

122.5-5 - Cleveland, Ohio Appeal

Boundaries of FRDistricts

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#4

FEDERAL RESERVE BOARD FILE

FEDERAL RESERVE BANK OF CLEVELAND

12205-5

RECEIVED

APR 28 1916

GOVERNOR'S OFFICE

April 26th, 1916.

Hon. C. S. Hamlin, Governor,  
Federal Reserve Board,  
Washington, D. C.

S I R :

Receipt is acknowledged of your letter  
of the 25th inst) enclosing copy of opinion of  
the Attorney General on the subject of the change  
of designation of any of the Federal Reserve Cities.

Very truly yours,

*W. C. Clegg*  
Chairman of the Board.

D:CP

APR 28 1916

FILE

APR 28 1916

*Wills*  
HS

#4

FEDERAL RESERVE BOARD FILE  
3-122.5-5

April 25, 1916.

*Cleveland*

Mr. D. C. Wills,  
Chairman, Board of Directors,  
Federal Reserve Bank of Cleveland.

Sir:

In reviewing the decision of the Reserve Bank Organization Committee, which designated the twelve Federal reserve cities and defined the geographical limits of the districts to be served, the Federal Reserve Board realized that there were legal questions to be determined as to its powers under the statute, and it was for this reason that Regulation No. 1 provided that in all arguments on appeal the question of jurisdiction might be argued as well as the merits of each case.

Upon consideration of the several appeals, it became necessary for the Board to take advice from the Department of Justice as to the extent of its powers under the statute. The opinion of the Attorney General, dated November 22, 1915, which held that the Federal Reserve Board has not the power to abolish any of the existing Federal reserve banks, intimated that there was doubt as to the Board's power even to change the location of any such bank. It was, therefore, deemed advisable to ask that the Attorney General express his opinion on the specific question whether the Federal Reserve Board can legally change the designation of any of the Federal reserve cities. In response to this request, the Attorney General has held that the Federal Reserve Board is without power to change the present location of any Federal reserve bank. A copy of this opinion is enclosed for your information.

I am, therefore, directed to advise you that an order has been entered dismissing for want of jurisdiction all appeals and petitions requesting a change in the designation of the Federal reserve cities.

Respectfully,

(Signed) C. S. Hamlin.

Enclosure.

Governor.

Rowe  
LDW

FEDERAL RESERVE BOARD FILE  
35-26  
122-5-5  
Clear

January 21, 1915.

My dear Sir:

When you were in Washington on January 19th you told of having written to the Federal Reserve Board asking for a hearing in connection with the proposed changes in the Cleveland District.

On my return to the office I had a search made for your letter, first in the office of counsel, and later in the general files of the Federal Reserve Board. I regret to say that I did not find your communication in neither one of these places.

Will you be good enough to send me a copy of it as early as possible that it may have attention.

The hearing of the petition of Witzel and Tyler Counties of West Virginia to be transferred from the Richmond District to the Cleveland District has been fixed by the Board for January 27th. I am not sure however, that this is the proposed change to which you refer.

Respectfully,

Mr. W. S. Rowe,  
First National Bank,  
Cincinnati, Ohio.

Assistant Secretary.

The Central National Bank  
Cleveland, O.

J.J. SULLIVAN, PRESIDENT  
E.W. OGLEBAY, VICE PRESIDENT  
C.E. SULLIVAN, VICE PRESIDENT

L.J. CAMERON, VICE PRESIDENT  
J.C. MCHANNAN, CASHIER  
C.L. CORCORAN, ASST CASHIER

FILE  
DEC 21 1914  
Federal Reserve Board  
FEDERAL RESERVE BOARD FILES  
Dec 19th, 1914.  
122.55  
DEC 21 1914  
GOVERNOR OF OHIO  
Cleveland

Mr. C. S. Hamlin, Governor,  
Federal Reserve Board,  
Washington, D.C.

Dear Sir:-

We are this morning in receipt of your valued favor of the 16th inst. apprising us of the fact that the Federal Reserve Board has fixed January 13th, 1915, for the hearing of oral arguments on the appeal to the Federal Reserve Board in the matter of designating the Federal Reserve City in the Fourth District, and we desire to thank you therefor.

It goes without saying that this city will be represented at the hearing.

Very truly yours,

  
President

C O P Y.

122.5-5

December 16, 1914.

Colonel J. J. Sullivan, President,  
The Central National Bank,  
Cleveland, Ohio.

Sir:-

You are hereby notified that the Federal Reserve Board has fixed January 13, 1915, as the date for the hearing of oral arguments on the appeal to the Federal Reserve Board in the matter of designating the Federal Reserve City in the Fourth District. This hearing will be held in the office of the Federal Reserve Board, Treasury Building, Washington, D. C.

Please acknowledge receipt of this notice.

Respectfully,

Governor.

Secretary.

**THE CLEVELAND  
CLEARING HOUSE ASSOCIATION**  
C. E. COLLINS, MANAGER

FEDERAL RESERVE BOARD FILE  
12205-5

CLEVELAND, Sept. 25th 1914. *Cleveland*

FILE  
SEP 26 1914

Federal Reserve Board

Federal Reserve Board,  
H. Parker Willis, Secretary,  
Washington.

Sir,

Replying to your favor of the 23rd instant. Under date of Sept. 22nd you were advised of the selection of Col. J. J. Sullivan of Cleveland, to represent the Cleveland member banks in their answer to the petition of Pittsburgh to have that City designated as the Federal Reserve City of District No. 4, in place of Cleveland.

I hereby confirm our letter of the 22nd which probably has reached you before this. If anything further is desired, would request that you telegraph this Association and we will supply whatever is necessary.

All papers in the case should be mailed to Col. J. J. Sullivan at the Central National Bank, Cleveland.

Respectfully,

*C. E. Collins*  
.....  
Secretary

*Sullivan*

The Central National Bank  
Cleveland, O.

J. J. SULLIVAN, PRESIDENT  
E. W. OGLEBAY, VICE PRESIDENT  
C. E. SULLIVAN, VICE PRESIDENT

L. J. CAMERON, VICE PRESIDENT  
J. C. McHANNAN, CASHIER  
C. L. CORCORAN, ASST. CASHIER

FEDERAL RESERVE BOARD FILE  
122.5-5

Jan. 11th, 1915

*to Cleveland*

Mr. H. Parker Willis, Secy.,  
Federal Reserve Board,  
Washington, D.C.

File.

My dear Sir:-

I am in receipt this morning of your valued favor of the 9th inst. advising us that the hearing of oral arguments in the matter of the appeal of certain member banks of Pittsburg, from the decision of the Reserve Bank Organization Committee, in designating Cleveland the Federal Reserve City of the Fourth District, will be held in the office of the Federal Reserve Board, Treasury Building, Washington, D.C. at 11 o'clock, January 13th, 1915, and we sincerely thank you therefor.

In reply, I beg leave to say that Cleveland will be represented at the hearing.

Very truly yours,

*J. J. Sullivan*  
President





JFD

*Sullivan*

FEDERAL RESERVE BOARD FILE  
122-5-5

January 9, 1915.

*Cleveland*

Colonel J. J. Sullivan, President,  
The Central National Bank,  
Cleveland, Ohio.

Sir:-

You are hereby notified that the hearing of oral arguments in the matter of the appeal of certain member banks of Pittsburgh from the decision of the Reserve Bank Organization Committee in designating Cleveland the Federal Reserve City in the Fourth District will be held in the office of the Federal Reserve Board, Treasury Building, Washington, D. C., at 11:00 o'clock, January 13, 1915.

Respectfully,

Secretary.

*G.H.*

FEDERAL RESERVE BOARD FILE

122.5-5

December 16, 1914.

*Olemlaw*

Colonel J. J. Sullivan, President,  
The Central National Bank,  
Cleveland, Ohio.

Sir:-

You are hereby notified that the Federal Reserve Board has fixed January 13, 1915, as the date for the hearing of oral arguments on the appeal to the Federal Reserve Board in the matter of designating the Federal Reserve City in the Fourth District. This hearing will be held in the office of the Federal Reserve Board, Treasury Building, Washington, D. C.

Please acknowledge receipt of this notice.

Respectfully,

Governor.

Secretary.

*M.E.*

*G.L.H.*

*Sullivan*  
*JCR*

**The Central National Bank**  
**Cleveland, O.**

FEDERAL RESERVE BOARD FILE  
3-122.5-5

*Cleveland*

J.J. SULLIVAN, PRESIDENT  
E.W. OGLEBAY, VICE PRESIDENT  
C.E. SULLIVAN, VICE PRESIDENT

L.J. CAMERON, VICE PRESIDENT  
J.C. MCHANNAN, CASHIER  
C.L. CORCORAN, ASST CASHIER

Nov. 2nd, 1914.

Hon. H. Parker Willis,  
Secretary, Federal Reserve Board,  
Washington.

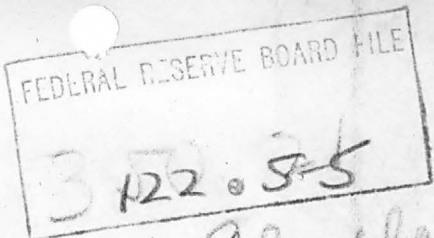
Dear Sir:-

We are this day in receipt of your favor of the  
31st ultimo in reference to petition of the member banks of  
Pittsburg, and the oral hearing apperating thereto, and  
the same is entirely satisfactory.

*File*

Very truly yours,

*J.J. Sullivan*  
President

*Sullivan**Cleveland*

October 31, 1914.

S i r :

With reference to the petition of the member banks of Pittsburgh that that city be designated as the Federal reserve city for District No. 4 in place of Cleveland, you are advised that owing to the pressure of detail matters demanding the Board's attention at this time incident to the opening of the several Federal reserve banks and placing the system in operation, the Board has found it impracticable to fix a date for oral hearings prior to November 16, at which time it is contemplated the Federal reserve banks will be opened.

As soon thereafter as the Board can conveniently do so, it will arrange a date for oral argument and you will be given due notice so that you may be prepared to present your case to the Board.

Respectfully,

Secretary.

Col. J. J. Sullivan,  
Pres., Central Nat'l Bank,  
Cleveland, Ohio.

FEDERAL RESERVE BOARD FILE  
3 122.5 5

BCW/MWA

*Cleveland*

October 6, 1914.

S i r :

On behalf of the Federal Reserve Board, receipt is acknowledged of the reply brief of Cleveland in answer to the petition of the member banks of Pittsburgh that the latter city be named as the Federal Reserve city for District No. 4.

In accordance with the requirements of Regulation No. 1 of the Federal Reserve Board, copy of the reply brief of Cleveland has been mailed to the representatives of Pittsburgh.

When the Federal Reserve Board has fixed the date for the oral hearing in this matter, you will be promptly notified.

Respectfully,

Secretary.

Mr. J. J. Sullivan,  
President, The Central Nat'l Bank,  
Cleveland, Ohio.

*M. E.*

122.5-5

October <sup>6</sup> 1914.

Sir:

On behalf of the Federal Reserve Board, receipt is acknowledged of your letter of October 1, submitting the brief of the member banks of Cleveland in reply to the appeal of the member banks of Pittsburgh that the latter should be named as the Federal Reserve City for the Fourth Federal Reserve District.

The twenty copies of your brief, forwarded under separate cover, have likewise been received.

This matter will be called to the attention of the Federal Reserve Board, and you will be advised as to the date of the oral hearings.

Respectfully,

Secretary.

Mr. J. J. Sullivan, President,  
The Central National Bank,  
Cleveland,  
Ohio.

127.5-5

10/3/14

IN THE MATTER OF APPEALS FROM I  
CISION OF RESERVE BANK ORGANI\*  
ZATION COMMITTEE IN DESIGNA-  
TION OF FEDERAL RESERVE CITIES.

Petition of Pittsburgh banks pray-  
ing that Pittsburgh instead of  
Cleveland be designated as Fed-  
eral reserve city in District  
No. 4.

August 12, 1914, petition and brief  
filed.

September 15, 1914, Cleveland banks  
notified and requested to select  
a representative to appear for  
Cleveland.

September 22, 1914, Col. J. J.  
Sullivan selected to represent  
member banks of Cleveland.

September 25, 1914, copy of peti-  
tion and brief of Pittsburgh sent  
to Cleveland Clearing House As-  
sociation.

October 3, 1914, reply brief of  
Cleveland filed.

122.5-5

file date 10/3/14

**APPEAL TO THE FEDERAL RESERVE BOARD IN  
THE MATTER OF DESIGNATING THE FED-  
ERAL RESERVE CITY OF THE FOURTH  
FEDERAL RESERVE DISTRICT.**

**BRIEF ON BEHALF OF THE MEMBER BANKS  
OF CLEVELAND, OHIO, APPELLEES.**

*Cleveland's  
Reply in re  
Attorney*





**APPEAL TO THE FEDERAL RESERVE BOARD IN  
THE MATTER OF DESIGNATING THE FED-  
ERAL RESERVE CITY OF THE FOURTH  
FEDERAL RESERVE DISTRICT.**

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**BRIEF ON BEHALF OF THE MEMBER BANKS  
OF CLEVELAND, OHIO, APPELLEES.**

---

J. J. Sullivan, Esquire, of Cleveland, Ohio, having been duly designated as the representative of the Member Banks of Cleveland, to act for them in this behalf, respectfully submits the following brief upon this appeal.

The appeal involves the contention that the Reserve Bank Organization Committee, which carefully and patiently heard the evidence offered in respect of the proper location for the Reserve Bank of District Number 4, erred in its conclusion. This evidence was very voluminous and claims of various cities in that district were submitted fully and at great length. The Committee gave careful and thoughtful consideration to the matter, and thereupon decided that Cleveland was the proper location for the Reserve Bank of this District. To upset such conclusion, reached in the above circumstances, certainly casts upon the appellants a considerable burden.

Two or three general considerations might be mentioned in view of the present situation:

1. It cannot be possible that there can be any material advantage, either to the City of Pittsburgh or its

industries, in the location of the Federal Bank in that place. If it were possible, or if the bank could be so used as to derive any disproportionate local advantage, the entire purpose of the Federal Reserve Act would be defeated, its purpose being that all sections shall have entirely uniform treatment. If such a thing could be, or if the attitude of the Pittsburgh banks towards the Federal Reserve scheme were such as to lead them to suppose that such a result could follow, this attitude would furnish one of the best reasons in the world why the bank should be located elsewhere.

2. Directors of the Reserve Bank of the District have already been chosen by the member banks, as follows: Two from Pennsylvania, one of whom is located at Pittsburgh; two from Ohio, neither of whom is located at Cleveland; and two from Kentucky; so that Cleveland now has no representation at all upon the board. Your Honorable Board has the naming of the remaining three directors, and if Pittsburgh has any justifiable fears by reason of the location of the bank at Cleveland, it has another remedy than the one now sought, by applying to the Board, as no doubt it already has, for additional places upon the directorate of the District Reserve Bank. There are no circumstances under which the Cleveland banks can exercise any control over the Reserve Bank or unduly influence its action. Pittsburgh, therefore, has nothing to fear in the present situation.

3. It has been a considerable time since the passage of the Federal Reserve Act. Financial conditions during that period have not been of the best. It is predicted that when the Act is put into operation these conditions will be much improved. Certain it is that the country

is impatiently waiting for the inauguration of the system, and business interests, to a large extent, are held back, pending such inauguration. Certain preliminary steps toward the organization of the system have already been taken by the Organization Committee and by your Board. The country at large has looked upon these as steps in advance, and has not felt, nor is it anticipating, that they are merely steps to be retaken. Questions like that raised by Pittsburgh are of no material importance to the system, and if mistakes have been made it is in the power of your Honorable Board in the future to correct such mistakes, if any, as develop in the working of the system.

If such contentions as this of Pittsburgh are to be entertained, there are yet controversies between Baltimore and Richmond, New Orleans, Atlanta and Dallas, Denver, Kansas City and Omaha, and no doubt others, which may occupy the time of your Honorable Board and delay the inauguration of the system indefinitely. These controversies are all over matters in no wise vital to the system itself, but purely matters of local pride. If in the working out of the system in the future any mistakes are discovered, bringing hardship upon any section of any district, it is within the power of your Honorable Board at any time to correct them, without interfering with the operation of the system when once inaugurated. We submit that they should not now be considered, but that the system should be put into operation, as now planned.

The petition filed by Member Banks of Pittsburgh, and the brief filed in support thereof, seem principally concerned with certain figures, which are supposed to indicate the business "supremacy" of Pittsburgh, which that city is always quite ready to admit.

It is probable that Pittsburgh's unwillingness to submit to the decision of the Organization Committee, and its complaint of the decision of that Committee before this Board, is due rather to some feeling of wounded pride in respect of this supposed supremacy than to any real consideration of the needs of the district.

The mere figures presented concern so little the real reasons which it is believed induced the action of the Organization Committee, and upon which the determination of the matter in question ought to rest, that not much space will be taken here, either in criticising those figures or in submitting others testifying to the commercial greatness of Cleveland.

The Federal Reserve system was not created for the special benefit of any city, even Pittsburgh, or for any special business, even the iron and steel industry, as vast as it is. One supposed evil to be met was the undue and unsafe concentration of banking capital in certain great centers, to the disadvantage of other sections of the country out of touch with such centers, and which were suffering from lack of banking capital and facilities, and of elasticity in our financial system.

It is fair to suppose, therefore, that the primary purpose of the Act was, not to assist congested financial centers, but rather to procure a steady and uniform distribution of banking facilities throughout more sparsely settled territory suffering from lack of attention and inability to reach and procure accommodations from these great centers, and that the effort of the Organization Committee was, not the determination of which city was the greater banking center, but what city, as the headquarters of a Reserve Bank, in each district would be most likely to correct the existing difficulty and meet the normal trade demands of the entire territory.

The purpose would seem, therefore, to be to prevent the flowing into great centers of an undue part of the circulating medium of the territory, and distribute it more equitably among all sections requiring its use. The Pittsburgh banks do not seem to have recognized this purpose.

In such a plan, other things being equal, the city whose financial conditions are most stable, whose conditions of trade and business are such that it is less subject to fluctuations of financial and other business conditions, and which exhibits the most conservatively steady progress of growth, is best fitted as the location of the Reserve Bank.

A city whose industries in the way of manufacture and trade are so widely diversified as are those of Cleveland, is a much better location for the Reserve Bank than a city dependent, as Pittsburgh is, upon the iron and steel industries, and the group of manufactures naturally incident thereto, can possibly be. This by reason of the fact that the failure or depression of no single industry can have any wide-spread effect upon conditions in the former city.

For example, at the present moment, the industries producing primary iron and steel (which products constitute, according to the manufacturing census of 1909, 33 per cent of the total output of Pittsburgh factories and but 14 per cent of the total output of Cleveland factories) are running at scarcely more than one-half capacity. Nevertheless, a recent inquiry among a large list of Cleveland factories, with many diversified lines, indicates that this city is even now producing, on the average of all lines, practically 80 per cent of its normal industrial output.

The Cleveland brief presented to the Organization Committee discussed at some length, not only the suggested lines of District Number 4, but the location of the Reserve bank therein. Copies of that brief are no doubt now in your files, but additional copies are submitted herewith for consideration, in so far as the matters here involved are discussed.

There is no city in District Number 4 which can, as can Chicago, Boston and New York, substantiate the claim that the great bulk of the trade of the district centers therein. It must not be forgotten that, while Pittsburgh may lead in certain lines of manufacture, District Number 4 is very largely agricultural and contains many small towns, scattered throughout the agricultural section, which have little in the way of manufacturing. For example, the State of Ohio, forming the largest part of the district, ranks fifth among the states in the number of farms, sixth in value of farm property, sixth in production of corn, fifth in production of hay, sixth in production of potatoes, third in production of wool, sixth in production of butter, sixth in product of milk, third in production of eggs, and the list might be extended almost indefinitely.

In the location of the Reserve Bank for District Number 4 the Organization Committee had before it, and this Honorable Board, in reviewing its procedure, has to determine, not what might best satisfy Pittsburgh, but what city will best meet the requirements of the entire district.

It seems to us that these requirements are substantially as follows:

1. Satisfactory communication with all parts of the District.

2. Proximity to center of traffic and exchanges of the District.

3. Financial, commercial, industrial and civic strength, conservatism, steadiness of growth, and freedom from business or banking fluctuations or disturbances.

4. Satisfactory relations to the entire District.

Taking these up in their order:

1. Communication.

So far as communication by mail is concerned, there is no considerable difference. A letter mailed from cities in the remotest part of the District on one day would reach either city in time to receive attention during banking hours of the next day, but whatever difference there is is in favor of Cleveland, as the mails from many points reach that city and are distributed earlier in the day.

It is not true that Pittsburgh is more convenient of access, as claimed in appellants' brief, than is Cleveland in respect to the greater part of the District. Of the thirty-seven cities of Ohio containing a population of 10,000 or more in 1910, taking those cities as indicating density of population, twenty-nine, having a total population of 1,987,000, are nearer to Cleveland in time of transit than they are to Pittsburgh, whereas but eight of these, with a population of 143,000, can reach Pittsburgh more quickly than Cleveland, and the difference of time even in those cases is very slight. This statement is based upon a carefully compiled tabulation of the passenger train service from these thirty-seven cities to Pittsburgh and Cleveland respectively.



We have made the same investigation into that portion of the State of Kentucky included in District Number 4. There being few cities in Kentucky of more than 10,000 population, we have examined train service from all Kentucky cities within the District having a population of 5,000 or more. There are eleven such. From ten of them Cleveland can be reached in less time than Pittsburgh. From the eleventh—Middlesboro—both Cleveland and Pittsburgh can be reached in exactly the same time.

Even in that part of western Pennsylvania included in the District, out of the twenty-two cities containing a population of 10,000 or more according to the census of 1910, three are a shorter journey to Cleveland than to Pittsburgh, and as to a fourth there is a difference of seven minutes in favor of Pittsburgh.

As to the small section of West Virginia included in the District, Wheeling, the largest point, has two direct railway lines to Cleveland, and there is no difficulty in reaching Cleveland from this section. It must be admitted, however, that Pittsburgh can be reached somewhat more quickly.

2. Location with respect to center of traffic and exchanges.

Much of appellants' brief is taken up with the proposition that the general lines of trade in the United States are between the east and the west and that the main trunk lines of railroad run in those general directions. To some extent this proposition is necessarily true, for the distance from seaboard to seaboard, east and west, is much greater than the distance from the Great Lakes to the Gulf, from north to south. In very early times the Atlantic seaboard was practically our only outlet to water

transportation, and the business from the interior naturally drifted to the ports of New York and Boston, there located. When lines of railway began to be constructed they naturally began at this seaboard and extended toward the west. With the development of the entire country, however, this condition gradually changed. A very large volume of trade now passes through more southern ports and through Seattle and San Francisco on the west. Trunk lines now reach the interior from those ports along the southern coast, and a vast volume of trade passes from north to south as well as from east to west. Traveling from east to west—as soon, at least, as Ohio is reached—there is a network of railways from north to south through all the states of the middle west, connecting ultimately the more southern ports with Cleveland, Chicago, and other large cities of the middle west. These considerations, however, have not much to do with the question in hand.

If the Board had only to consider that part of Pennsylvania included in District Number 4, it is obvious that Pittsburgh, though not the geographic center, would be the center of traffic and exchanges of that section. The State of Ohio, however, constitutes the principal part of District Number 4, and a very large part of its business follows north and south lines.

The density of exchanges is indicated fairly by the railroad facilities, which handle the traffic. Every eastern trunk line in the United States enters Cleveland, and Cleveland is in the principal highway of travel between New York and Chicago. We especially call attention to the fact that Cleveland is in the most direct line from the iron ore in the northwestern states to Pittsburgh and the bituminous coal deposits in District Number 4. The principal business of Pittsburgh is in iron and steel, and

it cannot truthfully be claimed that there is no natural line of trade or course of trade between Pittsburgh and Cleveland. It would be even greater folly to advance a similar claim with respect to central and southern Ohio.

It is objected that Cleveland lies on the extreme northern edge of the District, with only the lake at its front. Geographically, of course, this is as advantageous as is Pittsburgh's location on the extreme eastern edge of the District. It is to be remembered, however, that as a traffic-producing territory, the lake very much exceeds any other territory of equal area. Substantially all of the iron ore supplying the iron manufactories of the District passes through its northern boundary. Practically all of the shipping carrying this ore is directed from Cleveland, and the production of a very large proportion of the ore itself is financed from that point.

There can be nothing in the location of the Reserve Bank at any point which will in any wise affect or disturb the convenience and customary course of trade. This point was frequently stated by members of the Organization Committee during the hearings.

The injunction of Section 2 of the Federal Reserve Act with respect of "due regard to the convenience and customary course of business" has reference to the apportionment of districts and not to the location of the Reserve Bank therein. It may be conceded, however, that in the selection of the location for the Reserve Bank such due regard should be had, but it is a misconception of this injunction if it be supposed that the purpose of the requirement was to leave the course of banking exchanges in precisely the state in which it was found prior to the enactment of the Federal Reserve Act. To so construe the injunction is to defeat one of the obvious purposes of the Act as hereinbefore set forth, which was

to so rearrange the course of banking exchanges as to avoid unsafe concentration in great centers and distribute banking capital and facilities throughout territories not well supplied therewith.

3. Financial, commercial, industrial and civic strength, conservatism, steadiness of growth, and freedom from business or banking fluctuations or disturbances.

Considerations arising under this head it is believed very strongly influenced the action of the Organization Committee and are sufficient to require an approval of its action by the Board.

Much stress is laid by appellants upon the size of the banks of Pittsburgh and the industries in which she claims a commanding position. It is no more true in finance than in any other branch of human endeavor that strength and stability are necessarily measured by size alone, and it is therefore necessary to consider the elements mentioned in the heading of this paragraph.

Many a factory town can make the boast of leading the world, or at least its own state, in the production of some commodity, however small the business may be in itself. Cities most commonly advertise themselves by picking out a particular industry or industries, or branch of commerce or trade, in which the city has attained a commanding position. Pittsburgh has its iron and steel, Akron its rubber tires, Dayton its cash registers, Troy (New York) its shirts and collars. Such, however, are not determining elements in the selection of the location of the Reserve Bank. If they were, a formidable list might be exhibited for Cleveland. There is probably no manufacturing center in the United States whose industries are so diversified as are those of Cleveland, while it

leads in many lines, a detailed list of which would, however, not be helpful here. It is probable that this very diversity of manufacturing industries is one of the principal causes of the city's steady, consistent growth in population until it has become the sixth city in the United States, and in the volume of its products until it has become the fifth. Its growth in both directions has been entirely unhampered by conditions which from time to time check or retard such growth in other centers of less diversified activity.

The banks of Cleveland concededly are neither so numerous nor have they so large a capital as those of Pittsburgh. Their history, however, well illustrates the conservatism and safety of the business methods of this community. Banking methods of Cleveland are traditionally sound and safe. Not a single failure of a national bank has there occurred, nor has any depositor in any national bank ever suffered the loss of a penny. The records of the Comptroller's office disclose that similar statements cannot be made of Pittsburgh's banking business. This fact is only referred to as indicative of the stability of banking conditions in Cleveland, a fact which no doubt had much weight with the Organization Committee.

Comparisons between different cities cannot be made upon the basis of reported bank clearances unless the accounting methods used in each instance are known. For instance, Cincinnati, with its concededly lesser volume of business, constantly reports larger bank clearings than Cleveland, while Pittsburgh exceeds both. A reason sometimes assigned, and to some extent no doubt true, is that there are no stock exchanges in Cleveland which send a large volume of clearances from day to day through its banks. Its business is almost wholly un-

speculative. Comparisons, however, of fluctuations in bank clearances do furnish some indication of the stability both of banking and general business in the cities in respect of which they are studied, as well as of the steadiness of their growth.

Chart 5 attached to the Cleveland brief herein referred to is a diagram illustrating the growth and fluctuations in clearances for the period of ten years ending September 30, 1913. While Pittsburgh shows a substantial growth in that period, it is a growth accompanied by wide fluctuations indicating periods of extreme depression in business as well as extreme stimulation. This is indicated by the blue line upon the chart. The red line upon the same chart indicates the regularity and steadiness of the Cleveland growth and illustrates in a graphic way the temperamental difference in the two communities. Pittsburgh is "either prince or pauper," while Cleveland moves steadily and conservatively onward.

At first blush it might seem that civic conditions, as distinguished from conditions in banking and other business, might have little bearing upon the question under discussion. Nevertheless such conditions are evidences of the spirit pervading a particular community and become reflected in the general business of that community. The municipal affairs of Cleveland have always been free from corruption or scandal, and its banking business has been likewise free from scandal or entangling alliances, political or otherwise. Cleveland has the lowest death rate among the large cities of the country, indicating careful and intelligent municipal sanitation, though climatic conditions, of course, have their influence. It was the first American city to initiate and begin putting into effect a plan for grouping its great public buildings in a civic center. Its experiments in charity and correction are

attracting world-wide attention and serving as models to other communities. Its famous Farm Colony, Cleveland Federation of Charity and Philanthropy, and its new "Cleveland Foundation" are examples of these. Its unique street railway franchise has removed to a large extent from public agitation a problem which, in other cities, is a constant source of disturbance, both to banking and business conditions. Its citizenship expresses itself not only by vote, but also through civic and commercial organizations, in which effective voluntary service for the improvement of living and working conditions in Cleveland is rendered most freely by a very large number of able men.

These conditions are, to a large extent, reasons for the vast growth of Cleveland, and their existence insures a future healthy condition and continued growth, so that in the future, still more than at present, Cleveland is likely to be the real center of the district.

We quote from the brief filed before the Organization Committee a few items concerning the relative growth of the two cities and their business interests. Many other items might be furnished, but these are sufficient to indicate the point in question. The ten year periods taken are the most recent for which data could be accurately obtained.

	Percent of Increase	
	Cleveland	Pittsburgh
Population, 1900-1910 .....	46.9	18.2
Postoffice receipts, 1904-1913....	116.4	107.5
Value of manufactures, 1899-1909	95.1	11.1
Clearing House exchanges, 1904- 1913 .....	57.8	23.9
Deposits, all banks, 1904-1913...	66.1	36.2

It is to be noted as to the population increase, that Pittsburgh, during the period in question, absorbed Allegheny City with its large population, while annexations to Cleveland account for less than 5 per cent of its increase.

A census of manufactures is being taken during the current year, and if anything like the relative increases indicated in the last census are continued, as we believe will prove to be the fact, Cleveland will have far outstripped Pittsburgh in the line of manufactures.

There seems no reason why the history of these cities should not be duplicated in the future, and Cleveland proceed along the lines of a conservative, steady growth, without feverishness or fluctuation, and maintain its position as the logical location for the Reserve Bank of the District.

#### 4. Satisfactory relations to entire District.

The brief of appellants states that "a much larger proportion of the banking of the District is done in Pittsburgh than in Cleveland," and that "there is a far greater need for the resources of a Federal Reserve Bank in and about Pittsburgh than in and about Cleveland."

The fact that the kind of business carried on at Pittsburgh and in territory adjoining requires larger sums of money, is the cause of a larger banking business at that point. The demand for the money necessary to finance this business, has been met in part by the investment of additional capital in the banking business, and in part by whatever inducements have been necessary to divert, as far as possible, the deposits of interior banks to that point.

Appellants' brief substantially admits this practice on the part of the Pittsburgh banks, but the proof at the



hearing before the Organization Committee distinctly refuted the statement of the brief, that the same thing was true of Cleveland.

We again, however, call attention to the fact that if the statements above quoted are true, they are not germane to the question at issue, which is, in what city of District Number 4 will the Reserve Bank best serve the interests of the entire District, instead of, what city has the greatest need to borrow its funds. The interests of Pittsburgh and its immediate environs will be as conveniently and fully served by the directors of the bank located at Cleveland as they could be served if the bank were located in Pittsburgh, while, at the same time, the entire district can be most conveniently cared for from the place selected. We do maintain that the conditions existing in Cleveland, financial, commercial, industrial and civic, as compared with those existing in any other city of the district, clearly indicate that the location of the bank there by the Organization Committee is a wise location, and made in the interests of the district and the system as a whole.

The fact stated in appellants' brief, that a certain number of banks in the District have joined in the petition for the designation of Pittsburgh as the reserve city, means nothing. No list of signing banks is given, but a summary of the number which it is claimed have signed is given upon page 12 of the brief. Persistent drumming, such as has been done in this case, if reports from time to time coming to us from various banks of the district are to be credited, frequently obtains signatures as a matter of courtesy, especially in view of the fact that a greater number of the banks no doubt view the question as practically settled, and consider that their signatures are not of much importance one way or the other. Cleve-

land banks have made no such efforts, nor have they sought the aid of other banks throughout the district in connection with this hearing. It is to be noted, however, of these signatures, that 304 of them are Pennsylvania banks—that is, banks located at or in close touch with Pittsburgh—and that of the 462 banks outside of Pennsylvania, appellants have secured the signatures of but 172. It can well be imagined that the procuring of Pennsylvania signatures would be a very easy matter, in view of local pride and interest.

It is submitted, therefore, that the convenient location of Cleveland, its closeness of touch with all parts of the district, the magnitude and diversity of its interests, its conservative traditions, the steadiness and rapidity of its growth, its business history, and particularly its banking history, make it the logical selection of the Organization Committee as the location of the Reserve Bank of District Number 4, and that there is nothing in the petition or brief of appellants to furnish sufficient ground upon which your Honorable Board could justifiably discredit or set aside the decision of that Committee. That decision was reached after a most thorough consideration, not only of the arguments presented by representatives of the cities then under consideration, but of all the ascertainable facts having any bearing upon the decision. Nothing could possibly be accomplished by a change beyond the mere gratification of local pride, which is not a matter to be taken into account by your Honorable Board.

Respectfully submitted,

J. J. Sullivan,

By S. H. Tolles, Counsel.

FEDERAL RESERVE BOARD FILE  
-122.5-5

*file date*  
10/3/14

IN THE MATTER OF APPEALS FROM DE-  
CISION OF RESERVE BANK ORGAN-  
IZATION COMMITTEE IN DESIGNA-  
TION OF FEDERAL RESERVE CITIES.

BRIEF ON BEHALF OF THE MEMBER BANKS  
OF CLEVELAND,  
IN REPLY TO PETITION OF  
PITTSBURGH.

APPEAL TO THE FEDERAL RESERVE BOARD IN THE MATTER OF  
DESIGNATING THE FEDERAL RESERVE CITY OF THE FOURTH FEDERAL RESERVE DISTRICT.

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BRIEF ON BEHALF OF THE MEMBER  
BANKS OF CLEVELAND, OHIO, APPELLEES.  
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J. J. Sullivan, Esquire, of Cleveland, Ohio, having been duly designated as the representative of the Member Banks of Cleveland, to act for them in this behalf, respectfully submits the following brief upon this appeal.

The appeal involves the contention that the Reserve Bank Organization Committee, which carefully and patiently heard the evidence offered in respect of the proper location for the Reserve Bank of District Number 4, erred in its conclusion. This evidence was very voluminous and claims of various cities in that district were submitted fully and at great length. The Committee gave careful and thoughtful consideration to the matter, and thereupon decided that Cleveland was the proper location for the Reserve Bank of this district. To upset such conclusion, reached in the above circumstances, certainly casts upon the appellants a considerable burden.

Two or three general considerations might be mentioned in view of the present situation:

1. It cannot be possible that there can be any material advantage, either to the City of Pittsburgh or its industries, in the location of the Federal Bank in that place. If it were possible, or if the bank could be so used as to derive any disproportionate local advantage, the entire purpose of the Federal Reserve Act would be defeated, its purpose being that all sections shall have entirely uniform treatment. If such a thing could be, or if the attitude of the Pittsburgh banks towards the Federal Reserve scheme were such as to lead them to suppose that such a result could follow, this attitude would furnish one of the best reasons in the world why the bank should be located elsewhere.

2. Directors of the Reserve Bank of the District have already been chosen by the member banks, as follows: Two from Pennsylvania, one of whom is located at Pittsburgh; two from Ohio, neither of whom is located at Cleveland; and two from Kentucky; so that Cleveland now has no representation at all upon the board. Your Honorable Board has the naming of the remaining three directors, and if Pittsburgh has any justifiable fears by reason of the location of the bank at Cleveland, it has another remedy than the one now sought, by applying to the Board, as no doubt it already has, for additional places upon the directorate of the District Reserve Bank. There are no circumstances under which the Cleveland banks can exercise any control over the Reserve Bank or unduly influence its action. Pittsburgh, therefore, has nothing to fear in the present situation.

3. It has been a considerable time since the passage of the Federal Reserve Act. Financial conditions during that period have not been of the best. It is predicted that when the Act is put into operation these conditions will be much improved. Certain it is that the country is impatiently waiting for the inauguration of the system, and business interests, to a large extent, are held back, pending such inauguration. Certain preliminary steps toward the organization of the system have already been taken by the Organization Committee and by your Board. The country at large has looked upon these as steps in advance, and has not felt, nor is it anticipating, that they are merely steps to be retaken. Questions like that raised by Pittsburgh are of no material importance to the system, and if mistakes have been made it is in the power of your Honorable Board in the future to correct such mistakes, if any, as develop in the working of the system.

If such contentions as this of Pittsburgh are to be entertained, there are yet controversies between Baltimore and Richmond, New Orleans, Atlanta and Dallas, Denver, Kansas City and Omaha, and no doubt others, which may occupy the time of your Honorable Board and delay the inauguration of the system indefinitely. These controversies are all over matters in no wise vital to the system itself, but purely matters of local pride. If in the working out of the system in the future, any mistakes are discovered, bringing hardship upon

any section of any district, it is within the power of your Honorable Board at any time to correct them, without interfering with the operation of the system when once inaugurated. We submit that they should not now be considered, but that the system should be put into operation, as now planned.

The petition filed by Member Banks of Pittsburgh, and the brief filed in support thereof, seem principally concerned with certain figures, which are supposed to indicate the business "supremacy" of Pittsburgh, which that city is always quite ready to admit.

It is probable that Pittsburgh's unwillingness to submit to the decision of the Organization Committee, and its complaint of the decision of that Committee before this Board, is due rather to some feeling of wounded pride in respect of this supposed supremacy than to any real consideration of the needs of the district.

The mere figures presented concern so little the real reasons which it is believed induced the action of the Organization Committee, and upon which the determination of the matter in question ought to rest, that not much space will be taken here, either in criticising those figures or in submitting others testifying to the commercial greatness of Cleveland.

The Federal Reserve system was not created for the special benefit of any city, even Pittsburgh, or for any special business, even the iron and steel industry, as vast as it is. One supposed evil to be met was the undue and unsafe concentration of banking capital in certain great centers, to the disadvantage of other sections of the country out of touch with such centers, and which were suffering from lack of banking capital and facilities, and of elasticity in our financial system.

It is fair to suppose, therefore, that the primary purpose of the Act was, not to assist congested financial centers, but rather to procure a steady and uniform distribution of banking facilities throughout more sparsely settled territory suffering from lack of attention and inability to reach and procure accommodations from these great centers, and that the effort of the Organization Committee was, not the determination of which city was the greater banking center, but what city, as the headquarters of a Reserve Bank,

in each district would be most likely to correct the existing difficulty and meet the normal trade demands of the entire territory.

The purpose would seem, therefore, to be to prevent the flowing into great centers of an undue part of the circulating medium of the territory, and distribute it more equitably among all sections requiring its use. The Pittsburgh banks do not seem to have recognized this purpose.

In such a plan, other things being equal, the city whose financial conditions are most stable, whose conditions of trade and business are such that it is less subject to fluctuations of financial and other business conditions, and which exhibits the most conservatively steady progress of growth, is best fitted as the location of the Reserve Bank.

A city whose industries in the way of manufacture and trade are so widely diversified as are those of Cleveland, is a much better location for the Reserve Bank than a city dependent, as Pittsburgh is, upon the iron and steel industries, and the group of manufactures naturally incident thereto, can possibly be. This by reason of the fact that the failure or depression of no single industry can have any wide-spread effect upon conditions in the former city.

For example, at the present moment, the industries producing primary iron and steel (which products constitute, according to the manufacturing census of 1909, 33% of the total output of Pittsburgh factories and but 14% of the total output of Cleveland factories) are running at scarcely more than one half capacity. Nevertheless, a recent inquiry among a large list of Cleveland factories, with many diversified lines, indicates that this city is even now producing, on the average of all lines, practically 80% of its normal industrial output..

The Cleveland brief presented to the Organization Committee discussed at some length, not only the suggested lines of District Number 4, but the location of the Reserve Bank therein. Copies of that brief are no doubt now

in your files, but additional copies are submitted herewith for consideration, in so far as the matters here involved are discussed.

There is no city in District Number 4 which can, as can Chicago, Boston and New York, substantiate the claim that the great bulk of the trade of the district centers therein. It must not be forgotten that, while Pittsburgh may lead in certain lines of manufacture, District Number 4 is very largely agricultural and contains many small towns, scattered throughout the agricultural section, which have little in the way of manufacturing. For example, the State of Ohio, forming the largest part of the district, ranks fifth among the states in the number of farms, sixth in value of farm property, sixth in production of corn, fifth in production of hay, sixth in production of potatoes, third in production of wool, sixth in production of butter, sixth in production of milk, third in production of eggs, and the list might be extended almost indefinitely.

In the location of the Reserve Bank for District Number 4 the Organization Committee had before it, and this Honorable Board, in reviewing its procedure, has to determine, not what might best satisfy Pittsburgh, but what city will best meet the requirements of the entire district.

It seems to us that these requirements are substantially as follows:

1. Satisfactory communication with all parts of the District.
2. Proximity to center of traffic and exchanges of the District.
3. Financial, commercial, industrial and civic strength, conservatism, steadiness of growth, and freedom from business or banking fluctuations or disturbances.
4. Satisfactory relations to the entire District.

Taking these up in their order:

1. Communication.

So far as communication by mail is concerned, there is no considerable difference. A letter mailed from cities in the remotest part of the District on one day would reach either city in time to receive attention during banking hours of the next day, but whatever difference there is is in favor of Cleveland, as the mails from many points reach that city and are distributed earlier in the day.



It is not true that Pittsburgh is more convenient of access, as claimed in appellants' brief, than is Cleveland in respect to the greater part of the District. Of the thirty-seven cities of Ohio containing a population of 10,000 or more in 1910, taking those cities as indicating density of population, twenty-nine, having a total population of 1,987,000, are nearer to Cleveland in time of transit than they are to Pittsburgh, whereas but eight of these, with a population of 143,000, can reach Pittsburgh more quickly than Cleveland, and the difference of time even in those cases is very slight. This statement is based upon a carefully compiled tabulation of the passenger train service from these thirty-seven cities to Pittsburgh and Cleveland respectively.

We have made the same investigation into that portion of the State of Kentucky included in District Number 4. There being few cities in Kentucky of more than 10,000 population, we have examined train service from all Kentucky cities within the District having a population of 5,000 or more. There are eleven such. From ten of them Cleveland can be reached in less time than Pittsburgh. From the eleventh--Middleboro--both Cleveland and Pittsburgh can be reached in exactly the same time.

Even in that part of western Pennsylvania included in the District, out of the twenty-two cities containing a population of 10,000 or more according to the census of 1910, three are a shorter journey to Cleveland than to Pittsburgh, and as to a fourth there is a difference of seven minutes in favor of Pittsburgh.

As to the small section of West Virginia included in the District, Wheeling, the largest point, has two direct railway lines to Cleveland, and there is no difficulty in reaching Cleveland from this section. It must be admitted, however, that Pittsburgh can be reached somewhat more quickly.

## 2. Location with respect to center of traffic and exchanges.

Much of appellants' brief is taken up with the proposition that the general lines of trade in the United States are between the east and the west and that the main trunk lines of railroad run in those general directions. To some extent this proposition is necessarily true, for the distance from seaboard to seaboard, east and west, is much greater than the distance from the

Great Lakes to the Gulf, from north to south. In very early times the Atlantic seaboard was practically our only outlet to water transportation, and the business from the interior naturally drifted to ports of New York and Boston, there located. When lines of railway began to be constructed they naturally began at this seaboard and extended toward the west. With the development of the entire country, however, this condition gradually changed. A very large volume of trade now passes through more southern ports and through Seattle and San Francisco on the west. Trunk lines now reach the interior from those ports along the southern coast, and a vast volume of trade passes from north to south as well as from east to west. Traveling from east to west-- as soon, at least, as Ohio is reached-- there is a network of railways from north to south through all the states of the middle west, connecting ultimately the more southern ports with Cleveland, Chicago, and other large cities of the middle west. These considerations, however, have not much to do with the question in hand.

If the Board had only to consider that part of Pennsylvania included in District Number 4, it is obvious that Pittsburgh, though not the geographic center, would be the center of traffic and exchanges of that section. The State of Ohio, however, constitutes the principal part of District Number 4, and a very large part of its business follows north and south lines.

The density of exchanges is indicated fairly by the railroad facilities, which handle the traffic. Every eastern trunk line in the United States enters Cleveland, and Cleveland is in the principal highway of travel between New York and Chicago. We especially call attention to the fact that Cleveland is in the most direct line from the iron ore in the northwestern states to Pittsburgh and the bituminous coal deposits in District Number 4. The principal business of Pittsburgh is in iron and steel, and it cannot truthfully be claimed that there is no natural line of trade or course of trade between Pittsburgh and Cleveland. It would be even greater folly to advance a similar claim with respect to central and southern Ohio.

It is objected that Cleveland lies on the extreme northern edge of the

District, with only the lake at its front. Geographically, of course, this is as advantageous as is Pittsburgh's location on the extreme eastern edge of the District. It is to be remembered, however, that as a traffic-producing territory, the lake very much exceeds any other territory of equal area. Substantially all of the iron ore supplying the iron manufactories of the District passes through its northern boundary. Practically all of the shipping carrying this ore is directed from Cleveland, and the production of a very large proportion of the ore itself is financed from that point.

There can be nothing in the location of the Reserve Bank at any point which will in any wise affect or disturb the convenience and customary course of trade. This point was frequently stated by members of the Organization Committee during the hearings.

The injunction of Section 2 of the Federal Reserve Act with respect of "due regard to the convenience and customary course of business" has reference to the apportionment of districts and not to the location of the Reserve Bank therein. It may be conceded, however, that in the selection of the location for the Reserve Bank such due regard should be had, but it is a misconception of this injunction if it be supposed that the purpose of the requirement was to leave the course of banking exchanges in precisely the state in which it was found prior to the enactment of the Federal Reserve Act. To so construe the injunction is to defeat one of the obvious purposes of the Act as hereinbefore set forth, which was to so rearrange the course of banking exchanges as to avoid unsafe concentration in great centers and distribute banking capital and facilities throughout territories not well supplied therewith.

3. Financial, commercial, industrial and civic strength, conservatism, steadiness of growth, and freedom from business or banking fluctuations or disturbances.

Considerations arising under this head it is believed very strongly influenced the action of the Organization Committee and are sufficient to require an approval of its action by the Board.

Much stress is laid by appellants upon the size of the banks of Pittsburgh and the industries in which she claims a commanding position. It is no more true

in finance than in any other branch of human endeavor that strength and stability are necessarily measured by size alone, and it is therefore necessary to consider the elements mentioned in the heading of this paragraph.

Many a factory town can make the boast of leading the world, or at least its own state, in the production of some commodity, however small the business may be in itself. Cities most commonly advertise themselves by picking out a particular industry or industries, or branch of commerce or trade, in which the city has attained a commanding position. Pittsburgh has its iron and steel, Akron its rubber tires, Dayton its cash registers, Troy (New York) its shirts and collars. Such, however, are not determining elements in the selection of the location of the Reserve Bank. If they were, a formidable list might be exhibited for Cleveland. There is probably no manufacturing center in the United States whose industries are so diversified as are those of Cleveland, while it leads in many lines, a detailed list of which would, however, not be helpful here. It is probable that this very diversity of manufacturing industries is one of the principal causes of the city's steady, consistent growth in population until it has become the sixth city in the United States, and in the volume of its products until it has become the fifth. Its growth in both directions has been entirely unhampered by conditions which from time to time check or retard such growth in other centers of less diversified activity.

of Cleveland

The banks, concededly are neither so numerous nor have they so large a capital as those of Pittsburgh. Their history, however, well illustrates the conservatism and safety of the business methods of this community. Banking methods of Cleveland are traditionally sound and safe. Not a single failure of a national bank has there occurred, nor has any depositor in any national bank ever suffered the loss of a penny. The records of the Comptroller's office disclose that similar statements cannot be made of Pittsburgh's banking business. This fact is only referred to as indicative of the stability of banking conditions in Cleveland, a fact which no doubt had much weight with the Organization Committee.

Comparisons between different cities cannot be made upon the basis of reported bank clearances unless the accounting methods used in each instance are known. For instance, Cincinnati, with its concededly lesser volume of business,

constantly reports larger bank clearings than Cleveland, while Pittsburgh exceeds both. A reason sometimes assigned, and to some extent no doubt true, is that there are no stock exchanges in Cleveland which send a large volume of clearances from day to day through its banks. Its business is almost wholly unspeculative. Comparisons, however, of fluctuations in bank clearances do furnish some indication of the stability both of banking and general business in the cities in respect of which they are studied, as well as of the steadiness of their growth.

Chart 5 attached to the Cleveland brief herein referred to is a diagram illustrating the growth and fluctuations in clearances for the period of ten years ending September 30, 1913. While Pittsburgh shows a substantial growth in that period, it is a growth accompanied by wide fluctuations indicating periods of extreme depression in business as well as extreme stimulation. This is indicated by the blue line upon the chart. The red line upon the same chart indicates the regularity and steadiness of the Cleveland growth and illustrates in a graphic way the temperamental difference in the two communities. Pittsburgh is "either prince or pauper," while Cleveland moves steadily and conservatively onward.

At first blush it might seem that civic conditions, as distinguished from conditions in banking and other business, might have little bearing upon the question under discussion. Nevertheless such conditions are evidences of the spirit pervading a particular community and become reflected in the general business of that community. The municipal affairs of Cleveland have always been free from corruption or scandal, and its banking business has been likewise free from scandal or entangling alliances, political or otherwise. Cleveland has the lowest death rate among the large cities of the country, indicating careful and intelligent municipal sanitation, though climatic conditions, of course, have their influence. It was the first American city to initiate and begin putting into effect a plan for grouping its great public buildings in a civic center. Its experiments in charity and correction are attracting world wide attention and serving as models to other communities. Its famous farm colony, Cleveland Federation of Charity and Philanthropy, and its new "Cleveland Foundation" are examples of these. Its unique street railway franchise has removed to a large extent from public agitation a problem which, in other cities, is a constant source of disturbance, both to banking and business conditions. Its citizenship expresses

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These conditions are, to a large extent, reasons for the vast growth of Cleveland, and their existence insures a future healthy condition and continued growth, so that in the future, still more than at present, Cleveland is likely to be the real center of the district.

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	<u>Cleveland.</u>	<u>Pittsburgh.</u>
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A census of manufactures is being taken during the current year, and if anything like the relative increases indicated in the last census are continued, as we believe will prove to be the fact, Cleveland will have far outstripped Pittsburgh in the line of manufactures.

There seems no reason why the history of these cities should not be duplicated in the future, and Cleveland proceed along the lines of a conservative, steady growth, without feverishness or fluctuation, and maintain its position as the logical location for the Reserve Bank of the District.

#### 4. Satisfactory relations to entire District.

The brief of appellants states that "a much larger proportion of the banking of the district is done in Pittsburgh than in Cleveland," and that "there is a far greater need for the resources of a Federal Reserve Bank in

and about Pittsburgh than in and about Cleveland."

The fact that the kind of business carried on at Pittsburgh and in territory adjoining requires larger sums of money, is the cause of a larger banking business at that point. The demand for the money necessary to finance this business has been met in part by the investment of additional capital in the banking business, and in part by whatever inducements have been necessary to divert, as far as possible, the deposits of interior banks to that point.

Appellants' brief substantially admits this practice on the part of the Pittsburgh banks, but the proof at the hearing before the Organization Committee distinctly refuted the statement of the brief, that the same thing was true of Cleveland.

We again, however, call attention to the fact that if the statements above quoted are true, they are not germane to the question at issue, which is, in what city of District Number 4 will the Reserve Bank best serve the interests of the entire District, instead of, what city has the greatest need to borrow its funds. The interests of Pittsburgh and its immediate environs will be as conveniently and fully served by the directors of the bank located at Cleveland as they could be served if the bank were located in Pittsburgh, while, at the same time, the entire district can be most conveniently cared for from the place selected. We do maintain that the conditions existing at Cleveland, financial, commercial, industrial and civic, as compared with those existing in any other city of the district, clearly indicate that the location of the bank there by the Organization Committee is a wise location, and made in the interests of the district and the system as a whole.

The fact stated in appellants' brief, that a certain number of banks in the district have joined in the petition for the designation of Pittsburgh as the reserve city, means nothing. No list of signing banks is given, but a summary of the number which it is claimed have signed is given upon page 12 of the brief. Persistent drumming, such as has been done in this case, if reports from time to time coming to us from various banks of the district are to be credited, frequently obtains signatures as a matter of courtesy, especially in view of the fact that a greater number of the banks no doubt view the question


as practically settled, and consider that their signatures are not of much importance one way or the other. Cleveland banks have made no such efforts, nor have they sought the aid of other banks throughout the district in connection with this hearing. It is to be noted, however, of these signatures, that 304 of them are Pennsylvania banks,--that is, banks located at or in close touch with Pittsburgh,--and that of the 462 banks outside of Pennsylvania, appellants have secured the signatures of but 172. It can well be imagined that the procuring of Pennsylvania signatures would be a very easy matter, in view of local pride and interest.

It is submitted, therefore, that the convenient location of Cleveland, its closeness of touch with all parts of the district, the magnitude and diversity of its interests, its conservative traditions, the steadiness and rapidity of its growth, its business history, and particularly its banking history, make it the logical selection of the Organization Committee as the location of the Reserve Bank of District Number 4, and that there is nothing in the petition or brief of appellants to furnish sufficient ground upon which your Honorable Board could justifiably discredit or set aside the decision of that Committee. That decision was reached after a most thorough consideration, not only of the arguments presented by representatives of the cities then under consideration, but of all the ascertainable facts having any bearing upon the decision. Nothing could possibly be accomplished by a change beyond the mere gratification of local pride, which is not a matter to be taken into account by your Honorable Board.

Respectfully submitted,

J. J. SULLIVAN,

By

  
Counsel.



Filed October 3, 1914.

The Central National Bank  
Cleveland, O.

J.J. SULLIVAN, PRESIDENT  
E.W. OGLEBAY, VICE PRESIDENT  
C.E. SULLIVAN, VICE PRESIDENT

L.J. CAMERON, VICE PRESIDENT  
J.C. MCHANNAN, CASHIER  
C.L. CORCORAN, ASST CASHIER

FEDERAL RESERVE BOARD FILE  
3522.5-5  
Cleveland

Oct. 2nd, 1914

Hon. H. Parker Willis, Secretary,

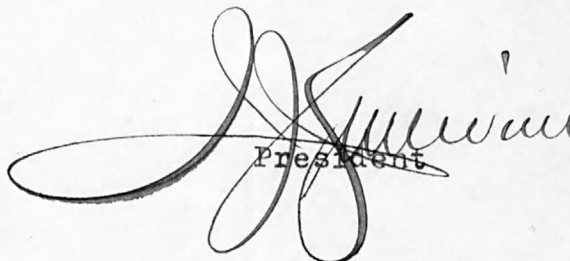
Federal Reserve Board,

Washington, D.C.

Dear Sir:-

We are sending you today by parcel post, special delivery, twenty printed copies of the brief of the banks of Cleveland, in reply to the appeal of the member banks of Pittsburg; together with seven copies of the original brief presented by the Cleveland Committee to the Reserve Bank Organization Committee on February 17th, which we trust will reach you promptly, and will be entirely satisfactory.

Very truly yours,

  
President

ack file

The Central National Bank  
Cleveland, O.

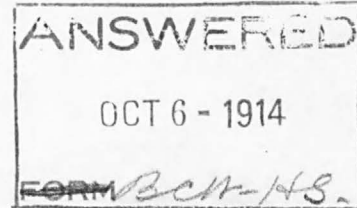
J.J. SULLIVAN, PRESIDENT  
E.W. OGLEBAY, VICE PRESIDENT  
C.E. SULLIVAN, VICE PRESIDENT

L.J. CAMERON, VICE PRESIDENT  
J.C. McHANNAN, CASHIER  
C.L. CORCORAN, ASST. CASHIER



October 1st, 1914.

Hon. H. Parker Willis,  
Secretary, Federal Reserve Board,  
Washington, D. C.

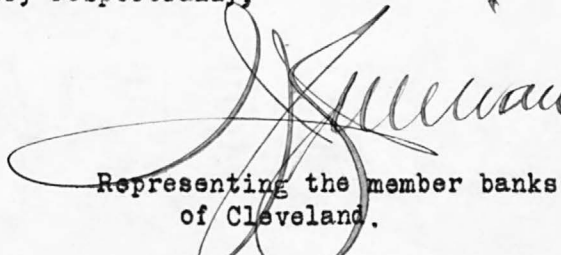


Dear Sir:-

I have the honor to submit herewith the brief of the member banks of Cleveland in reply to the appeal of the member banks of Pittsburgh.

Twenty printed copies of this brief, together with seven additional copies of the original brief presented by the Cleveland Committee to The Reserve Bank Organization Committee on February 17th, will be forwarded by mail tomorrow, October 2nd. I trust that this will meet the requirements of the Board, as stated in Regulation No. 1, and in your letter of the 25th ultimo, transmitting copies of the Pittsburgh petition and brief to Mr. F. W. Wardwell, President of the Cleveland Clearing House Association.

Very respectfully,

  
Representing the member banks  
of Cleveland.

September 28, 1914.

S I R :

On behalf of the Federal Reserve Board, receipt is acknowledged of your letter of September 26th announcing the designation of Mr. J. J. Sullivan to act for member banks in Cleveland, in the matter of the appeal of Pittsburg to be named as the Federal Reserve city for District No. 4. Copies of Pittsburg's brief and petition were mailed to Mr. Sullivan on September 25th in response to advice from Mr. Frank W. Wardwell that Mr. Sullivan had been chosen as Cleveland's representative.

Respectfully,

Asst. Secretary.

Mr. George S. Russell, Vice President,  
The Bank of Commerce,  
Cleveland, Ohio.



CAPITAL AND SURPLUS \$ 3,000,000.00.

# THE BANK OF COMMERCE, NATIONAL ASSOCIATION.

FEDERAL RESERVE BOARD FILE  
122.5-5  
Cleveland

GEORGE A. GARRETSON, PRESIDENT.  
GEORGE S. RUSSELL, 1ST VICE PRESIDENT.  
SAMUEL MATHER, 2ND VICE PRESIDENT.  
JEPHTHA H. WADE, 3RD VICE PRESIDENT.  
WILLIAM C. CAINE, CASHIER.  
GEORGE Q. HALL, ASST CASHIER.  
EZRA W. BOURNE, AUDITOR.

WESTERN RESERVE BUILDING.

DEPOSITORY OF  
THE UNITED STATES.

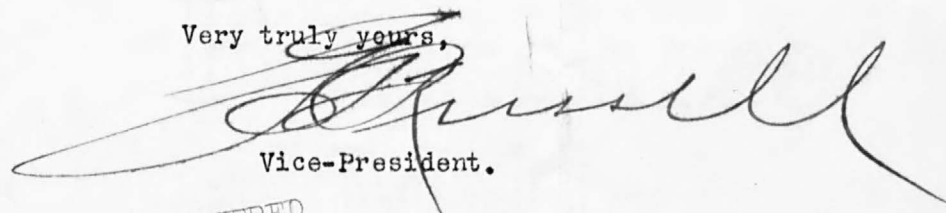
CLEVELAND, O. Sept. 26, 1914

Secretary Federal Reserve Board,  
Washington, D. C.

Sir:

In reply to your letter of September  
23rd. We beg to advise you that on the 23rd inst.,  
J. J. Sullivan was unanimously designated a rep-  
resentative to act for member Banks in this City,  
in the matter of the appeal of Pittsburgh, regard-  
ing the Federal Reserve City of District No.4, and  
the same is certified to by the President of the  
Cleveland Clearing House Association on the same  
date.

Very truly yours,



Vice-President.

RECEIVED



ANSWERED  
SEP 30 1914  
*one*

September 25th, 1914.

S I R :

This office is in receipt of due notice from the banks of Cleveland, Ohio, which are members of the Federal Reserve Bank of Cleveland that Col. J. J. Sullivan has been designated as representative of Cleveland to act at the hearing of the petition of the City of Pittsburg requesting that Pittsburg be assigned as the Federal Reserve City for District No. 4 in place of Cleveland.

Due note of this fact has been made on the records of this office, and there is enclosed herewith copy of petition and brief filed by the City of Pittsburg. Your attention is directed to the fact that under the conditions contained in the method of procedure adopted by the Federal Reserve Board, any reply brief which you may desire to file on behalf of Cleveland should be submitted within seven days from this date.

Upon receipt of your reply brief, the matter will be submitted to the Federal Reserve Board and a date fixed for oral argument, of which date you will be duly notified.

Respectfully,

Secretary.

Mr. Frank W. Wardwell, President,  
Cleveland Clearing House Association,  
Cleveland, Ohio.

Enc.

BCW/MSM

FEDERAL RESERVE BOARD FILE

12205-5

Cleveland

September 23, 1914.

Gentlemen:

Your attention is again called to the fact that it will be necessary for the banks of Cleveland which are members of the Federal Reserve system to select a representative to appear and answer the petition of Pittsburgh to have that city designated as the Federal Reserve City for District No. 4, in place of Cleveland.

If Cleveland desires to file an answer or a reply brief to Pittsburgh's petition and brief, this matter should be given prompt attention.

Respectfully,

Secretary.

Bank of Commerce Nat'l Association,  
Cleveland, Ohio.

BCW/MVM

FEDERAL RESERVE BOARD FILE

3 122.55

*Cleveland*

September 23, 1914.

Gentlemen:

Your attention is again called to the fact that it will be necessary for the banks of Cleveland which are members of the Federal Reserve system to select a representative to appear and answer the petition of Pittsburgh to have that city designated as the Federal Reserve City for District No. 4, in place of Cleveland.

If Cleveland desires to file an answer or a reply brief to Pittsburgh's petition and brief, this matter should be given prompt attention.

Respectfully,

Secretary.

Central National Bank,  
Cleveland, Ohio.



3 122.5-5

September 23, 1914.

Cleveland

Gentlemen:

Your attention is again called to the fact that it will be necessary for the banks of Cleveland which are members of the Federal Reserve system to select a representative to appear and answer the petition of Pittsburgh to have that city designated as the Federal Reserve City for District No. 4, in place of Cleveland.

If Cleveland desires to file an answer or a reply brief to Pittsburgh's petition and brief, this matter should be given prompt attention.

Respectfully,

Secretary.

Cleveland National Bank,  
Cleveland, Ohio.

BCW/MMM

FEDERAL RESERVE BOARD FILE

5 122.5-5

September 23, 1914.

Cleveland

Gentlemen:

Your attention is again called to the fact that it will be necessary for the banks of Cleveland which are members of the Federal Reserve system to select a representative to appear and answer the petition of Pittsburgh to have that city designated as the Federal Reserve City for District No. 4, in place of Cleveland.

If Cleveland desires to file an answer or a reply brief to Pittsburgh's petition and brief, this matter should be given prompt attention.

Respectfully,

Secretary.

First National Bank,  
Cleveland, Ohio.

FEDERAL RESERVE BOARD FILE

3  
122.5-5

September 23, 1914.

Cleveland

Gentlemen:

Your attention is again called to the fact that it will be necessary for the banks of Cleveland which are members of the Federal Reserve system to select a representative to appear and answer the petition of Pittsburgh to have that city designated as the Federal Reserve City for District No. 4, in place of Cleveland.

If Cleveland desires to file an answer or a reply brief to Pittsburgh's petition and brief, this matter should be given prompt attention.

Respectfully,

Secretary.

National City Bank of  
Cleveland, Ohio.

BCW/MWM

FEDERAL RESERVE BOARD FILE

122-55

September 23, 1914.

*Cleveland*

Gentlemen:

Your attention is again called to the fact that it will be necessary for the banks of Cleveland which are members of the Federal Reserve system to select a representative to appear and answer the petition of Pittsburgh to have that city designated as the Federal Reserve City for District No. 4, in place of Cleveland.

If Cleveland desires to file an answer or a reply brief to Pittsburgh's petition and brief, this matter should be given prompt attention.

Respectfully,

Secretary.

National Commercial Bank,  
Cleveland, Ohio.

*MCE*

# The Union National Bank,

FEDERAL RESERVE BOARD FILE  
3-122.5-5

GEO. H. WORTHINGTON, PRESIDENT  
E. R. FANCHER, VICE PRESIDENT  
G. A. COULTON, VICE PRESIDENT  
W. E. WARD, CASHIER  
W. C. SAUNDERS, ASSISTANT CASHIER  
E. E. CRESWELL, ASSISTANT CASHIER

CAPITAL \$1,600,000. SURPLUS \$1,000,000.

Cleveland, O. Sept. 23rd, 1914.

*Blanchard*

Mr. H. Parker Willis, Secretary,  
Federal Reserve Board,  
Washington, D. C.

Sir:

Referring to your communication of Sept. 15th and copy of Regulation No. 1 enclosed, we beg to advise you that at a meeting of the Cleveland Clearing House Association held on the 22nd, Mr. J. J. Sullivan, President of the Central National Bank, was selected as a representative to appear for the National Banks of this City, and to whom the petitions and briefs may be sent from your office.

Respectfully,

*E. R. Fancher*  
Vice-President.

F-M

FEDERAL RESERVE BOARD FILE

3-122.5-5

*C. ...*

September 23, 1914.

Gentlemen:

Your attention is again called to the fact that it will be necessary for the banks of Cleveland which are members of the Federal Reserve system to select a representative to appear and answer the petition of Pittsburgh to have that city designated as the Federal Reserve City for District No. 4, in place of Cleveland.

If Cleveland desires to file an answer or a reply brief to Pittsburgh's petition and brief, this matter should be given prompt attention.

Respectfully,

Secretary.

Union National Bank,  
Cleveland, Ohio.

TREASURY DEPARTMENT TELEGRAM.

WHERE WRITTEN:

Washington,



FEDERAL RESERVE BOARD

September 23, 1914.

PRESIDENT THE CENTRAL NATIONAL BANK  
Cleveland, Ohio.

Your telegram 21st Representative of Cleveland

may appear at oral argument in person or by Counsel.

H. PARKER WILLIS,

Secretary.

OFFICIAL BUSINESS.  
GOVERNMENT RATES. **Official.**

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR .....

2-6827

The appropriation from which payable must be stated on above line.

DEPARTMENTAL STOCK FORM 2128.

**THE CLEVELAND  
CLEARING HOUSE ASSOCIATION**  
C. E. COLLINS, MANAGER

FEDERAL RESERVE BOARD FILE  
3 122.5-5

CLEVELAND, September 22nd 1914

*Cleveland*

Federal Reserve Board,  
H. Parker Willis, Secretary,  
Washington.

Sir,

At a fully attended meeting of the Cleveland Clearing House Association, held this day, Col. J. J. Sullivan was unanimously selected to represent the member banks of Cleveland in accordance with your circular letter of the 15th instant.

The petitions and briefs filed by the member banks of Pittsburgh, mentioned in said circular letter, should be sent to Col. J. J. Sullivan in care of the Central National Bank, Cleveland.

Respectfully,

*Frank W. Hardwell*  
Pres., Cleve. Clear. House Assn.

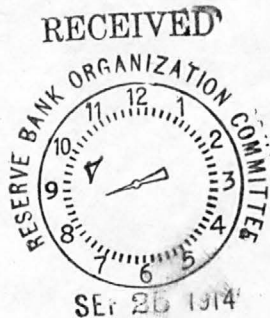
Certified,

*C. E. Collins*  
Secretary.

ANSWERED

SEP 26 1914

*m.c.*





WESTERN UNION

Form 2589 B



DAY LETTER

THEO. N. VAIL, PRESIDENT

122.5-5

RECEIVED AT 1138  
239 P 42 BLUE 5 EXTRA Q

9/21/14

CLEVELAND OHIO 21

1914 SEP 21 22 PM 4 40

HON H PARKER

WILLIS SECRETARY FEDERAL RESERVE BOARD WASHINGTON DC

IN YOUR CIRCULAR REGULATION ONE REFERENCE IS MADE TO ORAL

ARGUMENTS BY COUNSEL WOULD THANK YOU TO EXPALN AS TO

WHETHER THE REPRESENTATIVE CHOSEN BY CLEVELAND BANKS MUST ACT AS

SUCH COUNSEL OR MAY HE EMPLOY COUNSEL

J J SULLIVAN

PREST THE CENTRAL NATIONAL BANK

402R

Y 28

# TREASURY DEPARTMENT TELEGRAM.



WHERE WRITTEN:

Washington, D. C.

RESERVE BANK ORGANIZATION COMMITTEE.

September 21st, 1914.

FEDERAL RESERVE BOARD FILE

35722.54

Bank of Commerce N. A.

Cleveland, Ohio.

9/21/14

Ohio

Your telegram. Oral argument may be presented by counsel.

OFFICIAL BUSINESS.  
GOVERNMENT RATES.

Official.

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR .....

2-6827

The appropriation from which payable must be stated on above line.

DEPARTMENTAL STOCK FORM 2128.

Treasury Department

122.5-5

TELEGRAM

32WU MO 19

CLEVELAND Ohio Sept 21 1914

The Governor Federal Reserve Board,

Washington D C

We beg answer by wire to inquiry our telegram seventeenth instant  
regarding regulation number one of August twenty eighth.

Bank of Commerce N A

105pm

RECEIVED

SEP 21 1914

Res. Bank Org. Committee

# WESTERN UNION



# NIGHT LETTER

THEO. N. VAIL, PRESIDENT

122.5-5

1577  
RECEIVED AT

1914 SEP 17 18 PM 9 58

71 P RC 45 NL

CLEVELAND OHIO SEPT 17 1914

THE GOVERNOR

FEDERAL RESERVE BOARD WASHINGTON DC

REGARDING REGULATION NUMBER ONE OF AUGUST TWENTY EIGHTH NINETEEN HUNDRED  
FOURTEEN PLEASE ADVISE AS TO REPRESENTATIVE THAT MAY BE APPOINTED  
BY BANKS HERE BEING REQUIRED IN ADDITION TO FILING HIS  
BRIEF TO PRESENT THE ORAL ARGUMENT OR CAN ORAL ARGUMENT  
BE PRESENTED BY HIS CONSUL

BANK OF COMMERCE N A

953P

I  
M  
C

FEDERAL RESERVE BOARD FILE  
3122.5-5

*Chas. ...*

September 15, 1914.

Gentlemen:

For your information and guidance I am enclosing herewith a copy of Regulation No. 1, prescribing the procedure in appeals from the decision of the Reserve Bank Organization Committee.

You are hereby notified that the member banks of the city of Pittsburgh have filed a petition requesting that Pittsburgh be designated as the Federal Reserve City of District No. 4, in place of Cleveland. You are requested to select a representative to appear for Cleveland to whom the petitions and briefs will be promptly sent.

Respectfully,

Secretary.

Union National Bank,  
Cleveland, Ohio.

I  
M  
C

FEDERAL RESERVE BOARD FILE  
122.5-5  
Chase

September 15, 1914.

Gentlemen:

For your information and guidance I am enclosing herewith a copy of Regulation No. 1, prescribing the procedure in appeals from the decision of the Reserve Bank Organization Committee.

You are hereby notified that the member banks of Pitt city of Pittsburgh have filed a petition requesting that Pittsburgh be designated as the Federal Reserve City of District No. 4, in place of Cleveland. You are requested to select a representative to appear for Cleveland, to whom the petitions and briefs will be promptly sent.

Respectfully,

Secretary.

National City Bank of  
Cleveland, Ohio.

I  
M  
C

FEDERAL RESERVE BOARD FILE  
352-3-5  
122.5-5  
D. C.

September 15, 1914.

Gentlemen:

For your information and guidance I am enclosing herewith a copy of Regulation No. 1, prescribing the procedure in appeals from the decision of the Reserve Bank Organization Committee.

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Respectfully,

Secretary.

National Commercial Bank,  
Cleveland, Ohio.

I  
M  
C

FEDERAL RESERVE BOARD FILE  
3-122-5-5

*Chivers*

September 15, 1914.

Gentlemen:

For your information and guidance I am enclosing herewith a copy of Regulation No. 1, prescribing the procedure in appeals from the decision of the Reserve Bank Organization Committee.

You are hereby notified that the member banks of the city of Pittsburgh have filed a petition requesting that Pittsburgh be designated as the Federal Reserve City of District No. 4, in place of Cleveland. You are requested to select a representative to appear for Cleveland to whom the petitions and briefs will be promptly sent.

Respectfully,

Secretary.

Cleveland National Bank,  
Cleveland, Ohio.

*[Handwritten signature]*



I  
M  
C

FEDERAL RESERVE BOARD FILE  
3122.5-5

*Cleveland*

September 15, 1914.

Gentlemen:

For your information and guidance I am enclosing herewith a copy of Regulation No. 1, prescribing the procedure in appeals from the decision of the Reserve Bank Organization Committee.

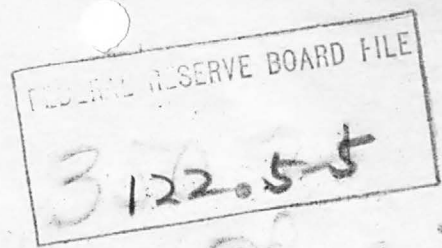
You are hereby notified that the member banks of the city of Pittsburgh have filed a petition requesting that Pittsburgh be designated as the Federal Reserve City of District No. 4, in place of Cleveland. You are requested to select a representative to appeal for Cleveland, to whom the petitions and briefs will be promptly sent.

Respectfully,

Secretary.

Bank of Commerce Nat'l Association, 111 N. Cleveland, Ohio.

I  
M  
C



September 15, 1914.

Gentlemen:

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Respectfully,

Secretary.

First National Bank,  
Cleveland, Ohio.

I  
M  
C



September 15, 1914.

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For your information and guidance I am enclosing herewith a copy of Regulation No. 1, prescribing the procedure in appeals from the decision of the Reserve Bank Organization Committee.

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Respectfully,

Secretary.

Central National Bank,  
Cleveland, Ohio.

FEDERAL RESERVE BOARD FILE

122 55

2/17/14

# Cleveland Brief

presented to

**Reserve Bank Organization Committee**

**February 17, 1914**

*To the Reserve Bank Organization Committee:*

We suggest the division of the United States into eleven Federal Reserve Districts, approximately as outlined on the map which we submit for your consideration.

**Logical  
number of  
Districts**

We believe that the purposes of the Federal Reserve Act cannot be well served with a smaller number of districts. Any attempt to limit the number further we think would necessitate either overwhelming banks in the great financial centers, or districts covering too large areas throughout the rest of the country.

**Characteristics  
of Districts  
and Reserve  
Cities**

We have outlined each of the districts with regard to "the convenience and customary course of business," attempting also to have each as self-contained as possible with respect to borrowing needs and lending power, and to divide the resources of the country equitably if not equally. The smallest banks of the eleven we suggest will serve districts that are certain to grow in financial strength. We have suggested the location of the bank in each district in a city which seems to us to be now or potentially the trade center, readily accessible, and with adequate commercial and financial strength; and we believe these qualifications are best indicated, not merely by present size and position, but also, and perhaps more reliably, by the rate and character of recent growth.

**The eleven  
Reserve Cities**

The districts we suggest are each described on a schedule which we have designated as "Exhibit A," the headquarters being as follows: District 1, Boston; District 2, New York; District 3, Philadelphia; District 4, Richmond; District 5, Cleveland; District 6, Atlanta; District 7, Chicago; District 8, St. Louis; District 9, Dallas; District 10, Minneapolis; District 11, San Francisco.

**Territory and  
data for  
District 5**

In District No. 5 we have included the entire state of Ohio, nine counties in western New York, including Buffalo and Rochester, twenty-five counties in western Pennsylvania, including Pittsburgh and Johnstown, the four counties constituting the "Panhandle" of West Virginia, including Wheeling, and nineteen counties of southeastern Michigan, including Detroit, Lansing and Bay City. Within this district are national banks having a total capital and surplus of \$230,360,000 which would be members of a Federal District bank with a capital of \$13,800,000. The deposits of these banks aggregate \$1,042,000,000. The state banks in the District have capital and surplus aggregating \$251,300,000, and deposits of \$1,336,000,000. The population of the district, according to the census of 1910, was 10,287,292.

**Necessity of  
a District  
between New  
York and  
Chicago**

We believe it is obvious that a district in the north between New York and Chicago is absolutely necessary to limit the tremendous banking power acquired by those two centers of finance under our old law, as well as to enable each of those centers to serve its own community best. The District Reserve Banks in New York and Chicago will necessarily be greater than any others, even when such a midway district is established. We believe it essential, however, to attach to other centers as much territory as can reasonably be separated from the New York district, and some of the territory which under the old conditions has centered its banking in Chicago.

**A natural  
District  
between New  
York and  
Chicago**

Fortunately, between these two great centers there lies a natural district, which we believe is as cohesive in its industries, commerce, exchanges and financial problems as can be found anywhere in the world in a like area. This is the great iron and steel producing territory centering in northern Ohio, a district which has such manufacturing advantages in varied lines, added to great mineral and agricultural resources, that it has developed a remarkable diversity of industries and commerce, loosely allied, not discordant, yet offering a distribution of financial requirements which approaches the ideal.

**Agricultural,  
mineral and  
industrial  
factors in  
the District**

This district has become so great in manufacturing that its agricultural resources are often forgotten. Census figures show, for example, that Ohio ranks fifth among the states in number of farms, sixth in value of farm property, sixth in production of corn, fifth in tons of hay produced, sixth in value of potatoes grown, third in production of wool, sixth in pounds of butter produced, sixth in gallons of milk, third in dozens of eggs; and the list might be extended. But the meeting of bituminous coal and iron ore in this district has made it pre-eminent in most forms of iron and steel production, the great barometer of business; Ohio is fourth in production of bituminous coal, and second in production of pig-iron. This region or district has moreover such advantages for the distribution as well as production of so many articles of manufacture, not only those using iron and steel as their chief materials, that it has taken on chief importance as an industrial district. The census shows in this district nine manufacturing cities of more than 100,000 population, as follows (in order of rank): Cleveland, Pittsburgh, Detroit, Buffalo, Cincinnati, Rochester, Columbus, Toledo

and Dayton. These cities alone produce annually manufactures valued at more than \$1,500,000,000. The census lists of leading classes of products in these cities show a remarkable diversity. Among the classes showing the greatest value of products in each city are the following:

- Foundry and machine-shop products
- Primary iron and steel
- Automobiles and automobile parts
- Packing-house products
- Soap
- Men's and women's clothing
- Boots and shoes
- Printing and publishing
- Petroleum refining
- Flour and grist mill products
- Bakery products
- Coffee and spice roasting and grinding
- Tobacco manufactures
- Malt and spirituous liquors
- Brass and bronze products

**District will  
be financially  
self-contained**

We believe it is demonstrable that the seasonal demands for loans in the commerce and industries of this district are as evenly distributed throughout the year as would be possible in any district that could be outlined anywhere. Even were the district limited to iron and steel manufactures, the demand would be distributed by the very fact that the processes are all carried on within its borders, from unloading of iron ore to assembling the most highly finished products. For example, the season of the year when Cleveland has the least demands for loans on its industries, particularly its ore, pig-iron and primary steel, is the very season when Detroit has its greatest demands for financing its automobile products. We might multiply instances, but we believe the probability that the district is likely to be always self-reliant is indicated sufficiently by a table and accompanying chart which we have prepared and marked "Table A" and "Chart I," showing percentage of reserves in each of the reserve cities in this district at the date of each comptroller's call for a period of three years.

**Harmony of  
diversified  
interests of  
the District**

With all the diversity of industry, commerce and agriculture in this district, there is nevertheless a certain relation even between the most diverse. In Cleveland, for example, our women's wear manufacturers not only employ other producing members of the

families of our machinists, but some of our largest foundries are owned by textile goods manufacturers; and other inter-relationships make for understanding of each other's problems, and mutual helpfulness. We believe that the bankers of all the district we have outlined would have sympathetic understanding, if not absolute knowledge, of the financial problems of all the manufacturers, miners, farmers and merchants of the district. Now this would not be true if the district were to include much of the tobacco and cotton territory south of the Ohio River, where the agricultural, commercial and industrial conditions are utterly divergent from those of Ohio. We think there would be a lack of mutuality which would be likely to affect the southern territory unfavorably, because of the preponderance of northern problems and requirements, and the probable majority of northern stockholders and directors.

**Three possible  
Reserve  
Cities**

The location of the bank to serve this district will doubtless lie between Cleveland and Cincinnati, because the other large cities within the district are so near its eastern and western boundaries. However, Pittsburgh has also claimed to be able to serve Ohio. Your choice lies possibly between these three. You will, of course, select the city which can, in your judgment, best serve the district. It is our purpose in this presentation to assist you in forming a correct judgment; we shall try to avoid mere local pride, and present only the facts and figures that have convinced us, as we think they must convince you, that the business interests of this district would be best served by locating the headquarters bank at Cleveland.

**Qualifications  
of Reserve  
City**

We are frank enough to say that no city in this district can substantiate the claim, as Chicago can for instance, that the great bulk of the trade of the proposed district centers there. So if you establish a district with Ohio as its great nucleus, you will doubtless place the bank in the city that best meets the following requirements:

- (1) Satisfactory communication throughout the district.
- (2) Proximity to center of traffic and exchanges of the district.
- (3) Financial, commercial, industrial and civic strength in itself.
- (4) Satisfactory relations with the entire district.

We shall confine our evidence to a comparative showing for the three cities under each of these four heads. The few essential facts and figures have been compiled with great care, accuracy being sought at whatever cost; and we believe they are absolutely reliable.



Each city  
accessible

(1) **Communication:** It is probable that the communication throughout the district from any one of the three cities would be satisfactory to serve the purpose of the bank. It is certainly true that a letter mailed from Rochester, Johnstown, Cincinnati or Saginaw, cities in the remotest parts of the district, at the close of banking hours on one day would reach Cleveland in time to receive attention at the beginning of banking hours on the next day; and this would even be true of most, if not all, communities of eastern Kentucky and eastern Tennessee, if the district should extend so far south. It is worthy of note, furthermore, that a letter mailed at the close of banking hours at any one of seven of the other District Reserve Cities indicated on our map, would reach Cleveland in time to receive attention during the following morning.

Cleveland is  
shortest journey for most  
people in the  
District

Moreover, we believe it can be shown that Cleveland can be reached more quickly, by most of the people in the district, than either of the other cities. The debatable territory, so to speak, is all within the state of Ohio; it is obvious that Pittsburgh can be reached by Pennsylvania towns more quickly than can Cleveland or Cincinnati; it is obvious that Cincinnati could be reached by towns in Kentucky more quickly than Cleveland, if Kentucky were included in the district; it is obvious that Cleveland can be reached by the Michigan and New York points more quickly than either of the other cities. But Ohio lies between the three cities. Of the thirty-seven cities of Ohio containing a population of 10,000 or more in 1910 (taken as indicating density of population) seventeen, with a total population of 1,130,000, can reach Cleveland most quickly; fourteen cities, with a population of 902,000, can reach Cincinnati most quickly, and six, with a population of 105,000, can reach Pittsburgh most quickly. Fifteen of these cities, with a population of 1,064,000, are a longer journey from Pittsburgh than from either Cincinnati or Cleveland; seventeen, with a population of 427,000, are furthest from Cincinnati; while only four, with a population of 78,000, are furthest from Cleveland. To make the point clearer by a system of scoring, if 100 points are allowed for the quickest communication, and fifty for the second quickest, the score is: Cleveland 2,350, Cincinnati 1,550, and Pittsburgh 1,350.

Relative  
traffic  
density

(2) **Location with respect to center of traffic and changes:** There are eighty-eight counties in Ohio. The population of the forty-four counties north of a line drawn approximately through the center of the state is 2,547,721; of the forty-four southern

counties, 2,219,400. Density of traffic, which means density of exchanges, can be indicated fairly by railroad facilities for handling the traffic. There are forty main-line tracks in service on the railroads traversing the northern part of Ohio, and twenty-three main-line tracks for the railroads traversing the southern part. In the north half of the state, ten railroads have two or more main-line tracks; in the south half, only three have as many as two main-line tracks. The total double-track mileage in Ohio, as shown by the most recent map of the Ohio Public Service Commission, is 2,107 miles. Of this double-track mileage, more than 1,468 miles, or nearly seventy per cent., lies in the northern forty-four counties; not quite 639 miles, or a little over thirty per cent., is in the south half of the state.

**Traffic  
converging  
at Cleveland**

With respect to the railroad situation of Cleveland in this part of the state, it is only necessary to say that every eastern trunk line of the United States enters Cleveland, and that the city is on the principal travel highway between New York and Chicago. Moreover, and equally important, Cleveland is on the most direct line from the iron ore of the northern states to the bituminous coal deposits of this district. Practically all of the shipping carrying the iron ore trade of the lakes (amounting to 50,000,000 tons last year) is directed from Cleveland, and about eighty per cent. of the great fleets of vessels engaged in the ore and coal trade are managed at Cleveland. You doubtless have in mind the fact that the tonnage through the Detroit River to and from Lake Erie ports is greater than the total port tonnage of New York, London and Liverpool combined. Furthermore, the value of this tonnage, as estimated by the United States Government Engineer at Detroit, was more than \$800,000,000 in 1910, a far greater sum than the total reported by the census for the value of both the agricultural and manufactured products of the states of Kentucky and Tennessee combined. This indicates the unreliability of the argument that Cleveland is a less desirable center for this district because it has the lake to the north. The lake is a far more valuable source of business and exchanges than most equal areas of land. The Great Lakes furnish the cheapest freight haul in the world, so that the iron ore, coal and limestone for the production of pig-iron can be assembled on the south shore of Lake Erie more cheaply than in any other of the great furnace districts in the north. We note also that nearly all the cities you have been considering as locations for district banks are situated,

not in the geographic centers of their districts, but at the points where lines of communication center, which happen to be, in most cases, at or near one edge of each district; and especially when any district has any frontage on navigable water, the trade of the district is likely to seek a port city.

Rank of  
Cleveland  
and causes  
of growth

(3) **Financial, commercial, industrial and civic strength:** Cleveland is the largest city between the Atlantic seaboard and Chicago, and its population is exceeded by only three cities of the seaboard—New York, Philadelphia and Boston—and two cities of the interior, Chicago and St. Louis. The United States Census of Manufactures for 1909 shows that the value of the manufactured product of Cleveland is exceeded only by that of four cities, New York, Chicago, Philadelphia and St. Louis. Cleveland's rapid growth to this position is due largely to its strategic location and transportation facilities, which have been the chief of its manufacturing advantages. These natural and economic advantages, aided by individual enterprise and the application of intelligent public spirit in co-operative effort, have produced the phenomenal but steady and substantial advance of Cleveland among the cities of the country. In 1850 Cleveland was forty-third in population rank; today it is the Sixth City.

Volume of  
Cleveland's  
business  
in principal  
commodities

As indicating the volume of trade now centering in Cleveland, we give below a table of a few of the leading commodities handled by Cleveland business houses, with the approximate volume of annual business conducted through Cleveland banks in each line, as estimated from reports furnished by a large number of leading business houses, or from most recent census reports. The financial needs of all of these lines are distributed over a large part of the year.

Commodity	Annual volume
Iron ore . . . . .	\$64,000,000
Bituminous coal . . . . .	56,000,000
Petroleum and its products, etc. . . . .	33,500,000
Lumber . . . . .	13,500,000
Stone . . . . .	13,000,000
Grain and hay . . . . .	19,000,000
Live stock and packing-house products . . . . .	40,000,000
Primary iron and steel products . . . . .	36,000,000
Foundry and machine shop products . . . . .	48,000,000
Automobiles and automobile parts and accessories (manufactured) * . . . . .	43,000,000
Men's and women's wearing apparel (factory product) . . . . .	32,000,000

\* Part of this total is probably included in the value of "foundry and machine-shop products."

**Growth is  
safe index**

We believe that the selection of normal trade centers for the districts you establish can be made almost unerringly by a study of the rate and character of growth of the chief cities in each district. The present size, trade importance and financial condition of the cities considered are of course most important factors; but you are planning for the future as well as the present, and growth is, we believe, a clearer index of probable strength than present size, if the two factors do not coincide. We believe, therefore, that we can best aid you in selecting the headquarters for this district by showing the history of recent growth in Cleveland, Pittsburgh and Cincinnati.

**Soundness  
of Cleveland  
Banks**

Before considering the figures of financial growth, you should be advised that since the enactment of the national banking law Cleveland is unique among these three cities in having reported not one single failure of a national bank; no depositor in any national bank in Cleveland has lost one penny.

**Index items**

In order to limit as severely as possible the figures which we feel must be brought to your attention, we have confined our evidence of relative growth to a very few index items. These are not chosen for the reason that they favor Cleveland; we believe that all the recorded data would indicate equally well the indisputable fact of Cleveland's advance; but we believe the following items will be sufficient for reliable comparison. For each item we give the percentages of increase for the most recent ten-year periods for which authoritative data are available, as follows:

	Cleveland	Cincinnati	Pittsburgh
Population, 1900-1910 . . . . .	46.9	11.8	18.2
Postoffice receipts, 1904-1913 . . . . .	116.4	61.3	107.5
Value of manufactures, 1899-1909 . . . . .	95.1	37.3	11.1
Clearing House exchanges, 1904-1913 . . . . .	57.8	16.1	23.9
Deposits, all banks, 1904-1913 . . . . .	66.1	37.5	36.2

Tables B, C, D, E and F, and Charts II, III, IV, V and VI, which we offer in evidence, show clearly the annual growth of the three cities as indicated by these items.

**Civic  
soundness**

Civic conditions may seem to be a minor point in your consideration of a purely economic problem, but we believe they have a very distinct bearing. Cleveland has a deserved reputation for freedom from "graft" in its municipal affairs; but that is a negative virtue, and is perhaps only a minor evidence of the alert progressive spirit which is constantly manifested by the great body of our citizens and their leaders in many ways. For example,

Cleveland enjoys the lowest death rate among the large cities of the country, due in part to climatic conditions, but also in large part to intelligent municipal sanitation. Cleveland was the first American city actually to begin putting into effect a great plan for grouping its public buildings in a "civic center." Cleveland's experiments in charities and correction are attracting world-wide attention and serving as models for other communities; the famous Cooley Farm Colony, the Cleveland Federation for Charity and Philanthropy, and the new "Cleveland Foundation" are examples. In Cleveland has been evolved the unique street railway franchise (which may be credited largely to the work of the late Mayor Tom L. Johnson and the late United States Judge Robert W. Tayler) the essential features of which are the control of service by the city, the kind of service the people's representatives require at a rate of fare which will pay its cost plus 6% upon an arbitrated valuation; and the consequent satisfaction of the people because a problem is solved which in other cities is a constant source of disturbance of both business and banking conditions. The citizenship of Cleveland expresses itself not only at the polls, but also through civic and commercial organizations, in which effective voluntary service for the improvement of living and working conditions in Cleveland is rendered most freely by a very large number of able men.

These facts we cite as reasons for the growth of Cleveland in the past, and as evidence of its healthy condition and probable continued growth; so that in the future, still more than at present, Cleveland is likely to be the undisputed trade center of this district.

**Rivalry of  
three cities**

(4) **Relations with District:** It is natural that in a district like this the smaller communities and rural territory would all prefer to be attached to the nearest large city, with which trade relations are closest; and it is natural, too, that none of the three cities under consideration should name either of the others even as a second choice, because there has been a friendly but intense rivalry between these cities. Since Cleveland continues to outgrow the other two, we believe that it should not be subordinated to either. Yet Pittsburgh and Cincinnati cannot be expected to yield ungrudging precedence to their successful rival for pre-eminence in the middle west.

**Commercial  
and financial  
allegiance**

But the business men of all this district enjoy friendly, profitable and even cordial relations with each other, and we are certain that there would be no real disturbance, much less violence, done to existing trade conditions in Pittsburgh, Cincinnati, Buffalo, Detroit or Rochester, or any other locality within the district, through the establishment of a bank at Cleveland. Six hundred and twenty-four national and six hundred state banks within the district now carry accounts with Cleveland national banks, besides two hundred and seventy-nine national and one hundred and twenty-one state banks beyond the district. About five hundred banks in the district have designated Cleveland banks as reserve agents. Cleveland has forty-five per cent. of the total of all "bank deposits" in all Ohio banks. We have heard directly from two hundred and thirty-three banks in northern and central Ohio who name Cleveland as their first choice for the location of the district bank, as well as twenty banks in southern Ohio, four in south-eastern Michigan, five in western Pennsylvania, two in New York, and even seven in Indiana; and we are certain that many other banks in surrounding states and in southern Ohio would find Cleveland perfectly acceptable, if not their first choice. To show that our city has the active good will of business men in its immediate trade territory, we shall submit to you copies of resolutions from commercial and trade organizations in thirty-three Ohio cities and towns, resolutions formally adopted by Clearing House Associations in some of the cities, and editorials that have appeared in several Ohio newspapers outside of Cleveland.

**Conclusion**

We submit these facts and considerations with the conviction that they establish clearly the desirability of such a district as we have outlined, with Ohio as its center, and with its Reserve Bank at Cleveland.

Respectfully submitted,

J. J. Sullivan, Chairman, Clearing House Committee  
Newton D. Baker, Mayor of Cleveland  
Warren S. Hayden, President, The Cleveland Chamber of Commerce  
Elbert H. Baker, President, Plain Dealer Publishing Co.  
F. H. Goff, President, Cleveland Trust Company

Executive Committee

Representing Committees appointed by

*The Cleveland Clearing House Association  
The Cleveland Chamber of Commerce  
The Cleveland Builders Exchange  
The Cleveland Association of Credit Men  
The Cleveland Real Estate Board  
The Cleveland Advertising Club  
The Industrial Association of Cleveland  
Cleveland Rotary Club  
Lakewood Chamber of Commerce*

## EXHIBIT A

### SCHEDULE OF FEDERAL RESERVE DISTRICTS

(Figures are chiefly from the report of the Comptroller of the Currency for 1913, supplemented by latest reports of State Banking Departments of some States.)

**District No. 1**      All of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island; three counties of eastern Connecticut (Windham, Tolland, New London); the northeastern part of New York, going west as far as the western boundaries of Wayne, Ontario and Steuben counties, and southeast as far as the southern boundaries of Delaware, Green and Columbia counties.

Capital of Reserve Bank at BOSTON . . . . .	\$ 12,100,000
Capital and surplus National banks . . . . .	202,150,000
Deposits National banks . . . . .	811,500,000
Capital and surplus all other banks . . . . .	215,000,000
Deposits all other banks . . . . .	2,500,000,000

**District No. 2**      Thirteen counties of New York, including and surrounding Greater New York, going north as far as the northern boundaries of Dutchess, Ulster and Sullivan counties; the five western counties of Connecticut not included in District No. 1; the eleven northern counties of New Jersey, as far south as the southern boundaries of Middlesex, Somerset and Hunterdon counties.

Capital of Reserve Bank at NEW YORK . . . . .	\$ 19,400,000
Capital and surplus National banks . . . . .	323,600,000
Deposits National banks . . . . .	1,700,000,000
Capital and surplus all other banks . . . . .	400,000,000
Deposits all other banks . . . . .	3,100,000,000

**District No. 3**      Forty-two eastern counties of Pennsylvania, as far west as the eastern boundaries of Potter, Cameron, Clearfield, Cambria and Somerset counties; all of Delaware; and the ten southern counties of New Jersey not included in District No. 2.

Capital of Reserve Bank at PHILADELPHIA . . . . .	\$10,300,000
Capital and surplus National Banks . . . . .	171,550,000
Deposits National banks . . . . .	693,100,000
Capital and surplus all other banks . . . . .	170,000,000
Deposits all other banks . . . . .	635,000,000

**District No. 4** All of Virginia, Maryland, District of Columbia, North and South Carolina, and all of West Virginia except the four counties of the "Panhandle."

Capital of Reserve Bank at RICHMOND . . . . .	\$ 6,400,000
Capital and surplus National banks . . . . .	106,400,000
Deposits National banks . . . . .	395,000,000
Capital and surplus all other banks . . . . .	115,000,000
Deposits all other banks . . . . .	450,000,000

**District No. 5** All of Ohio; the twenty-five western counties of Pennsylvania not included in District No. 3; the nine counties of western New York not included in District No. 1; the four counties of the "Panhandle" of West Virginia (Brook, Hancock, Marshall and Ohio); nineteen counties of southeastern Michigan, as far as the western boundaries of Hillsdale, Jackson, Ingham, Shiawassee, Saginaw and Bay counties.

Capital of Reserve Bank at CLEVELAND . . . . .	\$ 13,800,000
Capital and surplus National banks . . . . .	230,360,000
Deposits National banks . . . . .	1,042,000,000
Capital and surplus all other banks . . . . .	251,300,000
Deposits all other banks . . . . .	1,336,000,000

**District No. 6** All of Kentucky, Tennessee, Georgia, Florida, Alabama and Mississippi.

Capital of Reserve Bank at ATLANTA . . . . .	\$ 6,050,000
Capital and surplus National banks . . . . .	100,800,000
Deposits National banks . . . . .	312,000,000
Capital and surplus all other banks . . . . .	125,000,000
Deposits all other banks . . . . .	360,000,000

**District No. 7** All of Illinois, Iowa, Indiana and Wisconsin, and the sixty-five counties of Michigan not included in District No. 5.

Capital of Reserve Bank at CHICAGO . . . . .	\$ 14,000,000
Capital and surplus National banks . . . . .	233,290,000
Deposits National banks . . . . .	1,279,400,000
Capital and surplus all other banks . . . . .	260,000,000
Deposits all other banks . . . . .	1,600,000,000

**District No. 8** All of Missouri, Arkansas, Louisiana, Kansas, Nebraska and Colorado.

Capital of Reserve Bank at St. LOUIS . . . . .	\$ 8,080,000
Capital and surplus National banks . . . . .	134,700,000
Deposits National banks . . . . .	695,700,000
Capital and surplus all other banks . . . . .	173,000,000
Deposits all other banks . . . . .	710,000,000



**District No. 9** All of Texas, Oklahoma and New Mexico.

Capital of Reserve Bank at DALLAS . . . . .	\$ 5,900,000
Capital and surplus National banks . . . . .	97,900,000
Deposits National banks . . . . .	336,000,000
Capital and surplus all other banks . . . . .	45,000,000
Deposits all other banks . . . . .	140,000,000

**District No. 10** All of Minnesota, North Dakota, South Dakota, Montana, Wyoming, Idaho and Washington.

Capital of Reserve bank at MINNEAPOLIS . . . . .	\$ 5,300,000
Capital and surplus National banks . . . . .	87,700,000
Deposits National banks . . . . .	505,200,000
Capital and surplus all other banks . . . . .	80,000,000
Deposits all other banks . . . . .	415,000,000

**District No. 11** All of California, Oregon, Nevada, Utah and Arizona.

Capital of Reserve Bank at SAN FRANCISCO . . . . .	\$ 6,500,000
Capital and surplus National banks . . . . .	108,200,000
Deposits National banks . . . . .	460,700,000
Capital and surplus all other banks . . . . .	110,000,000
Deposits all other banks . . . . .	725,000,000

TABLE A

Reserve percentages of the five reserve cities in "District 5", averages of the five cities, and averages of all reserve cities in the United States, at dates of Comptroller's Calls, 1911-1913 inclusive.

Date	Cleveland	Cincinnati	Columbus	Detroit	Pittsburgh	Average	All Reserve Cities
<b>1911</b>							
Jan. 7	26.60	32.37	22.93	22.97	25.65	26.10	27.11
Mar. 7	29.65	30.97	27.10	28.94	27.21	28.77	28.49
June 7	32.82	28.17	26.19	30.67	26.86	28.94	28.37
Sept. 1	29.66	25.19	25.49	28.69	25.31	26.87	26.97
Dec. 5	26.57	27.82	25.86	27.73	26.37	26.87	26.41
<b>1912</b>							
Feb. 20	31.51	29.92	27.58	25.74	27.96	28.54	28.00
Apr. 18	26.44	29.85	25.45	27.30	26.28	27.06	27.30
June 14	29.35	30.41	24.54	29.06	25.18	27.71	27.21
Sept. 4	29.86	27.45	25.56	25.61	27.67	27.23	26.18
Nov. 26	26.54	25.65	23.83	22.62	24.05	24.54	25.32
<b>1913</b>							
Feb. 4	30.86	30.59	28.33	25.14	29.54	28.89	26.96
Apr. 4	26.14	30.05	25.44	24.84	24.87	26.27	25.61
June 4	27.35	26.86	25.45	28.33	23.98	26.39	26.33
Aug. 9	28.43	28.45	24.54	29.39	25.91	27.34	26.52
Oct. 21	29.73	26.73	25.26	25.72	26.09	26.71	25.72

**TABLE B****Population**

Year	Cleveland	Rank	Cincinnati	Rank	Pittsburgh	Rank
1910	560,663	6	364,463	13	533,905	8
1900	381,768	7	325,902	10	321,616	11
1890	261,353	10	296,908	9	238,617	13
1880	160,146	12	255,139	8	156,389	13
1870	92,829	15	216,239	8	86,076	16
1860	43,417	21	161,044	7	49,221	17
1850	17,034	43	115,435	6	46,601	13

**TABLE C**

**Postal Receipts for Offices Named Below for the Years  
1904 to 1913, Inclusive**

Year	Cleveland	Cincinnati	Pittsburgh
1904	\$1,420,498.00	\$1,781,367.81	\$1,511,653.48
1905	1,565,305.65	1,947,211.02	1,622,343.16
1906	1,753,588.58	2,083,078.40	1,835,960.01
1907	1,943,895.96	2,179,672.94	2,046,951.72
1908	1,952,902.11	2,171,128.72	2,017,427.64
1909	2,057,907.53	2,298,581.71	2,134,086.78
1910	2,300,006.86	2,458,395.58	2,411,111.78
1911	2,521,555.67	2,541,586.24	2,634,097.55
1912	2,696,530.34	2,621,186.90	2,922,842.55
1913	3,073,638.38	2,873,070.66	3,136,125.09

**TABLE D**

**Manufactures Statistics  
From U. S. Census 1910**

		Cleveland	Cincinnati	Pittsburgh
<b>Capital invested</b>	1899 .	\$101,243,000	\$103,467,000	\$211,774,000
	1904 .	156,321,000	130,272,000	260,765,000
	1909 .	227,397,000	150,254,000	283,139,000
<b>Value of products</b>	1899 .	139,356,000	141,678,000	218,198,000
	1904 .	171,924,000	166,059,000	211,259,000
	1909 .	271,961,000	194,516,000	243,454,000

**TABLE E**

**Annual Exchanges of the Clearing Houses of  
Cleveland, Cincinnati and Pittsburgh  
For a Period of Ten Years, Each Ending September 30th  
(From Reports of the Comptroller of the Currency)**

Year	Cleveland	Cincinnati	Pittsburgh
1903 . . .	\$ 804,850,901	\$1,153,865,500	\$2,381,454,231
1904 . . .	700,078,208	1,196,854,400	1,997,603,459
1905 . . .	754,739,346	1,192,662,600	2,431,366,780
1906 . . .	812,973,376	1,291,921,250	2,630,996,408
1907 . . .	914,658,049	1,399,770,100	2,761,441,799
1908 . . .	766,518,416	1,202,794,250	2,190,479,976
1909 . . .	825,246,000	1,326,713,000	2,223,335,000
1910 . . .	992,803,000	1,277,997,000	2,604,069,000
1911 . . .	1,001,569,000	1,276,279,000	2,539,143,000
1912 . . .	1,101,007,000	1,347,123,000	2,687,970,000
1913 . . .	1,271,232,000	1,329,668,000	2,951,861,000

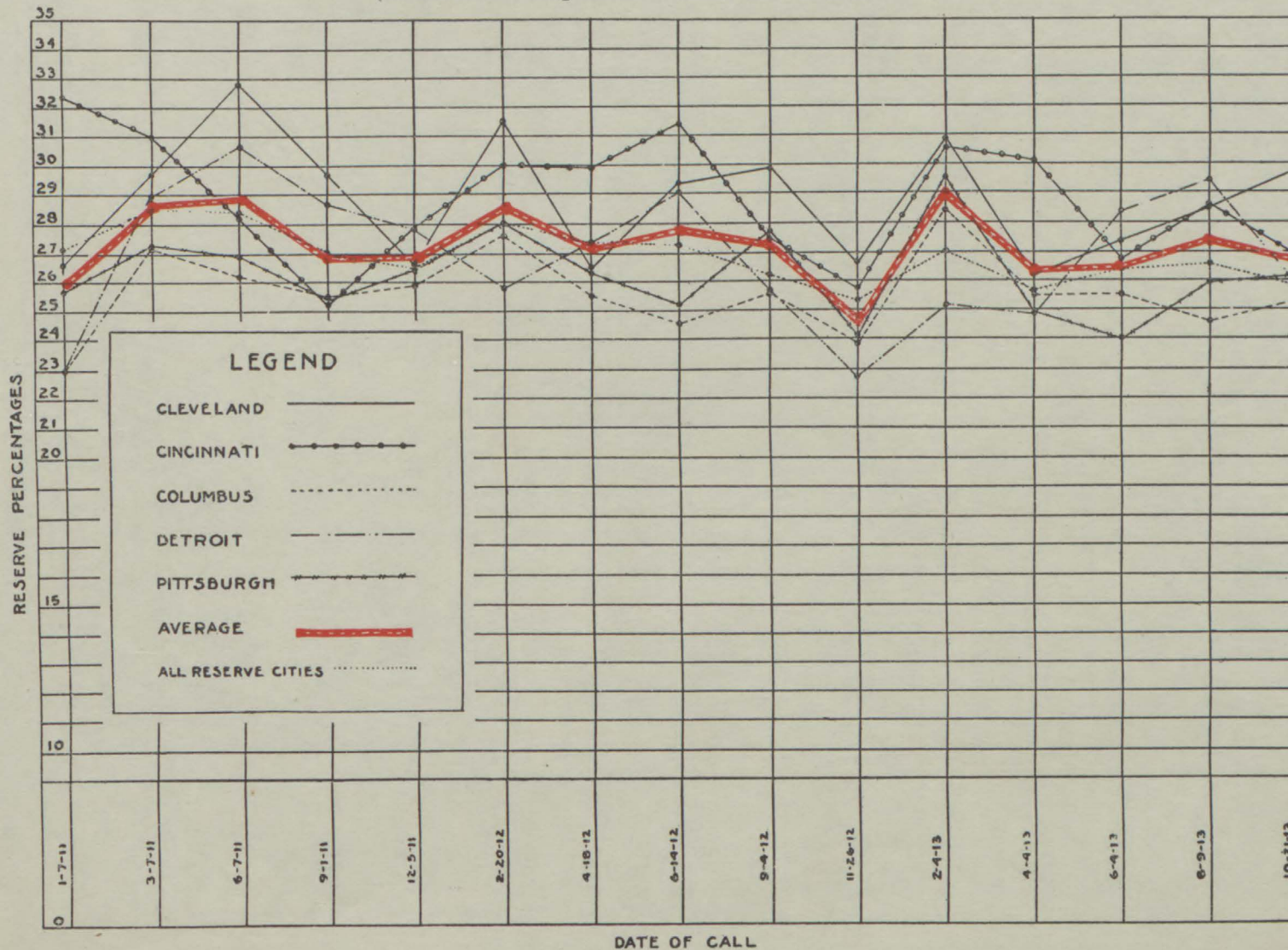
**TABLE F**

**Deposits in all Banks**

<b>Cleveland</b>	<b>National</b>	<b>State</b>	<b>Total</b>
1904 . . .	\$54,997,000	\$139,892,000	\$194,889,000
1905 . . .	56,954,000	162,936,000	219,890,000
1906 . . .	60,283,000	172,627,000	232,910,000
1907 . . .	58,252,000	173,556,000	231,808,000
1908 . . .	65,520,000	162,900,000	228,420,000
1909 . . .	67,386,000	180,277,000	247,663,000
1910 . . .	69,628,000	187,732,000	257,360,000
1911 . . .	72,974,000	205,854,000	278,828,000
1912 . . .	78,660,000	214,164,000	292,824,000
1913 . . .	84,894,000	229,876,000	314,770,000
<b>Cincinnati</b>			
1904 . . .	\$61,701,000	\$32,689,000	\$94,390,000
1905 . . .	62,400,000	38,410,000	100,810,000
1906 . . .	63,439,000	42,632,000	106,071,000
1907 . . .	61,518,000	47,333,000	108,851,000
1908 . . .	68,673,000	45,331,000	114,004,000
1909 . . .	68,616,000	48,438,000	117,054,000
1910 . . .	71,750,000	54,720,000	126,470,000
1911 . . .	72,173,000	59,535,000	131,708,000
1912 . . .	68,921,000	58,108,000	127,029,000
1913 . . .	69,743,000	59,920,000	129,663,000
<b>Pittsburgh</b>			
1904 . . .	\$143,204,000	\$157,627,000	\$300,831,000
1905 . . .	162,667,000	157,599,000	320,266,000
1906 . . .	170,190,000	169,464,000	339,654,000
1907 . . .	163,851,000	172,930,000	336,781,000
1908 . . .	169,907,000	165,579,000	335,486,000
1909 . . .	185,759,000	177,685,000	363,444,000
1910 . . .	188,827,000	179,955,000	368,782,000
1911 . . .	201,135,000	191,756,000	392,891,000
1912 . . .	210,693,000	202,810,000	413,503,000
1913 . . .	189,831,000	219,851,000	409,682,000

### CHART I

Reserve percentages of the five reserve cities in "District 5", averages of the five cities, and averages of all reserve cities in the United States, (at dates of Comptroller's Calls, 1911-1913 inclusive)



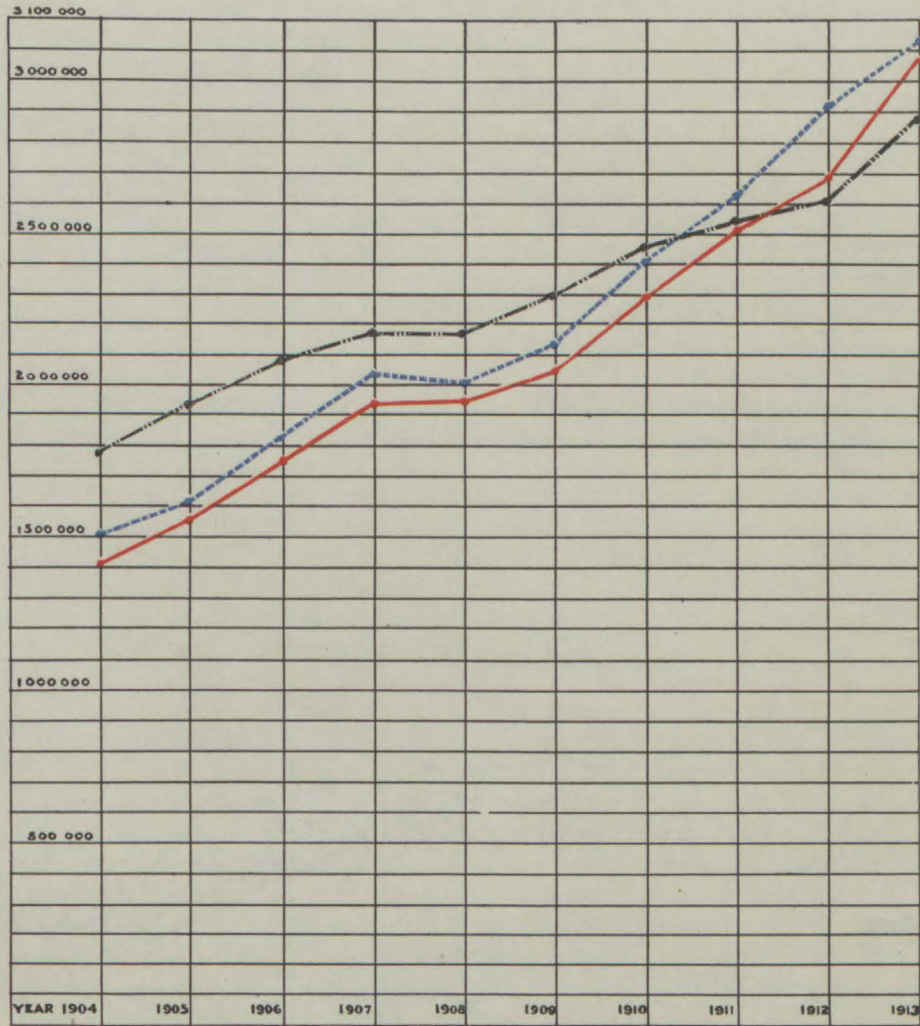
## CHART II Population

YEAR	RANK	1850	1860	1870	1880	1890	1900	1910
1								
2								
3								
4								
5								
6		115435						560663
7			161044				381768	
8				216239	255139			533903
9						296908		
10						261353	325902	
11							321616	
12					160146			
13		46601			156389	258617		364463
14								
15				92829				
16				86078				
17			49221					
18								
19								
20								
21			43417					
22								
23								
24								
43		17034						

### LEGEND

CLEVELAND	CINCINNATI	PITTSBURGH
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**CHART III**  
**Postal Receipts for Offices Named Below for the Years**  
**1904 to 1913, Inclusive**

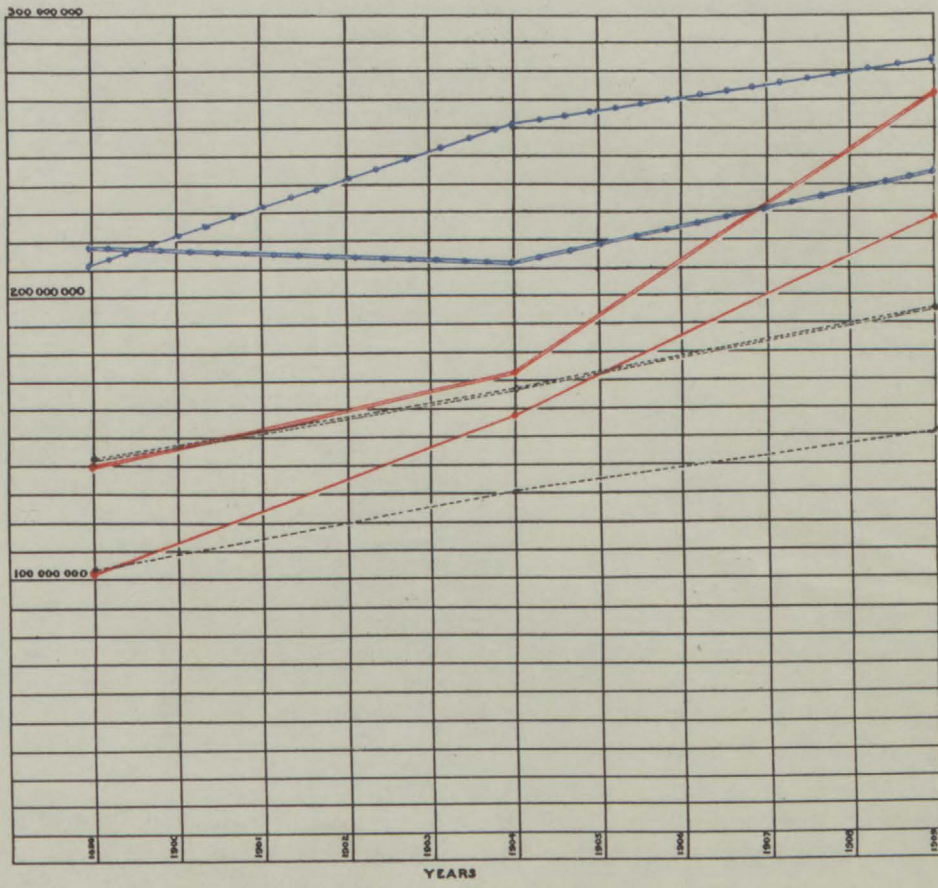


**LEGEND**

- CLEVELAND
- CINCINNATI
- PITTSBURGH



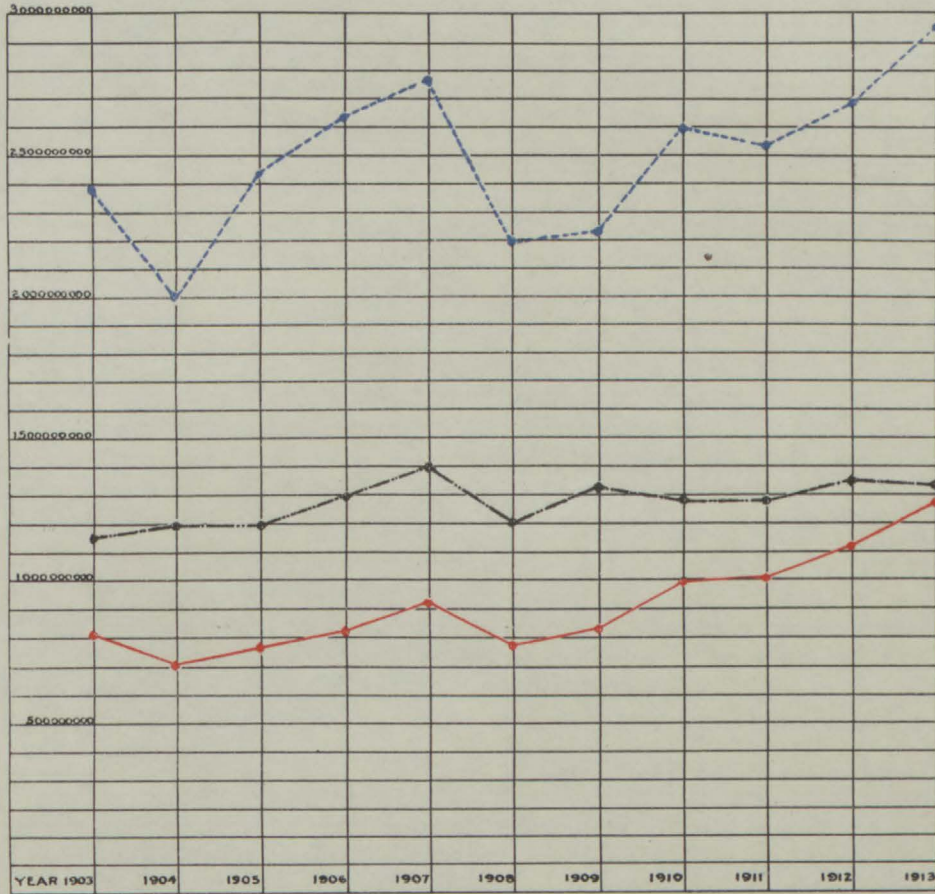
**CHART IV**  
**Manufactures Statistics**  
**From U. S. Census 1910**



**LEGEND**

	CAPITAL INVESTED	—
<b>CLEVELAND</b>	VALUE OF PRODUCTS	—
	CAPITAL INVESTED	- - - - -
<b>CINCINNATI</b>	VALUE OF PRODUCTS	- - - - -
	CAPITAL INVESTED	—●—●—●—
<b>PITTSBURGH</b>	VALUE OF PRODUCTS	—●—●—●—

**CHART V**  
**Annual Exchanges of the Clearing Houses of**  
**Cleveland, Cincinnati and Pittsburgh**  
**For Period of Ten Years Each Ending September 30th**  
**(From Reports of the Comptroller of the Currency)**

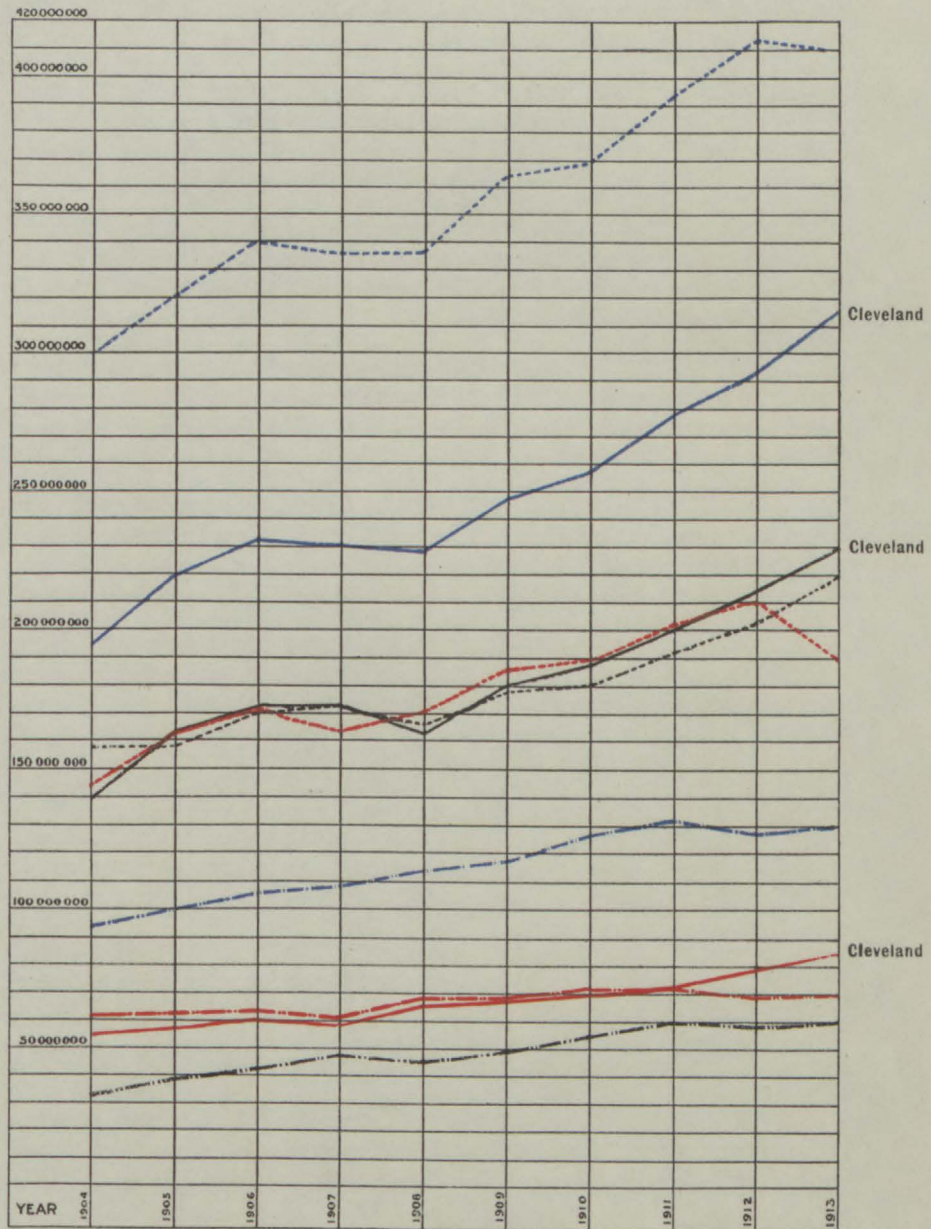


**LEGEND**

- CLEVELAND ———
- CINCINNATI ———
- PITTSBURGH - - - - -

# CHART VI

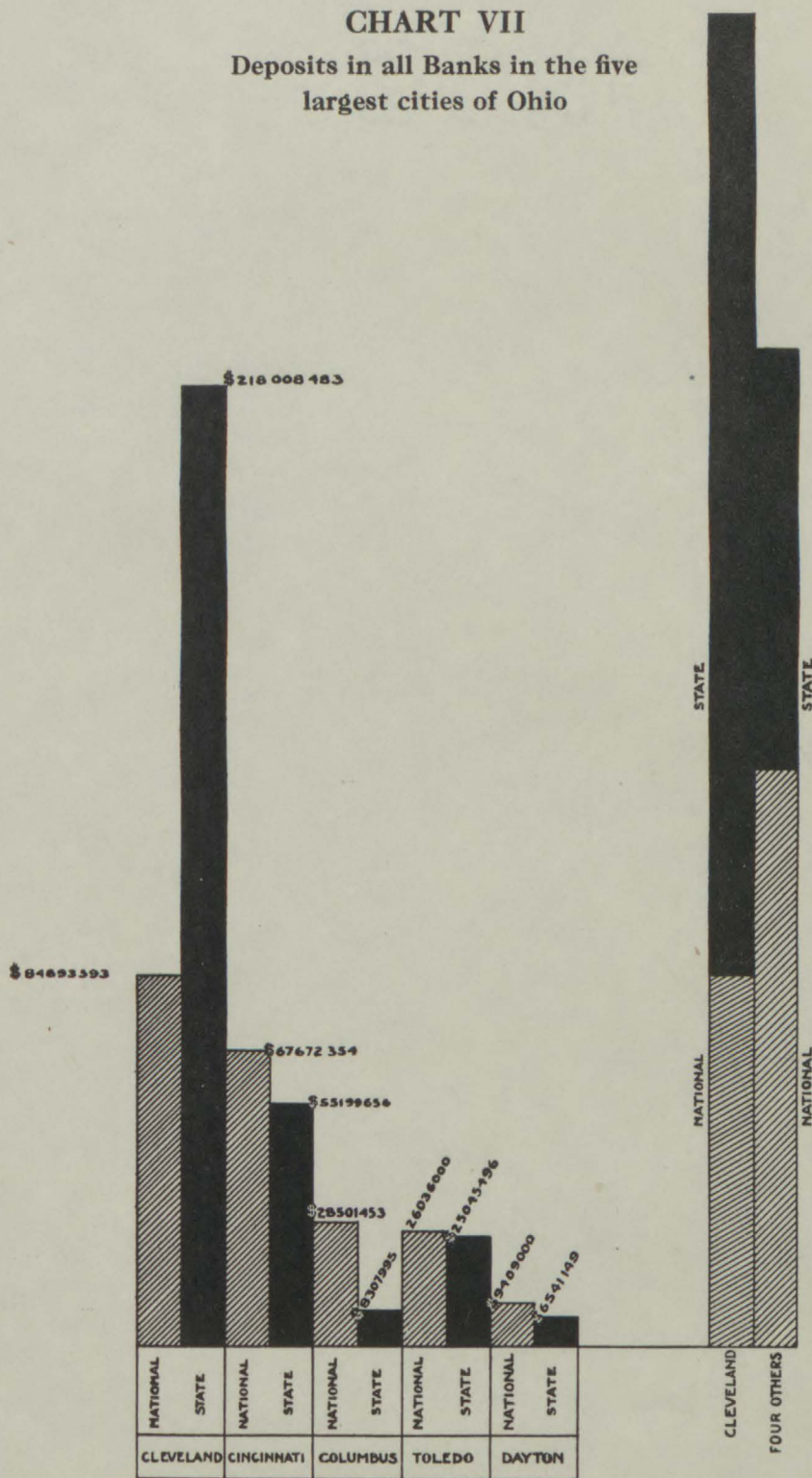
## Deposits in all Banks—Cleveland, Cincinnati and Pittsburgh



### LEGEND

- CLEVELAND ——— NATIONAL ———
- GINCINNATI - - - - STATE ———
- PITTSBURGH - - - - - TOTAL ———

**CHART VII**  
**Deposits in all Banks in the five**  
**largest cities of Ohio**



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*Federal Reserve Board*

