MINUTES
of the
FEDERAL RESERVE BOARD

PERSONNEL

Mr. W. G. McAdoo               Mr. Frederic A. Delano
Mr. John Skelton Williams      Mr. Paul M. Warburg
Mr. Charles S. Hamlin          Mr. W. P. G. Harding

Mr. Adolph C. Miller.
At the first meeting of the Federal Reserve Board, duly called by the Reserve Bank Organization Committee in accordance with Section 10 of the Federal Reserve Act and held in Room 296 of the Treasury Building, on Thursday, August 13, 1914, at 3 p. m.

PRESENT:

Mr. W. G. McAdoo  Mr. Frederic A. Delano
Mr. John Skelton Williams  Mr. Paul M. Warburg
Mr. C. S. Hamlin  Mr. W. P. G. Harding
Mr. Adolph C. Miller,

constituting the full Board.

Mr. W. G. McAdoo, Secretary of the Treasury and ex-officio Chairman of the Board acted as Chairman of the meeting.

On motion duly made and seconded Mr. M. C. Elliott was elected Secretary pro tem, and acted as Secretary to the meeting.

Dr. Henry B. Fine of Princeton University was placed in nomination for the position of permanent secretary, and there being no other nominations Dr. Fine was, on motion duly made and seconded, unanimously elected secretary of the Board. His compensation was, upon motion, fixed at $6,000
per annum, and pending the adoption of regular by-laws his term of office was fixed as at the pleasure of the Board.

Mr. Elliott, the Secretary pro tem, submitted, as Secretary of the Reserve Bank Organization Committee, a preliminary report to the Federal Reserve Board as follows:

REPORT OF THE RESERVE BANK ORGANIZATION COMMITTEE TO THE FEDERAL RESERVE BOARD.

Following the passage of the Federal Reserve Act, approved December 23, 1913, the Organization Committee met and organized on December 26, 1913, and began its work of designating not less than eight nor more than twelve Federal reserve cities; defining the geographical limits of the districts to be served, and organizing in each of such cities a Federal reserve bank, under the provisions of the Act referred to.

It was determined to be advisable at the first meeting of the Committee to hold hearings in various parts of the United States for the purpose of collecting and digesting the necessary information to enable it to carry out the purposes and intent of the Federal Reserve Act, and hearings were accordingly held in eighteen cities.

After full consideration a decision was reached and filed on April 2, 1914, with the Comptroller of the Currency. A copy of this decision, with an explanatory statement given to the press on April 10, 1914, is herewith filed for the information of the Board.

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Meeting AUG 13 1914
Sec'y.
DECISION OF THE RESERVE BANK ORGANIZATION COMMITTEE

DETERMINING THE FEDERAL RESERVE DISTRICTS

AND THE LOCATION OF THE FEDERAL RESERVE BANKS.

(Under the Federal Reserve Act approved December 23, 1913.)

The Federal Reserve Act directs the Reserve Bank Organization Committee to "designate not less than eight nor more than twelve cities to be known as Federal reserve cities"; to "divide the continental United States, excluding Alaska, into districts, each district to contain only one of such Federal Reserve cities," and to apportion the districts "with due regard to the convenience and customary course of business." The act provides that the districts may not necessarily be co-terminous with any State or States.

In determining the reserve districts and in designating the cities within such districts where Federal Reserve banks shall be severally located, the organization committee has given full consideration to the important factors bearing upon the subject. The committee held public hearings in eighteen of the leading cities from the Atlantic to the Pacific and from the Great Lakes to the Gulf, and was materially assisted thereby in determining the districts and the reserve cities.

Every reasonable opportunity has been afforded applicant cities to furnish evidence to support their claims as locations for Federal Reserve banks.

More than 200 cities, through their clearing-house associations, chambers of commerce, and other representatives, were heard. Of these, thirty-seven cities asked to be designated as the headquarters of a Federal Reserve bank.
The majority of the organization committee, including its chairman and the Secretary of Agriculture, were present at all hearings, and stenographic reports of the proceedings were made for more deliberate consideration. Independent investigations were, in addition, made through the Treasury Department, and the preference of each bank as to the location of the Federal Reserve Bank with which it desired to be connected was ascertained by an independent card ballot addressed to each of the 7,471 national banks throughout the country which had formally assented to the provisions of the Federal Reserve Act.

Among the many factors which governed the committee in determining the respective districts and the selection of the cities which have been chosen were:

First. The ability of the member banks within the district to provide the minimum capital of $4,000,000 required for the Federal Reserve Bank, on the basis of six per cent of the capital stock and surplus of member banks within the district.

Second. The mercantile, industrial, and financial connections existing in each district and the relations between the various portions of the district and the city selected for the location of the Federal Reserve Bank.

Third. The probable ability of the Federal Reserve Bank in each district, after organization and after the provisions of the Federal Reserve Act shall have gone into effect, to meet the legitimate demands of business, whether normal or abnormal, in accordance with the spirit and provisions of the Federal Reserve Act.

Fourth. The fair and equitable division of the available capital for the Federal Reserve banks among the districts created.

Fifth. The general geographical situation of the district, transportation lines, and the facilities for speedy communication between the Federal Reserve bank.
and all portions of the district.

Sixth. The population, area, and prevalent business activities of the district, whether agricultural, manufacturing, mining, or commercial, its record of growth and development in the past and its prospects for the future.

In determining the several districts the committee has endeavored to follow State lines as closely as practicable, and wherever it has been found necessary to deviate the division has been along lines which are believed to be most convenient and advantageous for the district affected.

The twelve Districts and the twelve Cities selected for the location of the Federal Reserve Banks are as follows:

DISTRICT No. 1.

The New England States: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, with the city of Boston as the location of the Federal Reserve bank.

This district contains 445 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Boston, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $9,924,543.

DISTRICT No. 2.

The State of New York, with New York City as the location of the Federal Reserve bank.

This district contains 477 national banks which have accepted the provisions of the Federal Reserve...
Act. The capital stock of the Federal Reserve Bank of New York, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $20,621,606; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $20,687,606.

DISTRICT No. 3.

- The States of New Jersey and Delaware and all that part of Pennsylvania located east of the western boundary of the following counties: McKean, Elk, Clearfield, Cambria, and Bedford, with the Federal Reserve bank in the city of Philadelphia.

This district contains 757 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Philadelphia, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $12,488,138; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $12,500,736.

DISTRICT No. 4.

- The State of Ohio; all that part of Pennsylvania lying west of district No. 3; the counties of Marshall, Ohio, Brooke, and Hancock, in the State of West Virginia; and all that part of the State of Kentucky located east of the western boundary of the following counties: Boone, Grant, Scott, Woodford, Jessamine, Garrard, Lincoln, Pulaski, and McCreary; with the city of Cleveland, Ohio, as the location of the Federal Reserve bank.

This district contains 767 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Cleveland, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the
district, will amount to $12,007,364; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $12,100,364.

DISTRICT No. 5.

The District of Columbia, and the States of Maryland, Virginia, North Carolina, South Carolina, and all of West Virginia except the counties of Marshall, Ohio, Brooke, and Hancock, with the Federal Reserve bank located in the city of Richmond, Va.

This district contains 475 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Richmond, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $6,303,301; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $6,542,713.

DISTRICT No. 6.

The States of Alabama, Georgia, and Florida; all that part of Tennessee located east of the western boundary of the following counties: Stewart, Houston, Wayne, Humphreys, and Perry; all that part of Mississippi located south of the northern boundary of the following counties: Issaquena, Sharkey, Yazoo, Kamper, Madison, Leake, and Neshoba; and all of the southeastern part of Louisiana located east of the western boundary of the following parishes: Pointe Coupee, Iberville, Assumption, and Terrebonne, with the city of Atlanta, Ga., as the location of the Federal Reserve bank.

This district contains 372 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Atlanta, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $4,641,193; and if there be added six per
cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $4,702,556.

DISTRICT No. 7.

The State of Iowa; all that part of Wisconsin located south of the northern boundary of the following counties: Vernon, Sauk, Columbia, Dodge, Washington, and Ozaukee; all of the southern peninsula of Michigan, viz., that part east of Lake Michigan; all that part of Illinois located north of a line forming the southern boundary of the following counties: Hancock, Schuyler, Cass, Sangamon, Christian, Shelby, Cumberland, and Clark; and all that part of Indiana north of a line forming the southern boundary of the following counties: Vigo, Clay, Owen, Monroe, Brown, Bartholomew, Jennings, Ripley, and Ohio, with the Federal Reserve bank located in the city of Chicago, Ill.

This district contains 952 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Chicago, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $12,479,976; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $12,967,701.

DISTRICT No. 8.

The State of Arkansas; all that part of Missouri located east of the western boundary of the following counties: Harrison, Daviess, Caldwell, Ray, Lafayette, Johnson, Henry, St. Clair, Cedar, Dade, Lawrence, and Barry; all that part of Illinois not included in district No. 7; all that part of Indiana not included in district No. 7; all that part of Kentucky not included in district No. 4; all that part of Tennessee not included in district No. 6; and all that part of Mississippi not included in district No. 6, with the city of St. Louis, Mo., as the location of the Federal Reserve bank.
This district contains 458 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of St. Louis, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $4,990,761; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $6,367,006.

DISTRICT No. 9.

The States of Montana, North Dakota, South Dakota, Minnesota; all that part of Wisconsin not included in district No. 7, and all that part of Michigan not included in district No. 7, with the city of Minneapolis, Minn., as the location of the Federal Reserve bank.

This district contains 667 national banks, which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Minneapolis, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $4,702,925.

DISTRICT No. 10.

The States of Kansas, Nebraska, Colorado, and Wyoming; all that part of Missouri not included in district No. 8; all that part of Oklahoma north of a line forming the southern boundary of the following counties: Ellis, Dewey, Blaine, Canadian, Cleveland, Pottawatomie, Seminole, Okfuskee, McIntosh, Muskogee, and Sequoyah; and all that part of New Mexico north of a line forming the southern boundary of the following counties: McKinley, Sandoval, Santa Fe, San Miguel, and Union, with the city of Kansas City, Mo., as the location of the Federal Reserve bank.

This district contains 636 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Kansas City, on the basis of six per cent of the total capital stock...
and surplus of the assenting national banks in the district, will amount to $5,590,015; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $5,600,977.

DISTRICT No. 11.

The State of Texas; all that part of New Mexico not included in district No. 10; all that part of Oklahoma not included in district No. 10; all that part of Louisiana not included in district No. 6; and the following counties in the State of Arizona: Pima, Graham, Greenlee, Cochise, and Santa Cruz, with the city of Dallas, Tex., as the location of the Federal Reserve bank.

This district contains 731 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Dallas, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $5,540,020; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $5,653,924.

DISTRICT No. 12.

The States of California, Washington, Oregon, Idaho, Nevada, and Utah, and all that part of Arizona not included in district No. 11, with the city of San Francisco, Cal., as the location of the Federal Reserve bank.

This district contains 514 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of San Francisco, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to $7,825,375; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be $8,115,494.
The committee was impressed with the growth and development of the States of Idaho, Washington, and Oregon, but on the basis of six per cent of the capital stock and surplus of national banks and State banks and trust companies which have applied for membership, that section could not provide the $4,000,000 minimum capital stock required by the law. With the continued growth of that region it is reasonable to expect that in a few years the capital and surplus of its member banks will be sufficient to justify the creation of an additional Federal Reserve district, at which time application may be made to the Congress for a grant of the necessary authority.

It is no part of the duty of the organization committee to locate branches of the Federal Reserve banks. The law specifically provides that "each Federal Reserve bank shall establish branch banks within the Federal Reserve district in which it is located." All the material collected by the committee will be placed at the disposal of the Federal Reserve banks and the Federal Reserve Board when they are organized and ready to consider the establishment of branch banks.

Reference is made to the Map of the Districts and to tables A, B, C, D, E, and F hereto attached.

W. G. McADOO,
D. F. HOUSTON,
JNO. SKELTON WILLIAMS,
Reserve Bank Organization Committee.

Washington, D. C., April 2, 1914.
On April 10, 1914, The Federal Reserve Bank Organization Committee made public the following statement relating to its decision of April 2, 1914, defining the boundaries of the Federal reserve districts and designating the location of the Federal reserve banks.

Washington, D. C., April 10, 1914.

Congress imposed on the committee the duty of dividing the country into not less than 6 nor more than 12 districts, and the location of a Federal reserve bank in each. Thirty-seven cities asked to be chosen. The committee could select at most only 12. Necessarily 25 cities had to be disappointed.

Following its policy declared at the very outset, the committee refused to be influenced by the purely local and selfish claims of cities or individuals, and discharged the duty imposed upon it by Congress after exhaustive investigation and study of the entire country, with unbiased minds and according to its best judgment. With so many conflicting claims, somebody had to judge. Congress constituted the committee a court and gave the Federal Reserve Board the power of review. Disappointed competitors should seek a remedy through the orderly processes the law prescribes.

Considerable comment has been occasioned by the failure of the committee to create districts suggested by New Orleans, with New Orleans as the location for a reserve bank; by Baltimore, with Baltimore as the location for a reserve bank; by Omaha, with Omaha as the location for a reserve bank; and by Denver, with Denver as the location for a reserve bank.

The committee realized that the division of the country into districts was far more important and complex than the designation of the reserve cities, and that the latter duty was subsidiary and relatively simple, waiving considerations of local pride or prestige. In arranging the districts the consideration of the character and growth of industry, trade, and banking, no
less than the traditions, habits, and common understand-
ings of the people was much more intimately involved.

It became clear, in the hearings, that comparatively
few people realized, or seemed to realize, what the act
was intended to accomplish; what the nature and functions
of the reserve banks were to be; and how little change
would occur in the ordinary financial relations of the
communities, the business establishments, and the in-
dividual banks.

Critics of the decision of the committee reveal
misunderstanding in these directions, and either do not
know, or appear not to know, that the Federal reserve
banks are bankers' banks and not ordinary commercial
banks; that they are to hold the reserves and to clear
the checks of member banks, make rediscounts for them,
and engage in certain open-market operations. As a
matter of fact, the ordinary every-day banking relations
of the community, of business men, and of banks will not
be greatly modified or altered. The purpose of the sys-
tem is to remove artificiality, promote normal relations,
and create better conditions under which everybody will
transact business.

Every city can continue to do business with individ-
uals, firms, or corporations, within its own limits, or
in its own region, or in any other part of the Union or
the world in which it has heretofore done business.

Reserves are to be held in a new way and in new
places, so far as this act controls them, but banking
and business generally will no more be confined within
districts than heretofore, and it is simply misleading
for any city or individual to represent that the future
of a city will be injuriously affected by reason of its
failure to secure a Federal reserve bank. Every city
which has the foundations for prosperity and progress
will continue to grow and expand, whether it has such
a reserve bank or not, and well-informed bankers, especially,
are aware of this.

The facts which the committee had to consider will
throw light on its decision in reference to these cities.
NEW ORLEANS' CLAIMS.

New Orleans selected a district extending from New Mexico to the Atlantic Ocean, including all of Texas, Louisiana, Mississippi, Alabama, Florida, Georgia, and that part of Tennessee south of the Tennessee River.

It was represented by Texas that it would do great violence to her trade to connect her with New Orleans. It was claimed, and evidence was submitted in support of the claim, that her trade was with her own cities or with Kansas City and St. Louis. In a poll of the banks of Texas made by the Comptroller of the Currency, 212 banks expressed a first choice, 121 a second choice, and 30 a third choice for Dallas. No bank in Texas expressed a first choice for New Orleans, only 4 a second choice, and 44 a third choice. The whole State protested against being related to New Orleans.

The banks of Alabama generally desired to be connected either with Birmingham or Atlanta, only three expressing a first choice for New Orleans. The banks of Georgia desired to be connected with Atlanta, none expressing a first or second choice for New Orleans, and only 12 a third choice. They represented that it would do violence to them to be connected with a city to the west and claimed that their relations were mainly with Atlanta or cities to the northeast. Of 44 banks in Florida 19 gave Atlanta as their first choice, 19 as their second choice, and 5 as their third choice. Only 5 expressed a first preference for New Orleans, and these were in the western corner, 4 a second choice, and 3 a third choice. No bank in Tennessee expressed a first or second choice for New Orleans, and only 2 a third choice, while 7 expressed a first choice for Atlanta, 14 a second choice, and 13 a third choice. Generally speaking, the only banks which desired to be connected with New Orleans and expressed a first preference for her were 25 of the 26 banks reporting in Louisiana, and 19 of the 32 in Mississippi. On a poll made from the comptroller's office of all banks expressing their preference as to the location for a Federal reserve city, 124 expressed a first preference for Atlanta, 232 for Dallas, and only 52 for New Or-
leans. The views of the bankers were supported by chambers of commerce, other business organizations, and by many business men.

It will thus be seen that if the committee was to give weight to the views of business men and bankers in the section of the country affected, to consider the opposition of the States of Texas, Alabama, Georgia, Florida, and Tennessee, and to be guided by economic considerations, it could not have designated New Orleans as the location for a reserve bank to serve either the western or the eastern part of the district that city asked for. The course of business is not from the Atlantic seaboard toward New Orleans, nor largely from the State of Texas to that city, and if Dallas and Atlanta had been related to New Orleans a better grounded complaint could and would have been lodged by them against the committee's decision than that made by New Orleans.

Some of the banking statistics which the committee had to consider throw light on the problem. It should be borne in mind that the committee could consider primarily only the statistics with reference to assenting banks. In this section of the country, as in most others, the assenting banks were the national banks. In March, 1914, the capital stock and surplus, loans and discounts, and individual deposits of the national banks in the three cities named, as shown by the sworn reports to the Comptroller of the Currency, were as follows:

<table>
<thead>
<tr>
<th>City</th>
<th>Capital and Surplus</th>
<th>Loans and Discounts</th>
<th>Individual Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>$3,600,000</td>
<td>$26,038,000</td>
<td>$24,340,000</td>
</tr>
<tr>
<td>Dallas</td>
<td>$5,900,000</td>
<td>$18,622,000</td>
<td>$16,551,000</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$6,730,000</td>
<td>$17,265,000</td>
<td>$16,857,000</td>
</tr>
</tbody>
</table>

Even more significant are the statistics of growth from September, 1904, to March, 1914.
CAPITAL AND SURPLUS.

<table>
<thead>
<tr>
<th>City</th>
<th>Capital, 1904</th>
<th>Surplus, 1914</th>
<th>Percentage of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>$2,410,000</td>
<td>$8,600,000</td>
<td>256%</td>
</tr>
<tr>
<td>Dallas</td>
<td>$2,676,000</td>
<td>$5,900,000</td>
<td>120%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$6,250,000</td>
<td>$6,730,000</td>
<td>8%</td>
</tr>
</tbody>
</table>

LOANS AND DISCOUNTS.

<table>
<thead>
<tr>
<th>City</th>
<th>Loans, 1904</th>
<th>Discounts, 1914</th>
<th>Percentage of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>$10,329,000</td>
<td>$26,038,000</td>
<td>152%</td>
</tr>
<tr>
<td>Dallas</td>
<td>$7,653,000</td>
<td>$16,622,000</td>
<td>143%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$20,088,000</td>
<td>$17,285,000</td>
<td>Decrease, 13%</td>
</tr>
</tbody>
</table>

INDIVIDUAL DEPOSITS.

<table>
<thead>
<tr>
<th>City</th>
<th>Deposits, 1904</th>
<th>Deposits, 1914</th>
<th>Percentage of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>$9,931,000</td>
<td>$24,348,000</td>
<td>145%</td>
</tr>
<tr>
<td>Dallas</td>
<td>$7,157,000</td>
<td>$16,551,000</td>
<td>159%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$19,425,000</td>
<td>$16,857,000</td>
<td>Decrease, 13%</td>
</tr>
</tbody>
</table>

The loans and discounts in the national banks of New Orleans at the time of the report, March 4, 1914, were less than those of the national banks of either Atlanta or Dallas.

While the committee could not figure on the resources of other than assenting banks which are in this section, the national banks, the following statistics of all reporting banks, including national banks, State banks, and trust companies, as of June 4, 1913, were regarded as significant and were given consideration:

Atlanta reported capital stock and surplus $15,313,-
000, or $96 per capita; Dallas $9,997,000, or $108 per capita; and New Orleans $20,532,000, or $60 per capita. Individual deposits, per capita, Atlanta, $163; Dallas,
The loans and discounts for all reporting banks for the three cities were as follows: Atlanta, $33,494,000, or $216 per capita; Dallas, $27,517,000, or $299 per capita; New Orleans, $64,845,000, or $194 per capita.

The committee found that the total loans and discounts made by national banks in the cities named in the 13 Southern States on January 13, 1914, were as follows:

- Atlanta: $26,117,000
- Dallas: $19,123,000
- New Orleans: $19,477,000

while the total loans made by the national banks of Dallas throughout the entire United States on the date mentioned exceeded the loans made by the national banks of New Orleans.

Special reports, made under oath to the Comptroller of the Currency also show that on February 14, 1914, the credit balances of the banks and trust companies in the 13 Southern States with the national banks of Dallas exceeded in amount the credit balances of all banks and trust companies in those same States with the national banks of New Orleans.

In view of the comparisons and criticisms from New Orleans in connection with the designation of Dallas, Atlanta, and Richmond, and the omission of New Orleans and Baltimore, the following table is instructive:

(See opposite page.)
NATIONAL BANK STATISTICS FOR STATES OF TEXAS, VIRGINIA, MARYLAND, GEORGIA, LOUISIANA
AND MISSISSIPPI AS OF MARCH 4, 1914.

(According to sworn reports made to the Comptroller of the Currency.)

<table>
<thead>
<tr>
<th>State of Texas (including Dallas)</th>
<th>Area (square miles)</th>
<th>Population census 1910</th>
<th>Capital and surplus</th>
<th>Individual deposits</th>
<th>Loans and discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Virginia (including Richmond)</td>
<td>265,780</td>
<td>3,896,542</td>
<td>$76,785,584</td>
<td>$197,663,338</td>
<td>$215,114,326</td>
</tr>
<tr>
<td>State of Maryland (including Baltimore)</td>
<td>42,450</td>
<td>2,061,612</td>
<td>29,732,696</td>
<td>90,887,858</td>
<td>107,410,063</td>
</tr>
<tr>
<td>State of Georgia (including Atlanta)</td>
<td>12,210</td>
<td>1,295,346</td>
<td>28,267,420</td>
<td>82,217,376</td>
<td>91,526,942</td>
</tr>
<tr>
<td>State of Louisiana (including New Orleans)</td>
<td>59,475</td>
<td>2,609,121</td>
<td>24,479,735</td>
<td>51,582,061</td>
<td>61,652,579</td>
</tr>
<tr>
<td>State of Mississippi</td>
<td>46,810</td>
<td>1,797,114</td>
<td>5,168,192</td>
<td>17,045,324</td>
<td>13,669,200</td>
</tr>
</tbody>
</table>

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From the above statement it will be seen that in each item, capital and surplus, individual deposits, and loans and discounts, the national banks of Virginia, including Richmond, largely surpass the national banks of Maryland, including Baltimore.

The capital and surplus of the national banks of the State of Virginia are 60 per cent greater than the capital and surplus of the national banks of the States of Louisiana and Mississippi combined, including the city of New Orleans, while the loans and discounts by the national banks of Virginia are more than three times as great as the loans and discounts in the national banks of Louisiana, including New Orleans.

While the capital and surplus of the national banks of Georgia largely exceed the combined capital and surplus of the national banks of the States of both Mississippi and Louisiana, the loans and discounts made by the National banks of Georgia exceed by $13,000,000 the loans and discounts of all the national banks of Louisiana and Mississippi combined, including the city of New Orleans.

The capital and surplus of the national banks of Texas amount to four times as much as the capital and surplus of the national banks of the States of Louisiana and Mississippi combined, and the individual deposits in the national banks of Texas also amount to about four times as much as the individual deposits of all national banks in Louisiana and Mississippi, the only States from which New Orleans received as much as half a dozen votes as first choice for the location for a Federal reserve bank.

KANSAS CITY DISTRICT.

The region in the middle and far West presented problems of difficulty. Careful consideration was given to the claims of Omaha, Lincoln, Denver, and Kansas City, which conflicted in this region. Denver asked for a district which included Idaho, Montana, Utah, Wyoming, Colorado, New Mexico, and the eastern two-thirds of Arizona and Texas, Kansas and Nebraska west of the one-hundredth meridian, and
the Deadwood portion of South Dakota. The district gave approximately the minimum capital provided by law. Of the territory included in this district Montana unanimously requested to be connected with Minneapolis or Chicago, saying that she had little or no trade relations with Denver. Idaho desired to go to Portland or San Francisco; Arizona preferred San Francisco, and the greater part of New Mexico asked for Kansas City. Western Texas, Kansas, and Nebraska unanimously protested against going to Denver. Kansas desired Kansas City; Nebraska preferred Omaha or Lincoln; and Texas wanted either a Texas city or Kansas City or St. Louis.

In the poll of banks, Denver received 136 first-choice votes, of which 112 were from Colorado and 12 from Wyoming. With Montana, Idaho, Arizona, Texas, Kansas, and Nebraska in opposition, it was clearly impossible to make a district with Denver as the location of a bank. Part of the territory asked to be assigned to San Francisco and the other part to Minneapolis or Kansas City.

Omaha asked for a district embracing western Iowa, all of Nebraska, part of South Dakota, part of Kansas, Colorado, Utah, Wyoming, Idaho, and Montana. All but eight of the banks in South Dakota insisted upon being connected with Minneapolis; Iowa desired to go to Chicago; Kansas practically unanimously voted for Kansas City; Montana protested against any other connection than Minneapolis or Chicago. The preferences of the other States have already been indicated.

Of the 216 banks which expressed a first preference for Omaha, 181 were from Nebraska. The committee had to consider the State of Oklahoma and part of Missouri in connection with this region, and in district No. 10, 497 banks expressed a first preference for Kansas City; western Missouri, Oklahoma, and Kansas, and part of New Mexico, especially asked for this connection. Thirty-seven banks in Colorado gave Kansas City as second choice and 26 gave Omaha.

It seemed impossible to serve the great section from Kansas City to the mountains in any other way than by creating a district with Kansas City as the headquarters, or to
provide for the northwestern section except by creating a district with Minneapolis as headquarters. The only other thing that could have been done with Nebraska under the conditions which presented themselves was to relate her to Chicago, and this seemed to be inadvisable in the circumstances. The Kansas City banks serve a very distinctive territory and will serve it more satisfactorily than St. Louis could have done. The relations of that territory on the whole are much more largely with Kansas City than with any other city in the Middle West with which it could have been connected. It will, of course, be recognized by those who are informed that of the four cities Kansas City is the most dominant banking and business center. The following statistics as of March, 1914, will throw light on the situation:

<table>
<thead>
<tr>
<th>City</th>
<th>Capital and Surplus</th>
<th>Loans and Individual Discounts</th>
<th>Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kansas City</td>
<td>$11,660,000</td>
<td>$86,205,000</td>
<td>$40,415,000</td>
</tr>
<tr>
<td>Omaha</td>
<td>6,570,000</td>
<td>22,848,000</td>
<td>27,220,000</td>
</tr>
<tr>
<td>Denver</td>
<td>7,545,000</td>
<td>23,022,000</td>
<td>34,124,000</td>
</tr>
<tr>
<td>Lincoln</td>
<td>1,330,000</td>
<td>6,066,000</td>
<td>4,429,000</td>
</tr>
</tbody>
</table>

The statistics of growth during the nine years from September, 1904, to March, 1914, are significant.

<table>
<thead>
<tr>
<th>City</th>
<th>September, 1904</th>
<th>March, 1914</th>
<th>Percentage of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kansas City</td>
<td>$3,900,000</td>
<td>$11,660,000</td>
<td>199</td>
</tr>
<tr>
<td>Omaha</td>
<td>3,680,000</td>
<td>6,570,000</td>
<td>69</td>
</tr>
<tr>
<td>Denver</td>
<td>3,325,000</td>
<td>7,545,000</td>
<td>127</td>
</tr>
<tr>
<td>Lincoln</td>
<td>768,000</td>
<td>1,330,000</td>
<td>73</td>
</tr>
</tbody>
</table>
LOANS AND DISCOUNTS.

<table>
<thead>
<tr>
<th>City</th>
<th>Loans and discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kansas City</td>
<td>$35,698,000</td>
</tr>
<tr>
<td>Omaha</td>
<td>$66,205,000</td>
</tr>
<tr>
<td>Denver</td>
<td>$32,648,000</td>
</tr>
<tr>
<td>Lincoln</td>
<td>$28,022,000</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>$122,373,000</td>
</tr>
</tbody>
</table>

INDIVIDUAL DEPOSITS.

<table>
<thead>
<tr>
<th>City</th>
<th>Individual Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kansas City</td>
<td>$30,730,000</td>
</tr>
<tr>
<td>Omaha</td>
<td>$40,415,000</td>
</tr>
<tr>
<td>Denver</td>
<td>$27,258,000</td>
</tr>
<tr>
<td>Lincoln</td>
<td>$34,124,000</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>$132,523,000</td>
</tr>
</tbody>
</table>

The loans and discounts of all reporting banks and trust companies in Kansas City on June 4, 1913, amounted to $91,686,000, exceeding by about $7,000,000 the total loans and discounts of all banks and trust companies in the cities of Omaha, Denver, and Lincoln combined.

The loans and discounts of the national banks alone in Kansas City also exceeded the sum total of the loans and discounts of all national banks in the cities of Omaha and Denver combined.

The great preponderance in the movement of trade in district No. 10 is to the east. In order to place the Federal reserve bank for that region in Denver it would have been necessary to disregard these facts and the opposition and earnest protests of banks, both national and State, throughout the district.

THE RICHMOND DISTRICT.

The committee named as cities for the location of Federal reserve banks New York, Chicago, Philadelphia, St. Louis, Boston, and Cleveland. In population these are the six largest cities in the United States; their
geographical situation and all other considerations fully justified their selection.

San Francisco and Minneapolis were the first choice of the great majority of the national banks in their respective sections, and their financial, industrial, and commercial relations and other factors entitled them to be chosen. Their selection appears to have evoked no criticism, but to have received general approval. Conditions relating to the Kansas City, Dallas, and Atlanta districts have been dealt with.

For the territory from eastern Georgia to the Pennsylvania line, the committee, after fully considering all the facts, decided to create a district with the Federal reserve bank at Richmond. South Carolina and North Carolina had protested against being connected with a bank to the south or west. They said that their course of trade was northeast. It seemed undesirable to place a bank in the extreme northeastern corner or at Baltimore, not only because of its proximity to Philadelphia, but also because the industrial and banking relations of the greater part of the district were more intimate with Richmond than with either Washington or Baltimore. The States of Maryland, Virginia, West Virginia, North and South Carolina, and the District of Columbia had to be considered. North Carolina, South Carolina, and Virginia preferred to be connected with Richmond. West Virginia was divided in its preferences: Maryland and the District of Columbia, of course, desired Baltimore or Washington. In the poll of banks made directly by the comptroller’s office, Richmond received more first-choice ballots than any other city in the district - 167 against 128 for Baltimore, 35 for Pittsburgh, 28 for Columbia, S. C., 37 for Cincinnati, and 25 for Washington, D. C. Of the remaining 21 votes, 19 were for Charlotte, N. C., and 2 for New York. Leaving out the States of Maryland and Virginia, Richmond received from the rest of the district three times as many first-choice votes as were cast for Baltimore.

District No. 5 is composed of the States of Maryland, Virginia, West Virginia (except four counties), North and South Carolina, and the District of Columbia. These States
have always been closely bound together commercially and financially and their business dealings are large and intimate. The reports made to the Comptroller of the Currency on March 4, 1914, by all the national banks in each of these States show in every essential respect that the business of the national banks of Virginia, including Richmond, is greater than the business of the national banks of Maryland, including Baltimore, or any other of the five States embraced in district No. 5, as appears in the following table:

<table>
<thead>
<tr>
<th>State</th>
<th>Capital surplus plus, and undivided profits</th>
<th>Loans and discounts</th>
<th>Total individual deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia</td>
<td>$33,544,631</td>
<td>$107,410,063</td>
<td>$90,887,658</td>
</tr>
<tr>
<td>Maryland</td>
<td>31,390,057</td>
<td>91,326,942</td>
<td>63,217,376</td>
</tr>
<tr>
<td>West Virginia</td>
<td>13,209,546</td>
<td>56,739,538</td>
<td>61,421,332</td>
</tr>
<tr>
<td>North Carolina</td>
<td>13,527,086</td>
<td>44,051,036</td>
<td>36,031,154</td>
</tr>
<tr>
<td>South Carolina</td>
<td>10,332,439</td>
<td>23,580,456</td>
<td>23,330,916</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>12,685,411</td>
<td>25,233,436</td>
<td>29,520,853</td>
</tr>
</tbody>
</table>

Advocates of New Orleans have criticized the decision of the organization committee and have given out comparative figures as to New Orleans, Richmond, and other cities which are incorrect and misleading. An analysis and study of the actual figures will be found instructive and can lend no support to the claims of New Orleans.

From the sworn special reports recently submitted to the Comptroller of the Currency, it appears that the national banks in Richmond were lending in the 13 Southern States, on January 13, 1914, more money than was being loaned in those States by the national banks of any other city in the country except New York. The total loans and discounts in the 13 Southern States by the four cities referred to are as follows:

<table>
<thead>
<tr>
<th>City</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richmond</td>
<td>$33,473,000</td>
</tr>
<tr>
<td>Baltimore</td>
<td>6,691,000</td>
</tr>
<tr>
<td>New Orleans</td>
<td>19,477,000</td>
</tr>
<tr>
<td>Washington</td>
<td>915,000</td>
</tr>
</tbody>
</table>
The figures also show that in these portions of district No. 5 outside of the States of Virginia and Maryland the Richmond national banks are lending twice as much money as all the national banks in Baltimore and Washington combined. They also show that although Richmond is not a reserve city, the banks and trust companies in the 13 Southern States had on deposit in the national banks of Richmond on February 14, 1914, $8,876,000, or slightly more than the banks of this section had on deposit in the city of Baltimore, and four times as much as they carried in Washington, although these two cities have long enjoyed the benefits of being reserve cities. That southern banks should carry larger balances in Richmond, where they could not be counted in their reserves, rather than in Baltimore or Washington, where they could be counted, is suggestive.

The figures show that the capital and surplus of all reporting banks - national, State, and savings, and trust companies - per capita, in Richmond, as of June 4, 1913, was $151; in Baltimore, $385; in Washington, $380; and in New Orleans, $360, while the loans and discounts made by all banks and trust companies in Richmond, on the same date, amounted to $395 per capita, against $190 in Washington, $213 in Baltimore, and $314 in New Orleans.

The amount of money which banks and trust companies in the various parts of the country carried on deposit with Richmond, a non-reserve city, on February 14, 1914, amounted to $10,970,000, or nearly twice as much as the balances carried by outside banks with the national banks of Washington, which on the same day amounted to $5,516,000, and one and one-half times as much as they carried on the same day with the national banks of New Orleans, a reserve city.

The statistics furnished the organization committee show that on March 4, 1914, the capital and surplus of the national banks of Richmond, per capita, amounted to more than twice as much as the capital and surplus, per capita, of the national banks of either
Baltimore or Washington, and three and a half times as much as New Orleans, while the individual deposits of the national banks of Richmond amounted to $201 per capita, against $86 for Washington and $75 for Baltimore and $50 for New Orleans. The loans and discounts in the national banks of Richmond on the same date were reported at $279 per capita, against $77 for Washington, $108 for Baltimore and $51 for New Orleans.

Especially significant are the following statistics showing the growth in capital and surplus, loans and discounts, and individual deposits of national banks in the four cities named:

### CAPITAL AND SURPLUS.

<table>
<thead>
<tr>
<th>City</th>
<th>September 1904</th>
<th>March 1914</th>
<th>Percentage of increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richmond</td>
<td>$3,115,000</td>
<td>$9,314,000</td>
<td>199</td>
</tr>
<tr>
<td>Washington</td>
<td>$6,215,000</td>
<td>$11,365,000</td>
<td>83</td>
</tr>
<tr>
<td>Baltimore</td>
<td>$18,282,000</td>
<td>$19,205,000</td>
<td>5</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$6,250,000</td>
<td>$6,730,000</td>
<td>8</td>
</tr>
</tbody>
</table>

### LOANS AND DISCOUNTS.

<table>
<thead>
<tr>
<th>City</th>
<th>December 1904</th>
<th>March 1914</th>
<th>Percentage of increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richmond</td>
<td>$12,946,000</td>
<td>$35,693,000</td>
<td>175</td>
</tr>
<tr>
<td>Washington</td>
<td>$15,018,000</td>
<td>$25,405,000</td>
<td>69</td>
</tr>
<tr>
<td>Baltimore</td>
<td>$48,755,000</td>
<td>$60,312,000</td>
<td>23</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$20,088,000</td>
<td>$17,285,000</td>
<td>Decrease 13</td>
</tr>
</tbody>
</table>

### INDIVIDUAL DEPOSITS.

<table>
<thead>
<tr>
<th>City</th>
<th>September 1904</th>
<th>September 1914</th>
<th>Percentage of decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richmond</td>
<td>$11,257,000</td>
<td>$25,705,000</td>
<td>128</td>
</tr>
<tr>
<td>Washington</td>
<td>$20,017,000</td>
<td>$28,491,000</td>
<td>42</td>
</tr>
<tr>
<td>Baltimore</td>
<td>$40,910,000</td>
<td>$42,553,000</td>
<td>4</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$19,425,000</td>
<td>$16,857,000</td>
<td>Decrease 13</td>
</tr>
</tbody>
</table>
In other words, the figures show that the national banks of Richmond were lending on March 4, 1914, twice as much money as all the national banks in the city of New Orleans, and 40 per cent more than all the national banks of Washington.

In the original decision of the committee the various economic and other factors which entered into and determined the committee's action were enumerated and need not be repeated here. This statement is made for the purpose of disclosing some of the details which influenced the Committee's findings.

While the hearings above referred to were being held, each national bank was called upon by the Committee to submit to its board of directors alternate resolutions accepting or rejecting the provisions of the Federal Reserve Act, and filing with the Committee within the sixty days prescribed by the Act, the resolution of its board, signifying its intention in the premises.

Practically without exception the national banks signified their intention of becoming members of the system. While ten or twelve non-acceptance resolutions were received, it was found upon investigation that such banks had determined to go into liquidation prior to the passage of the Act, and in no instance has it been ascertained that any national bank has gone into liquidation on account of the provisions of the Federal Reserve Act.

Immediately following the filing of the decision of the Committee on April 2d determining the Federal Reserve Districts and the location of the Federal Reserve banks, each bank which had accepted the provisions of the act was called upon to subscribe its proportionate amount of stock in the Federal Reserve bank of its district. These subscriptions were received without undue delay and on May 5, 1914, more than the minimum amount having been subscribed in each district and the thirty
days allowed for such subscriptions having expired, five
banks were designated in each district to execute the
organization certificate in accordance with the provisions
of the Act. Upon the execution of these certificates the
member banks in each district were called upon to elect
t heir district reserve electors and to send in their nomin-
at ions for Class A and Class B directors of the various
Federal reserve banks. The Federal Reserve Board not
having been organized at that time, the duty devolved upon
the Reserve Bank Organization Committee to act as chair-
man of the Board in the elections of the Class A and Class
B directors.

These elections were closed on August 1, 1914 and the
following candidates have been notified of their election:

DISTRICT No. 1. Federal Reserve Bank of BOSTON.
   Class "A"
   Group 1 Thomas P. Beal, Boston, Mass.
   Group 2 C. G. Sanford, Bridgeport, Conn.
   Group 3 A. H. Heard, Manchester, N. H.

   Class "B"
   Group 1 Charles A. Horss, Boston, Mass.
   Group 2 E. R. Horse, Proctor, Vt.

DISTRICT No. 2. Federal Reserve Bank of New York.
   Class "A"
   Group 1 William Woodward, New York, N. Y.
   Group 2 Robert H. Treman, Ithaca, N. Y.
   Group 3 Franklin D. Locke, Buffalo, N. Y.

   Class "B"
   Group 1 H. R. Towne, New York, N. Y.
   Group 2 William B. Thompson, Yonkers, N. Y.
   Group 3 Leslie R. Palmer, Croton-on-Hudson, N.Y.

DISTRICT No. 3. Federal Reserve Bank of Philadelphia.
   Class "A"
   Group 3 M. J. Murphy, Scranton, Pa.

   Class "B"
   Group 1 Alba B. Johnson, Philadelphia, Pa.
   Group 3 George W. F. Gaunt, Mullica Hill, N.J.
DISTRICT No. 4 Federal Reserve Bank of CLEVELAND.
Class "A" Group 1 Robert Wardrop, Pittsburgh, Pa.
Group 2 W. S. Rowe, Cincinnati, Ohio.
Group 3 S. B. Rankin, South Charleston, Ohio.

Class "B" Group 1 Thomas A. Combs, Lexington, Ky.
Group 3 A. B. Patrick, Salyerville, Ky.

DISTRICT No. 5 Federal Reserve Bank of RICHMOND.
Class "A" Group 1 Waldo Newcomer, Baltimore, Md.
Group 2 John F. Bruton, Wilson, N. C.
Group 3 Edwin Mann, Bluefield, W. Va.

Class "B" Group 1 George J. Seay, Richmond, Va.
Group 2 D. L. Coker, Hartsville, S. C.
Group 3 J. E. Oyster, Washington, D. C.

DISTRICT No. 6 Federal Reserve Bank of ATLANTA.
Class "A" Group 1 L. P. Hillyer, Macon, Ga.
Group 2 F. T. Foote, Hattiesburg, Miss.
Group 3 W. H. Toole, Winder, Ga.

Class "B" Group 1 P. H. Saunders, New Orleans, La.
Group 2 J. A. McCrary, Decatur, Ga.
Group 3 W. H. Hartford, Nashville, Tenn.

DISTRICT No. 7 Federal Reserve Bank of CHICAGO.
Class "A" Group 1 George M. Reynolds, Chicago, Ill.
Group 2 J. B. Forgan, Chicago, Ill.
Group 3 E. L. Johnson, Waterloo, Iowa.

Class "B" Group 1 Henry B. Joy, Detroit, Mich.
Group 2 M. E. Hutchinson, Ottumwa, Iowa.
Group 3 A. H. Vogel, Milwaukee, Wis.

DISTRICT No. 8 Federal Reserve Bank of ST. LOUIS.
Class "A" Group 1 Walker Hill, St. Louis, Mo.
Group 2 F. O. Watts, St. Louis, Mo.
Group 3 Oscar Fenley, Louisville, Ky.

Class "B" Group 1 Murray Carlton, St. Louis, Mo.
Group 2 W. B. Plunkett, Little Rock, Ark.
Group 3 LeRoy Percy, Greenville, Miss.
DISTRICT No. 9 Federal Reserve Bank of MINNEAPOLIS.
Class "A"
Group 1 E. W. Decker, Minneapolis, Minn.
Group 2 L. B. Hanna, Fargo, N. D.
Group 3 J. C. Bassett, Aberdeen, S. D.
Class "B"
Group 1 F. R. Bigelow, St. Paul, Minn.
Group 2 F. P. Hixon, LaCrosse, Wis.
Group 3 Norman B. Holter, Helena, Mont.

DISTRICT No. 10 Federal Reserve Bank of KANSAS CITY.
Class "A"
Group 1 Gordon Jones, Denver, Colo.
Group 2 W. J. Bailey, Atchison, Kans.
Group 3 C. E. Burnham, Norfolk, Nebr.
Class "B"
Group 1 M. L. McClure, Kansas City, Mo.
Group 2 T. C. Byrne, Omaha, Nebr.
Group 3 L. A. Wilson, El Reno, Okla.

DISTRICT No. 11 Federal Reserve Bank of DALLAS.
Class "A"
Group 1 Oscar Wells, Houston, Tex.
Group 2 E. K. Smith, Shreveport, La.
Group 3 B. A. McKinney, Durant, Okla.
Class "B"
Group 1 Marion Sansom, Fort Worth, Tex.
Group 2 Frank Kell, Wichita Falls, Tex.

DISTRICT No. 12 Federal Reserve Bank of SAN FRANCISCO.
Class "A"
Group 1 C. K. McIntosh, San Francisco, Cal.
Group 2 James K. Lynch, San Francisco, Cal.
Group 3 Alden Anderson, Sacramento, Cal.
Class "B"
Group 1 A. B. C. Dohrman, San Francisco, Cal.
Group 2 J. A. McGregor, San Francisco, Cal.
Group 3 Elmer H. Cox, Ladera, Cal.

It is necessary in order to complete the organization of the several banks, that the Federal Reserve Board shall appoint three Class "C" directors for each of the Federal reserve banks, and shall designate one of such appointees chairman and one vice-chairman of each board. It is assumed that the boards composed of the Class A and Class B directors already elected
and the Class C directors to be appointed by the Federal Reserve Board, will then take charge of and complete the details of the organization of each of the Federal reserve banks by the adoption of the necessary by-laws; the selection of their officers and employees; by procuring the necessary quarters for conducting the business of the various banks and by taking such other action as may be necessary to fully equip and establish such banks.

The Committee has received from time to time a number of inquiries relative to questions of operation rather than the organization of the Federal reserve banks. These and other matters coming peculiarly within the province of the Board, will be submitted at the Board's pleasure, it being assumed that it is not desired to have them included in this preliminary report.

Reference is made to the very complete detailed report of the subcommittee in New York, which has heretofore been filed in printed form with each member of the Board. This report which was prepared under the direct supervision of Dr. H. Parker Willis, as Chairman of the Subcommittee embodies a number of valuable suggestions and forms for the Board's consideration.

The Committee will from time to time make further report of matters which should be properly submitted to the Board and will make its final report when the Secretary of the Treasury has officially announced, in accordance with the terms of the Act, the establishment of the various Federal Reserve banks, and the functions of the Committee have been fully performed.

On motion duly made and seconded the preliminary report of the Organization Committee was received and ordered spread upon the minutes of this meeting.

By direction of the Chairman the Secretary
then read the following list of protests or tentative notices of appeal from the decision of the Organization Committee, which protests or notices were filed with the Organization Committee or with the Federal Reserve Board prior to this meeting.

PROTESTS RE FEDERAL RESERVE DISTRICTS AS DEFINED BY ORGANIZATION COMMITTEE.

Letters from several national banks in Connecticut requesting that that State be included in the New York district.

Letter from Hon. W. J. Bryan requesting that Morgan County, Illinois, be transferred to the Chicago district.

Resolutions of mass meeting of citizens, transmitted by Mayor of New Orleans, protesting against omission of New Orleans as a Federal Reserve City.

Letters of counsel representing the Regional Reserve Bank Committee of Baltimore and others protesting against decision designating Richmond instead of Baltimore as Federal Reserve City.

Petition signed by 162 bankers and business men asking that the Upper Peninsula of Michigan be included in Reserve district No. 7.

Letters from Omaha bankers and others in State of Nebraska requesting that they be included in the Chicago district instead of Kansas City.

Petitions and letters from New Jersey bankers protesting against being placed in the Philadelphia district.
Protests from bankers in southern part of Oklahoma against being assigned to the Dallas district instead of Kansas City.

Petitions and letters from bankers of western part of Pennsylvania protesting against being placed in the Cleveland district.

Letters from West Virginia bankers protesting against being placed in the Richmond district.

Protests from banks in northern part of Wisconsin re being assigned to Minneapolis district.

Mr. Hamlin reported that representatives from Baltimore had notified him that the attorney for the Baltimore Committee desired to have a two-hour oral hearing on the subject of the appeal of Baltimore from the decision of the Organization Committee, and to be permitted to file written briefs.

After a general discussion it was determined to be the sense of the meeting that oral hearings should be granted in those cases where notice had been served either on the Organization Committee or the Federal Reserve Board prior to this meeting; but that all oral arguments should be limited to two hours to each side.

On motion duly made and seconded the Secretary was instructed to prepare a tentative plan of procedure, such plan to be in accordance with the sentiment expressed
at this meeting and to be submitted for the future consideration of the Board.

Communications were read urging the Board to defer the final organization of Federal Reserve Banks. After a general discussion on this subject the chairman requested all the members of the Board to give it full consideration and report their conclusions at the next meeting.

The following telegram from Chicago, Illinois, was read and considered:

The Honorable William C. McAdoo, Secretary of the Treasury and Chairman of the Federal Reserve Board, Washington, D.C.

Please accept our congratulations upon completing the organization of the Federal Reserve Board, the personnel of which merits the highest degree of confidence by the business interests of the nation.

Kindly extend to each member of the Board our best wishes and express the hope that the labor required during the formative period of the new system may not only meet with the general approval the patriotic service deserves, but will be accompanied by some personal pleasure.

We look forward to the pleasure of having each member of the Reserve Bank Organization Committee and the Federal Reserve Board in Chicago September first with the directors of the Federal Reserve Banks and delegates from Bankers and Commercial Associations from all parts of the country to participate in the
National celebration of the establishment of Federal Reserve banks in the United States.

We believe the conference of all those charged with the responsibility of putting the new Act into operation which will follow the celebration will be of great value at this time.

JAMES B. FORGAN,
President the First National Bank of Chicago.

GEORGE H. REYNOLDS,

ORSON SMITH,
Pres. The Merchants Loan & Trust Company.

WILLIAM A. TILDEN,
President Fort Dearborn National Bank.

ALBERT A. SMITH,
President the Northern Trust Company.

CHARLES G. BATES,
President Central Trust Company of Illinois.

ALBERT W. HARRIS,
President Harris Trust and Savings Bank.

L. A. GODDARD,
President State Bank of Chicago.

OSCAR G. FOREMAN,
Vice-Pres. Foreman Brothers Banking Company.

C. S. CASTLE,
President Standard Trust and Savings Bank.

C. H. BOSWORTH,
President Peoples Trust and Savings Bank.

F. H. RAWSON,
President Union Trust Company.
After a general discussion the secretary was directed to communicate with the Illinois Bankers Association for the purpose of ascertaining whether or not the celebration arranged for September 1st can be postponed for thirty or sixty days, and to report the result of his inquiry to a future meeting.

Invitations to attend the Nebraska State Bankers Association and the American Bankers Association were read and discussed. While the general sentiment of the meeting was adverse to accepting on behalf of the Board any invitations to bankers associations, no official action was taken.

On motion made and seconded Mr. Warburg and Mr. Harding were appointed a committee of two to prepare and submit to a future meeting of the Board a preliminary definition of commercial paper eligible for rediscount under Section 13 of the Federal Reserve Act.

Mr. Warburg, Mr. Harding, Mr. Miller, Mr. Delano, and Mr. Hamlin were appointed a committee of five to prepare a tentative form of by-laws governing the conduct of the Board's affairs and to submit same at a future meeting.
of the Board.

The following telegram from the morning and evening edition of the GERMAN HEROLD, New York, was read and discussed, but no official action was taken thereon.

Honorable William C. McAdoo,
Secretary of the Treasury,
Washington, D. C.

Before you do anything to facilitate the release of gold for the bank of England or for any other foreign concern we would respectfully request to be heard in opposition thereto. The English have a moratorium and pay no debts; why should the Americans pay their debts at present and why should we deplete the stock of gold in this country? Just as soon as it becomes known that the Federal Reserve Board intends to reduce the metal requirements for the Reserve you will find that everybody begins to hoard gold and a gold premium will be the consequence.

GERMAN HEROLD
Morning and Evening Edition.

A letter from the Citizens Central National Bank of New York with references to foreign exchange was read and referred to the secretary for reply.

The following resolution was offered, seconded, and duly adopted:

"Resolved: That it is the sense of the Federal Reserve Board that the Comptroller of the Currency is fully justified in permitting national banks to go below reserve requirements in their endeavor to meet..."
present extraordinary conditions."

On motion the meeting adjourned to meet again at three o'clock p. m., on August 17th.

APPROVED:

Chairman.

[Signature]

Secretary pro tem.