of January 14 I am handing you herewith a copy of the memorandum on location of state bank and trust company members of the Federal Reserve System given Mr. Platt under date of November 5, 1926.

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November 5, 1926.

Mr. Flatt

Location of state bank and trust

Mr. Smead

company members of the Federal Reserve System.

In accordance with your request we have prepared the statement attached hereto showing the number of state bank and trust company members which are located in cities having a population of 25,000 or over and the number located in smaller cities and towns in each state.

Of the 156 cities with a population of 25,000 or over in which state bank members are located, 20 have clearing house associations which according to the Bankers directory conduct examinations of clearing house member banks. These cities, which are written in capital letters in the attached statement, had 188 state bank members on June 30 of which 95 were not members of the local clearing house. On the same date there were 243 state bank members in cities having a population of 25,000 or more in which the clearing house associations do not examine the member banks, and 972 state bank members in cities and towns having a population of less than 25,000, none of which are in cities in which the local clearing house conducts examinations of its member banks. In addition to the 20 cities referred to above, 12 others listed below, in which there are no state bank members, have clearing house associations which conduct bank examinations.

	<u>Population</u>		<u>Population</u>
Hutchinson, Kansas	25,970	Ogden, Utah	38,869
Kansas City, Kans.	123,743	Oklahoma City, Okla.	139,947
La Crosse, Wis.	30,421	St. Paul, Minn.	246,001
Minneapolis, Minn.	425,435	Seattle, Wash.	315,685
Nashville, Tenn.	136,220	Tulsa, Okla.	124,478
New Haven, Conn.	178,927	Wichita, Kans.	81,245

SUMMARY BY STATES

A. Banks in cities in which Clearing Houses conduct examinations of clearing house members.

State	Clearing house members		Clearing house non-members*	
	Number	Total resources	Number	Total resources
Massachusetts				
Boston	9	\$438,777,000	-	-
New York				
New York City	15	3,612,777,000	24	\$1,135,087,000
New Jersey				
Newark	7	172,221,000	-	-
Pennsylvania				
Philadelphia	6	309,806,000	9	169,423,000
Alabama				
Montgomery	1	2,668,000	1	1,250,000
Louisiana				
New Orleans	6	214,436,000	1	1,538,000

State	Clearing house members		Clearing house non-members*	
	Number	Total resources	Number	Total resources
Kentucky				
Louisville	-	-	4	59,364,000
Ohio				
Cleveland	5	775,922,000	3	37,576,000
Columbus	1	26,230,000	-	-
Indiana				
Indianapolis	1	24,000,000	-	-
Illinois				
Chicago	13	1,104,514,000	17	125,678,000
Michigan				
Detroit	8	564,145,000	3	78,007,000
Wisconsin				
Milwaukee	2	73,131,000	1	7,598,000
Missouri				
Kansas City	1	121,830,000	1	2,409,000
St. Louis	8	232,958,000	29	107,954,000
Colorado				
Denver	1	19,532,000	1	4,384,000
Oregon				
Portland	2	12,129,000	-	-
California				
Los Angeles	3	476,252,000	-	-
Pasadena	1	4,361,000	-	-
Utah				
Salt Lake City	3	25,802,000	2	8,675,000
<b>Total</b>	<b>93</b>	<b>8,211,491,000</b>	<b>95</b>	<b>1,737,693,000</b>

\*Includes banks which clear through members of the clearing house as follows:  
New Orleans - 1 ; Chicago - 11; Detroit - 1; Milwaukee - 1; and St. Louis - 6.

**B. Banks in cities in which the local clearing house, if any, does not conduct examinations of clearing house members.**

State	Banks in cities with a population of 25,000 or over		Banks in cities with a population under 25,000	
	Number	Total resources	Number	Total resources
Maine	2	\$30,036,000	2	\$5,365,000
New Hampshire	-	-	1	1,204,000
Massachusetts	13	146,416,000	4	17,291,000
Rhode Island	4	289,789,000	-	-
Connecticut	2	16,616,000	1	2,251,000

State	Banks in cities with a population of 25,000 or over		Banks in cities with a population under 25,000	
	Number	Total resources	Number	Total resources
New York	20	769,033,000	45	108,077,000
New Jersey	26	305,822,000	27	84,374,000
Pennsylvania	33	457,309,000	44	102,910,000
Delaware	3	37,374,000	1	1,695,000
Maryland	3	89,047,000	2	1,635,000
Virginia	6	70,148,000	6	3,332,000
West Virginia	3	26,315,000	14	12,496,000
North Carolina	3	70,015,000	6	9,284,000
South Carolina	1	3,754,000	15	16,290,000
Georgia	7	107,626,000	58	24,753,000
Florida	3	38,878,000	7	10,476,000
Alabama	5	57,899,000	16	8,682,000
Mississippi	-	-	6	12,633,000
Louisiana	2	8,748,000	3	3,127,000
Texas	2	7,547,000	111	44,898,000
Arkansas	6	42,303,000	27	22,561,000
Kentucky	1	3,559,000	2	4,036,000
Tennessee	4	80,414,000	6	2,776,000
Ohio	24	383,653,000	51	59,245,000
Indiana	8	44,688,000	9	6,468,000
Illinois	13	71,728,000	43	41,859,000
Michigan	19	218,340,000	129	168,594,000
Wisconsin	2	11,419,000	21	24,571,000
Minnesota	-	-	22	25,154,000
Iowa	5	50,770,000	75	69,428,000
Missouri	3	12,667,000	20	16,576,000
North Dakota	-	-	2	529,000
South Dakota	-	-	10	6,219,000
Nebraska	-	-	10	5,025,000
Kansas	-	-	7	4,677,000
Montana	2	15,471,000	29	20,469,000
Wyoming	-	-	2	618,000
Colorado	-	-	2	912,000
New Mexico	-	-	2	516,000
Oklahoma	-	-	3	1,232,000
Washington	3	16,399,000	41	29,918,000
Oregon	-	-	35	22,312,000
California	14	1,034,976,000	13	29,900,000
Idaho	-	-	19	10,684,000
Utah	-	-	21	15,190,000
Arizona	1	13,780,000	2	616,000
Total	243	4,532,539	972	1,060,858,000

NUMBER AND TOTAL RESOURCES OF STATE BANK AND TRUST COMPANY MEMBERS ON  
JUNE 30, 1926, IN CITIES HAVING A POPULATION OF 25,000 OR OVER

(Amounts in thousands of dollars)

City	Population	Number of banks	Total resources	City	Population	Number of banks	Total resources
<b>Maine</b>				<b>New Jersey</b>			
Bangor	26,664	1	13,434	Atlantic City	53,287	3	17,566
Portland	75,333	1	16,602	Bayonne	88,767	1	9,215
Other cities		2	5,365	Bloomfield	25,955	3	10,652
<b>New Hampshire</b>				Camden	128,642	1	16,704
Other cities		1	1,204	E. Orange	59,967	2	22,971
<b>Massachusetts</b>				Elizabeth	103,947	2	10,869
Arlington	25,125	1	4,289	Hoboken	68,166	1	8,359
BOSTON	781,529	9	438,777	Jersey City	315,280	3	94,909
Cambridge	120,053	2	21,601	Montclair	32,922	2	20,321
Fall River	129,662	1	8,090	NEWARK	452,513	7	172,221
Fitchburg	44,034	1	5,909	Passaic	68,979	1	10,630
Holyoke	60,892	1	11,365	Paterson	141,695	1	13,456
Lawrence	95,136	1	9,374	Perth Amboy	47,136	2	10,515
Lynn	103,147	1	9,702	Plainfield	31,748	3	23,789
Newton	53,364	1	17,049	Union City	63,117	1	35,866
Quincy	60,131	1	5,536	Other cities		27	84,374
Salem	42,821	1	6,790	<b>Pennsylvania</b>			
Waltham	34,926	1	8,108	Allentown	92,151	3	8,057
Worcester	192,242	1	38,603	Butler	25,230	1	6,451
Other cities		4	17,291	Chester	68,507	1	8,277
<b>Rhode Island</b>				Easton	36,810	1	9,111
Providence	267,918	4	289,789	Erie	112,571	1	6,576
<b>Connecticut</b>				Harrisburg	83,422	2	10,691
New Britain	68,039	1	6,518	Hasleton	36,143	3	19,299
Waterbury	98,411	1	10,098	New Castle	49,842	1	5,955
Other cities		1	2,251	Norristown	34,836	1	6,366
<b>New York</b>				PHILADELPHIA	1,979,364	15	479,229
Amsterdam	35,260	1	4,600	Pittsburgh	631,563	6	299,050
Binghamton	71,915	1	8,960	Reserve city	631,563	2	14,383
Buffalo	538,016	4	439,170	Outside res.city.		2	14,520
Elmira	48,359	1	11,603	Reading	112,707	2	17,311
Kingston	27,049	1	6,289	Scranton	142,266	1	17,311
NEW YORK	6,500,000	33	4,629,561	Wilkes Barre	77,644	2	7,083
Gen. Res. City		6	118,303	Williamsport	42,656	2	11,471
Reserve city		1	19,029	York	50,000	4	12,708
Niagara Falls	57,033	1	61,081	Other cities		44	102,910
Rochester	316,786	1	5,552	<b>Delaware</b>			
Rome	29,049	1	18,657	Wilmington	122,049	3	37,374
Schenectady	92,786	1	130,969	Other cities		1	1,695
Syracuse	182,003	3	41,252	<b>Maryland</b>			
Utica	101,604	3	10,886	Baltimore	796,296	3	89,047
Watertown	32,836	1	10,985	Other cities		2	1,635
White Plains	27,428	1	108,077				
Other cities		45					

NUMBER AND TOTAL RESOURCES OF STATE BANK AND TRUST COMPANY MEMBERS ON  
JUNE 30, 1926, IN CITIES HAVING A POPULATION OF 25,000 OR OVER

(Amounts in thousands of dollars)

City	Population	Number of banks	Total resources	City	Population	Number of banks	Total resources
<u>Virginia</u>				<u>Texas</u>			
Norfolk	164,105	1	8,352	El Paso	104,929	1	3,958
Petersburg	35,712	1	4,797	San Antonio	198,069	1	3,589
Richmond	186,403	4	56,999	Other cities		111	44,898
Other cities		6	3,332	<u>Arkansas</u>			
<u>West Virginia</u>				<u>Kentucky</u>			
Charleston	49,019	1	13,386	Ft. Smith	31,643	1	1,118
Wheeling	56,208	2	12,929	Little Rock	74,216	5	41,185
Other cities		14	12,496	Other cities		27	22,561
<u>North Carolina</u>				<u>Tennessee</u>			
Charlotte	53,318	2	22,938	Lexington	46,895	1	3,559
Winston-Salem	69,031	1	47,077	LOUISVILLE	259,259	4	59,364
Other cities		6	9,284	Other cities		2	4,036
<u>South Carolina</u>				<u>Ohio</u>			
Charleston	73,125	1	3,754	Akron	208,435	4	65,531
Other cities		15	16,290	Canton	106,260	1	5,791
<u>Georgia</u>				<u>Indiana</u>			
Atlanta	227,710	3	25,700	Cincinnati	409,333	6	150,274
Savannah	93,134	4	81,926	CLEVELAND	936,485		
Other cities		58	24,753	Reserve city	236,485	6	755,210
<u>Florida</u>				Outside res. cy.			
Jacksonville	95,450	1	1,227	COLUMBUS	279,836	1	26,230
Miami	69,754	1	8,760	Lima	46,717	1	4,020
Tampa	94,743	1	28,891	Mansfield	31,820	1	2,821
Other cities		7	10,476	Middletown	30,823	1	2,616
<u>Alabama</u>				Newark			
Birmingham	205,670	3	38,890	Portsmouth	30,461	1	3,705
Mobile	65,955	2	19,009	Steubenville	39,087	1	3,450
MONTGOMERY	46,481	1	2,668	Toledo	31,973	2	11,198
Other cities		16	8,682	Toledo	287,380	3	90,272
<u>Mississippi</u>				Warren			
Other cities		6	12,633	Youngstown	34,679	1	6,953
<u>Louisiana</u>				Other cities			
Baton Rouge	27,832	1	3,358		159,970	2	37,022
NEW ORLEANS	414,493	7	215,974			51	59,245
Shreveport	57,857	1	5,390	<u>Indiana</u>			
Other cities		3	3,127	<u>Illhart</u>			
				Evansville			
				Hammond			
				INDIANAPOLIS			
				Marion			
				Richmond			
				South Bend			
				Terre Haute			
				Other cities			



NUMBER AND TOTAL RESOURCES OF STATE BANK AND TRUST COMPANY MEMBERS ON  
JUNE 30, 1926, IN CITIES HAVING A POPULATION OF 25,000 OR OVER

(Amounts in thousands of dollars)

City	Population	Number of banks	Total resources	City	Population	Number of banks	Total resources
<u>Illinois</u>				<u>North Dakota</u>			
Belleville	26,969	1	4,470	Other cities		2	529
CHICAGO	2,995,239			<u>South Dakota</u>			
Gen. res. cy.	2,995,239	10	1,051,591	Other cities		10	6,219
Reserve city		20	178,601	<u>Nebraska</u>			
Cicero	62,238	2	6,345	Other cities		10	5,025
E. St. Louis	71,423	1	6,926	<u>Kansas</u>			
Evanston	43,883	2	14,237	Other cities		7	4,677
Joliet	40,578	2	14,380	<u>Montana</u>			
Oak Park	51,423	2	11,882	Butte	42,867	2	15,471
Quincy	37,478	1	11,307	Other cities		29	20,469
Rock Island	40,073	1	1,855	<u>Wyoming</u>			
Springfield	63,923	1	10,326	Other cities		2	618
Other cities		43	41,859	<u>Colorado</u>			
<u>Michigan</u>				DENVER	280,911	2	23,916
Bay City	48,907	3	19,118	Other cities		2	912
DETROIT	1,242,044	11	642,152	<u>New Mexico</u>			
Flint	130,316	4	40,628	Other cities		2	516
Grand Rapids	153,698	3	54,601	<u>Oklahoma</u>			
Highland Park	72,289	2	35,860	Other cities		3	1,232
Jackson	57,972	2	4,471	<u>Washington</u>			
Lansing	70,753	1	11,483	Everett	29,703	1	2,225
Pontiac	47,455	1	18,216	Spokane	108,97	2	14,174
Fort Huron	29,954	1	7,652	Other cities		41	29,911
Saginaw	72,100	2	26,311	<u>Oregon</u>			
Other cities		129	168,594	PORTLAND	282,383	2	12,129
<u>Wisconsin</u>				Other cities		35	22,312
Madison	46,385	1	6,168	<u>California</u>			
MILWAUKEE	509,192	3	80,729	Long Beach	91,182	1	11,739
Sheboygan	33,535	1	5,251	LOS ANGELES	674,641	3	476,252
Other cities		21	24,571	PASADENA	56,732	1	4,361
<u>Minnesota</u>				Sacramento	72,260	1	9,251
Other cities		22	25,154	San Francisco	558,410	11	1,012,339
<u>Iowa</u>				San Jose	43,551	1	1,647
Cedar Rapids	51,477	1	3,171	Other cities		13	29,900
Davenport	62,558	1	24,469	<u>Missouri</u>			
Des Moines	145,053	3	23,130	Joplin	29,902	1	5,870
Other cities		75	69,428	KANSAS CITY	367,481	2	124,239
<u>Missouri</u>				St. Joseph	78,342	1	2,678
Joplin	29,902	1	5,870	ST. LOUIS	821,543		
KANSAS CITY	367,481	2	124,239	Reserve city		12	242,519
St. Joseph	78,342	1	2,678	Outside res. cy		25	98,393
ST. LOUIS	821,543			So. St. Joseph	77,403	1	4,119
Reserve city		12	242,519	Other cities		20	16,576
Outside res. cy		25	98,393				
So. St. Joseph	77,403	1	4,119				
Other cities		20	16,576				

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NUMBER AND TOTAL RESOURCES OF STATE BANK AND TRUST COMPANY MEMBERS ON  
 JUNE 30, 1926 IN CITIES HAVING A POPULATION OF 25,000 OR OVER

(Amounts in thousands of dollars)

City	Population	Number of banks	Total resources	City	Population	Number of banks	Total resources
<u>Idaho</u>							
Other cities		19	10,684				
<u>Utah</u>							
SALT LAKE CITY	130,948	5	34,477				
Other cities		21	15,190				
<u>Arizona</u>							
Phoenix		1	13,780				
Other cities		2	616				

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## Office Correspondence

FEDERAL RESERVE  
BOARD

Date January 21, 1927.

To Mr. Hemlin

Subject: Amount of required reserves of National banks released in 1914 by the passage of the Federal Reserve Act.

From Mr. Smead

1-3495

The table appearing on page 10 of Abstract No. 91 of the Comptroller of the Currency, covering the condition of National banks on October 31, 1914, shows the amount of reserves required to be carried by National banks on October 31, 1914, under the law then in effect; the amount of reserves which would be required under the Federal Reserve Act, which became effective upon the organization of the Federal reserve banks in November 1914; and the amount of reserves released as a result of the lowered reserve requirements of the Federal Reserve Act. As therein calculated the amount of reserves released for all national banks was \$451,985,099, of which \$108,687,112 was released to banks in central reserve cities (New York, Chicago and St. Louis), \$196,124,032 to banks in the 51 other reserve cities, and \$147,173,955 to country banks. The actual reserves required under the national bank act were \$1,433,249,974 and under the Federal reserve act, \$981,264,875.

The immediate practical effect of the change in reserve requirements by the establishment of the Federal Reserve System was that national banks as a whole reduced their vault cash by about \$250,000,000, or approximately the amount of reserves deposited with the reserve banks. So far as the banks as a whole were concerned, therefore, the money transferred to the Federal reserve banks came from vault cash, and as vault cash plus reserve with the reserve banks amounted to \$924,000,000 as compared with required reserves of \$959,000,000, it follows that only about \$35,000,000 of the \$1,159,000,000 carried with correspondent banks was necessary to cover legal requirements. The banks, however, continued to carry considerable amounts on deposit with their correspondents in the larger financial centers, partly in order to take care of clearing arrangements, partly to maintain friendly relations with city banks in order to receive advice regarding investment policies, and partly for other purposes. The banks also kept on deposit with correspondents any surplus funds they had, partly as a secondary reserve, and partly for the interest which the correspondent banks paid on bank balances. Between October 31 and December 31, 1914, the national banks reduced their balances with correspondent banks by about \$42,000,000. Subsequently, in keeping with the substantial increase in deposits of national banks, the balances with correspondents gradually increased, probably very largely because the banks had surplus funds and could utilize them most advantageously by depositing them with correspondent banks, even at the relatively low rate of interest received. Later, as reserve requirements of the Federal reserve act were further reduced, the reserve with the Federal reserve banks plus cash in vault for all banks combined became materially less than vault cash requirements alone would have been under the national bank act. The change in the proportion of the banks' deposits which have been utilized as legal reserves and as deposits with correspondent banks has been gradual, until at the present time the cash in vault plus reserve amounts to 18.0 per cent of gross deposits of all banks combined, as compared with 27.5 per cent at the time of the organization of the Federal reserve banks, 25.0 per cent at the end of 1917, and 21.0 per cent in November 1920.

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The effect of the reduced reserve requirements under the Federal reserve act was substantially different than would have resulted from the import of an equal amount, i. e., \$450,000,000, of gold, as the immediate effect of the reduced reserve requirements was the transfer of about \$250,000,000 of cash from the vaults of member banks to the Federal reserve banks, with only a small immediate change in balances with correspondent banks, whereas gold imported would have gone largely into circulation as the national banks would not have carried any large amount of surplus cash on hand and the increase in circulation would necessarily have had a material effect upon prices and economic conditions in general.

January 5, 1927.

Mr. Eddy

SUBJECT: Bank Suspensions - December 1926  
Year 1926.

From: Mr. Smead

There is attached hereto for the information of the Board our monthly mimeographed statement which we forward to each Federal reserve agent for his information and for advice regarding necessary corrections therein, if any.

Instead of making the usual monthly summary we are showing below a brief summary of suspensions during 1926 compared with 1925 and 1924 based, of course, on preliminary figures.

BANK SUSPENSIONS

Year	All banks			Year	National banks		
	Number	Capital	Deposits		Number	Capital	Deposits
1926	946	\$32,475,000	\$292,088,000	1926	126	\$6,070,000	\$50,495,000
1925	612	24,441,000	172,900,000	1925	118	7,970,000	58,537,000
1924	777	28,373,000	213,444,000	1924	122	7,660,000	60,889,000
	State member banks				Nonmember banks		
	Number	Capital	Deposits		Number	Capital	Deposits
1926	35	2,549,000	23,743,000	1926	785	23,856,000	217,850,000
1925	28	1,950,000	8,727,000	1925	466	14,521,000	105,636,000
1924	37	2,645,000	13,580,000	1924	618	18,068,000	138,975,000

NUMBER OF BANK SUSPENSIONS BY FEDERAL RESERVE DISTRICTS AND BY STATES

District	1926	1925	1924	States	1926	1925	1924
Boston	-	2	1	Iowa	136	84	83
New York	-	-	6	South Dakota	115	64	111
Philadelphia	4	3	2	Georgia	102	31	29
Cleveland	8	14	6	Minnesota	92	50	55
Richmond	59	68	43	North Dakota	59	32	76
Atlanta	157	44	48	Missouri	58	45	43
Chicago	183	109	108	Kansas	46	19	16
St. Louis	77	53	53	South Carolina	43	43	24
Minneapolis	283	168	295	Florida	42	1	3
Kansas City	109	77	133	Texas	38	39	30
Dallas	50	50	53	Oklahoma	21	21	49
San Francisco	16	24	29	Montana	8	16	46
Total	946	612	777	All other	186	167	212
				Total	946	612	777

CLASSIFICATION OF BANK SUSPENSIONS, ACCORDING TO THE POPULATION OF THE PLACE IN WHICH LOCATED

Towns or cities of -	1926	1925	1924
Less than 500	367 - 39%	226 - 37%	335 - 43%
500 to 999	201 - 21%	130 - 21%	158 - 20%
1,000 to 1,499	114 - 12%	67 - 11%	71 - 9%
1,500 to 2,499	87 - 9%	56 - 9%	75 - 10%
2,500 and over	177 - 19%	133 - 22%	138 - 18%
Total	946 - 100%	612 - 100%	777 - 100%

CLASSIFICATION OF BANK SUSPENSIONS, ACCORDING TO CAPITAL STOCK

Banks with capital of -	1926	1925	1924
Less than \$25,000	382 - 40%	234 - 38%	320 - 41%
\$25,000	227 - 24%	135 - 22%	191 - 25%
\$25,001 to \$49,999	97 - 10%	46 - 8%	55 - 7%
\$50,000 to \$99,999	161 - 17%	133 - 22%	130 - 17%
\$100,000 to \$199,999	46 - 5%	43 - 7%	61 - 8%
\$200,000 to \$600,000	16 - 2%	18 - 3%	15 - 2%
Not available	17 - 2%	3 - -	5 - -
Total	946 - 100%	612 - 100%	777 - 100%

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