

123. - Decisions

Reserve Organization Committee

TRANSFER

RETURN TO
GENERAL FILES
DO NOT REMOVE ANY
PAPERS FROM THIS FILE

7
1123
March 14, 1932

Mr. Eugene M. Stevens, Chairman,
Federal Reserve Bank of Chicago,
Chicago, Illinois.

Dear Mr. Stevens:

Receipt is acknowledged of your letter of March 11, 1932, and there is enclosed herewith a copy of the Decision of the Reserve Bank Organization Committee Determining the Federal Reserve Districts and the Location of Federal Reserve Banks.

For your information, the Board has only about a half dozen copies of this pamphlet in its files and additional copies will not be available.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary

EMM/faf
(Enclosure)
Cm

FILE COPY

123.

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

MAR 14 1932
March 11, 1932
RECEIVED

Federal Reserve Board

Washington, D. C.

Mr. Chester Morrill, Secretary

Gentlemen:

If possible, I should like to secure several copies
of a pamphlet issued in 1914, the face of which reads as follows:

Decision of the
Reserve Bank Organization Committee
Determining the Federal Reserve Districts
and the location of Federal Reserve
Banks under Federal Reserve Act
Approved December 23, 1913

April 2, 1914

With Statement of the Committee
in Relation Thereto

April 10, 1914

Washington
Government Printing Office
1914

The United States District Attorney here frequently requests
this pamphlet to present to a certain judge in trying failed bank cases,
as concrete evidence (which this judge has requested) that Chicago is
in the Seventh District, and as I have only one copy, would like to secure

March 11, 1932

Federal Reserve Board

at least one more so that my permanent file will not be disturbed.

I shall very much appreciate it if you will send a few to
me.

Very truly yours,

Wm. M. Stevens
Chairman

HH

301
123
The Public Service Commission

F. HERBERT SNOW
CHIEF OF BUREAU



L. G. KRAUSE
ASST. CHIEF OF BUREAU

of the
Commonwealth of Pennsylvania
BUREAU OF ENGINEERING

Harrisburg, Pennsylvania.
April 13, 1926.

Mr. J. C. Noell, Assistant Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Sir:-

Permit me to express my appreciation of the
courtesy extended to me in your letter of April 12, 1926.

It has just occurred to me that the Federal Reserve
Board in Philadelphia may also have this volume available; if
this is the case, since I will be in Philadelphia, in the very
immediate future, it may be that they will be able to
satisfactorily care for my needs.

Very truly yours,

Wm. H. J. McIntyre

Wm. H. J. McIntyre,
Telephone Engineer.

McI/McD.

307

FEDERAL RESERVE BOARD FILE

1723

April 12, 1926.

Dear Sir:

Receipt is acknowledged of your letter of April 10th, making inquiry with reference to the availability for examination in the Board's offices at Washington of the complete report of the Reserve Bank Organization Committee.

The Board has in its files a publication of approximately 400 pages entitled "Location of Reserve Districts in the United States." This publication is in the form of a letter from the Reserve Bank Organization Committee transmitting the briefs and arguments presented to the organization committee of the Federal Reserve Board relative to the location of reserve districts in the United States. This book has been generally acknowledged as the complete report of the Reserve Bank Organization Committee and the Board will be glad to let you have access to this report in its offices in the Treasury Building at any time convenient to you.

Yours very truly,

(Signed) J. C. Noell

J. C. Noell,
Assistant Secretary.

Mr. Wm. H. J. McIntyre, Engineer,
The Public Service Commission,
Bureau of Engineering,
Harrisburg, Pa.



123

The Public Service Commission

F. HERBERT SNOW
CHIEF OF BUREAU



L. G. KRAUSE
ASST. CHIEF OF BUREAU

Mr. Good

of the
Commonwealth of Pennsylvania

BUREAU OF ENGINEERING

Harrisburg, Pennsylvania,
April 10, 1926.

Mr. J. C. Noell, Assistant Secretary,
Federal Reserve Board,
Washington, D.C.

Dear Sir:

This is to thank you for the information conveyed to me in your letter of April 8th. I note from the second paragraph of your letter that there was at one time a publication of the complete report of the Reserve Bank Organization Committee. A search through the files of our State Library does not reveal that they have a copy of this publication.

It may be that the Chief of this Bureau would desire information that would perhaps be incorporated within such a report. This information would be along the lines of the data requested in my letter of March 29th to the Government Printing office, and would be used by us in working up population studies for greater Philadelphia.

In the event that it would not put your organization to undue inconvenience, and also in the event that this information is a matter of public record, I am writing to you to obtain your opinion as to whether it would be possible to consult the committee report in Washington at some future date.

Very truly yours,

Wm. A. J. McIntyre
Engineer.

McI:V

301
1223
Mc I
April 8, 1926.

Dear Sir:

Your letter of March 29th, addressed to the Government Printing Office, requesting certain information concerning the determination of the Federal reserve districts as created by the Federal Reserve Act, has been referred to the Federal Reserve Board for reply.

For your information the Board has published no pamphlets on the above subject other than the publication referred to in your letter. The complete report of the Reserve Bank Organization Committee, I understand, has been out of print for some time.

Yours very truly,

(Signed) J. C. Noell

J. C. Noell,
Assistant Secretary.

Mr. Wm. H. J. McIntyre, Engineer,
The Public Service Commission,
Bureau of Engineering,
Harrisburg, Pa.

123

The Public Service Commission

F. HERBERT SNOW
CHIEF OF BUREAU



L. G. KRAUSE
ASST. CHIEF OF BUREAU

*Refer
Fed Reserve Board*

of the
Commonwealth of Pennsylvania

BUREAU OF ENGINEERING

Harrisburg, Pennsylvania,
March 29, 1926.

Government Printing Office,
Washington, D.C.

Dear Sirs:

Will you kindly furnish me with the names and price lists of all publications that you may have covering specifically the method of determination of the Federal Reserve Districts as created by virtue of the Federal Reserve Act. In the event that there is no charge, will you kindly mail such publications to me directly.

I have at hand one such pamphlet entitled "Decision of the Reserve Bank Organization Committee Determining the Federal Reserve Districts and the location of Federal Reserve Banks under Federal Reserve Act approved December 23, 1923", and dated April 2, 1914, together with statement of committee in relation thereto, dated April 10, 1914. This publication I find most valuable in furnishing me with the many factors considered by the committee in the determination of the respective districts. It may be that you have other publications that would go into the subject more thoroughly, and discuss in some detail the various weights that were given to the factors by the committee members.

I believe that this pamphlet I have described will serve to inform you as to my particular needs.

Very truly yours,

Wm. H. J. Mc Intyre
Engineer.



McI:V

GOVERNMENT PRINTING
OFFICE
MAR 30 PM 12 13
FEDERAL PUBLIC PRINTER
WASHINGTON D C

123

December 30, 1925.

My dear Congressman:

I acknowledge receipt of your letter of the 28th instant and enclose herewith copy of a pamphlet containing the decision of the Reserve Bank Organization Committee on the question of determining the boundaries of the Federal Reserve Districts and the locations of the reserve banks. This is the only document in the nature of a report of the Organization Committee that is available.

The Committee did make a report to the President of the Senate in the form of a letter which was ordered printed by the Senate and is known as Senate Document No. 485, Sixty-third Congress, 2nd Session. There is only one copy of this document in the Board's records and I am advised that no copies are available at the Senate Document Room.

Very truly yours,

(Signed) Walter L. Eddy

Walter L. Eddy,
Secretary.

Honorable Oscar E. Keller,
House of Representatives,
Washington, D.C.

Enclosure:

U.S.

OSCAR E. KELLER
4TH DISTRICT MINN.

123
COMMITTEES:
RAILWAYS AND CANALS
CLAIMS
DISTRICT OF COLUMBIA

Mr. Keller

Congress of the United States
House of Representatives
Washington, D. C.

December 28, 1925.

Mr. Walter L. Eddy, Secretary,
Federal Reserve Board,
Treasury Department,
Washington, D.C.

Dear Mr. Eddy:

It is my understanding that a report was submitted and printed, by the preliminary organization committee which devised and planned the organization provided for by the Federal Reserve Act. If this report is available I shall appreciate very greatly receiving a copy of it.

Thanking you for your courtesy in the matter, I am

Very truly yours,

Oscar E. Keller

#1
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Gene
FEDERAL RESERVE BOARD FILE
December 31, 1921.

Dear Mr. Curtiss:

I am forwarding herewith a copy of report of the Reserve Bank Organization Committee relative to the location of reserve districts, which you requested be sent you when you were here last. I may say that I find we have only three or four other copies left and that they form a part of our permanent records.

Very truly yours,

(Signed) W. L. Eddy

Walter L. Eddy,
Assistant Secretary.

Mr. F. H. Curtiss,
Federal Reserve Agent,
Federal Reserve Bank,
Boston, Massachusetts.

(Enclosure)

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12123

July 2, 1920.

The State Historical Society of Wisconsin,
Madison, Wisconsin.

Attention: Chief, Order Division.

Gentlemen:

In response to your request of June 29th,
I take pleasure in sending you herewith copy of the
Decision of the Reserve Bank Organization Committee
Determining the Federal Reserve Districts and the Location
of Federal Reserve Banks.

Yours very truly,

(Signed) R. G. Emerson

JD:FM

Assistant Secretary.

Enclosure.

[Handwritten signature]

JOSEPH SCHAFER
Superintendent

THE STATE HISTORICAL SOCIETY OF WISCONSIN
(TRUSTEE OF THE STATE)
MADISON

123.

June 29, 1920.

Mr. W. T. Chapman, Secretary,
U. S. Federal Reserve Board,
Washington, D. C.

Dear Sir:

As one of the general reference libraries for the faculty and students of the University of Wisconsin we have many requests for such documents as that noted below. Will it not be possible for you to favor us with a copy for permanent reference purposes?

Assuring you of our sincere appreciation of any courtesy you may extend to our Society, I am

Very truly yours,
STATE HISTORICAL SOCIETY

Marjorie G. Park

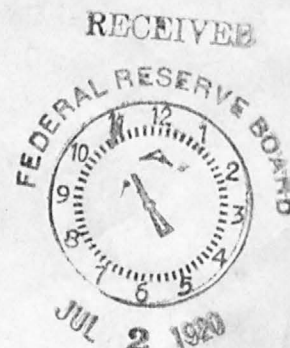
DLP

Chief, Order Division.

Federal Reserve Districts.

Reserve Bank Organization Committee.
Decision [Apr. 2, 1914] of Reserve Bank Organization Committee determining Federal reserve districts and location of Federal reserve banks under Federal reserve act approved Dec. 23, 1913, with statement of committee in relation thereto, Apr. 10, 1914. 1914. 27p.

Same. [Reprint with slight changes] 1914. 27p.



2
FEDERAL RESERVE BANK
OF NEW YORK



November 11, 1919.

J. D. La Mater, Esq.,
Chief Clerk, Federal Reserve Board,
Washington, D. C.

Dear Sir:

We acknowledge, with thanks, receipt of your letter of
November 8, with which you enclosed five copies of the Decision
of the Reserve Bank Organization Committee, for which we made
request under date of November 5.

Very truly yours,

J. H. Case
HAB
J. H. CASE,
Deputy Governor.

JHC/HAB

#2
FEDERAL RESERVE BOARD FILE

✓ 7230

November 8, 1919-

Mr. J. H. Case, Deputy Governor,
Federal Reserve Bank,
New York City.

Dear Sir:-

In accordance with request contained in your letter
of November 5th, I am enclosing herewith five copies of the
Decision of the Reserve Bank Organization Committee.

Very truly yours,

Chief Clerk.

FEDERAL RESERVE BANK
OF NEW YORK

123

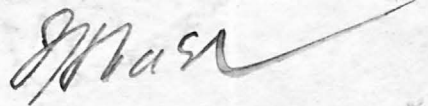
November 5, 1919.

S i r s :

Please accept our thanks for the copies of the annual report of the Federal Reserve Board for the years 1914, 1915 and 1916.

We are also extremely anxious to obtain four or five copies of the Report of the Organization Committee in order that we may have a complete history of the Federal Reserve subsequent to the passage of this Act in December, 1913. If it is not possible for you to furnish us with these Organization Committee Reports, can you suggest any place where we might obtain them.

Respectfully,



J. H. Case,
Deputy Governor.

Federal Reserve Board,
Washington, D. C.

MCP/JLH.



FEDERAL RESERVE BOARD
123
1914

Room 2272, Woolworth Bldg., N. Y.
October 1st, 1914.

Hon. F. A. Delano, Vice-Governor,
Federal Reserve Board,
Washington, D. C.

My dear Sir:-

Your letter of September 21st, 1914, was duly received and I was very glad at being assured that the Board will approach the subject suggested in my letter of August 18th, with open mind, and that you were sorry that your letter of September 2nd was misapprehended, although you still feel that my attitude toward two members of the Board was unfortunate to say the least, in spite of the explanation regarding my attitude toward the former members of the Organization Committee in my letter of September 15th which appeared to me to be considerate and sound in its application. How am I to be made accountable or blamed for making any "strictures" or criticism on the Committee, when from all parts of the country they were being censured and with less reason in most cases, because I took the trouble to write out suggestions and draw up plans after mature deliberation and forward them to Secretary McAdoo, Chairman of the Committee in order to secure his special attention, after a general invitation was extended by him at the meeting which I attended at the Chamber of Commerce in New York.

My communication was dated February 26th, 1914, and was acknowledged on March 3rd, by M. C. Elliott, Secretary, stating that it would be called to their attention and considered by the Committee "when it is determining the questions". They ignored my suggestions, as is plainly pointed out in my communication to the Board on August 18th, 1914, and in doing so they encountered a reprimand which I had nothing to do with, but which would have been absolutely avoided if they had taken kindly to my suggestions and not evaded doing so by submitting to local pride and prestige, after Congress constituted the Committee a "court" to deal with conflicting claims from various Cities throughout the United States? Those are the facts in the case which cannot be denied by anybody and a list of places was included by way of verification. In their reply to the various criticisms from all parts of the country, the Committee published its defence on April 10th, 1914. I, among others, obtained an official copy from Washington and I read it over very carefully many times. I was surprised and amazed that such a reply should be issued by men holding responsible positions under the Government. I investigated the subject most carefully in every particular dealing with facts and figures which required my sitting up nights until all hours of the morning in order to extract every particle of truth before condemning any one and only when the facts warranted no other conclusion. It was not a pleasant thing for me to do and I hated to do it and be opposed to gentlemen I had worked with previously in order to benefit a system, but conditions cannot be ignored and the country must be protected even if public officials have been censured and the trouble in this instance lies with them and not with me; they are responsible and not I while the Board would do well if they profited by the experience. I have made all the apologies and excuses I could possibly make regarding them in my communication of August 18th, while it ought not to be necessary to repeat them here, except by way of example I will refer you to page 4.

The Committee refused to make any changes and has placed the responsibility upon the Federal Reserve Board for them to deal within all its unpleasant features as best they can in the interest of the country and the future.

What they did has become a history of the part and better be forgotten.

When the Board organized on August 10th, 1914, Secretary McAdoo in his address said, "I feel like congratulating myself as well, upon the opportunity of serving with you. I feel that by co-operative effort we are going to be able to make this system in a short time a bulwark against financial disaster, the basis for commercial development at home and for the expansion of our commerce abroad".

"I am glad to feel that every member of this Board understands the work we have to do, that each of you is a man of courage and wisdom, that each has already rendered valuable service to the country and I know that we are going to make this system what it was intended to be by Congress, an instrument of great benefit to the people".

The country, I believe, will agree with Mr. McAdoo and will hope that its members are men of courage and wisdom, that every member understands the work they have to do and that by co-operation to make the system what was intended by Congress, an instrument of great benefit to the people. It is absolutely necessary for the success of the plan to remember that each one occupies a different station in life than formally and they have to deal with the future and not in mistakes of the past. No dog in the manger policy will prove a success if error is to be corrected and the country made prosperous.

The Secretary continued thus, "Now gentlemen we have plenty of work ahead of us and I am not going to take time to discuss it. The fact that the Board itself has been organized means that the banks can certainly be organized by the 1st of October 1914, or sooner".

The date mentioned has arrived but with no banks organized.

In your letter of September 21st, you say that "the Board is proceeding as rapidly as possible with the work before it and will come to the consideration of the subjects you have mentioned in due course".

My communication was written to save time for the Board and to give them a comprehensive view of the situation without bias and I am confident that my efforts have been successful in that direction, because you know more about the exact situation than you would have known without its aid and therefore it is a help and not a hinderance to the cause of good banking throughout the United States and I defy any person to prove to the contra.

Before the Banks are organized it is necessary that the Cities and reserve districts be designated by the Federal Reserve Board so as to prevent any misunderstanding or dispute regarding their permanent location, and that result cannot be determined any too soon in order to gratify the country, the Administration of President Wilson and Congress which is awaiting the announcement with patience I can assure you.

It is not to be expected that your Board will confirm the action of the Organization Committee as that would be folly in the light of experience, especially when the country is expecting something different from "men of courage and wisdom", and it would hardly do to risk a chance when the Board was afraid to let bankers who had been invited to Washington for a conference, to have my communication of August 18th read and discussed by them and Mr. Hamlin declined to state the reason why after a request was made on September 15th by your humble servant.

Gentlemen, you have a duty to perform and the way has been made so plain and straight that even a blind man could not go astray, only be careful not to over-

-:3:-

look anything by way of recommendation.

I have said all I care to say upon the subject and will await your verdict, hoping that I will be able to rejoice along with the whole country.

I remain,

Very truly yours,

Ann Lealie Ross

September 21, 1914.

Mr. William L. Boss,
2272 Woolworth Bldg.,
New York City.

Dear Sir:

Referring to your letter of September 15th:

I am sorry that my letter to you of September 2nd was misapprehended. You may rest assured that the Board will approach the subject suggested in your letter of August 23rd with an open mind. I simply wanted to point out to you that, as a practical suggestion, your attitude toward two members of the Board was unfortunate to say the least.

The Board is proceeding as rapidly as possible with the work before it and will come to the consideration of the subjects you have mentioned in due course.

Yours very truly,

H. A. D.

123.

9/16/14

123.

New York, Sept 16th 1914.

Mr. J. P. Timmuthy,
Secretary to the President.

ACK'D

SEP 18 1914



My dear Mr. Timmuthy.

I received your letter of August 27th and was pleased that your action relating to the Federal Reserve Board had some effect in their getting a move on. What appears to be very much needed just now is a Board with a backbone and men not afraid of themselves, judging from evidence furnished already. I have written to Mr Hamlin also Mr. Delano in reply to their letters of Sept 2nd and 3rd and I will inclose a copy of the letter to Mr Delano so that you may judge for yourself if they are not acting rather slow, or evading doing the things expected of them in the interest of the system and business people in general.

I of course do not know whether the President interested himself to read my communication sent to the Reserve Board on August 12th, as suggested in my letter to you of August 25, unless

I am to interpret that he knows something regarding the facts in the case through statements made in his letter to Mr. Doremus, Chairman of the National Democratic Congressional Committee and which appeared appropriate enough for me to quote from in my letter to Mr. Hamlin.

In my letter of the 25 inst, I stated that the President had not been well advised according to my belief, or his Administration would not have been in a hole at the breaking out of the war in Europe through the disorganization of the new banking system when the Board did not organize until August 10, 1914. Either that statement is true or not true and it can be verified by reading my communication to the Board on August 18, 1914. I am very careful regarding my statements also my facts in order not to have them refuted and I believe that you are a witness to bear out that statement judging by all the suggestions

made at various times. We have worked together in the past when favorable results have followed to benefit the country at large and no disappointment remains.

I wish to renew my request that the President ought to know all the facts in the case at first hand as I am afraid that there are some members of the Board who would rather not have him thoroughly familiar with the situation as it exists. I am certain that he would be astonished at the facts presented, which cannot be refuted and for that reason should prove to be useful to his Administration.

I believe that he would consider that I had performed a service worthy of commendation by my fellow countrymen and urge the carrying out of the suggestions regarding the new banking system without delay.

The President stated in his letter to Congressman Doernum that he could not, especially in times like these turn away from his official work.

Too much depends upon keeping the threads of what is occurring in his hands. He feels his responsibility as President, also as leader of a great political party. - The threads may be broken, better take the reins, so long as he is the leader of his party and not lessen his opportunity to help himself, the party and the country all at the same time, by means of a timely suggestion from

Yours very truly.

Wm Leslie Bow

Address Room 2272.

Woolworth Building
New York

RECEIVED
SEP 21 1914

Res. Bank Org Committee

123.

123.

September 2nd, 1914.

Mr. William L. Boss,
2272 Woolworth Bdg.,
New York City.

Dear Sir:-

Your letter of August 23rd came duly to hand, and the suggestions you make will be carefully considered. You must not overlook the fact, however, that two members of the Organization Committee are ex-officio members of the Federal Reserve Board - hence your communication with strictures on the Organization Committee would not be an effective document to present to the Federal Reserve Board.

Yours very truly,

123.

8/23/14

123.

New York Aug 23. 1914.

Hon F. A. Delano, Vice Governor,
Federal Reserve Board,
Washington, D. C.

My dear Sir.

On August 18th I forwarded by registered mail a communication addressed to Mr Charles H. Hamlin, Governor of the Board relating to Federal Reserve Cities and Federal Reserve Districts authorized by the Organization Committee.

Very great dissatisfaction exists throughout the country because of the selection of districts named not being in accordance with the law which requires that they "be apportioned with due regard to the convenience and customary course of business" and through failure to properly meet that requirement the Federal Reserve Board is authorized "when organized" to make investigation

which may lead to "readjusted new districts," but, "not to exceed twelve in all".

The Committee declined to make necessary changes and for that reason left the matter to the Federal Reserve Board for determination. Whatever changes take place regarding the location of Federal Reserve Banks or Districts should be given preference over any other consideration in order to make them permanent and thus avoid complications which will occur by hastening the inauguration of a disorganized banking system, through the appointment of Class C. directors.

It is better to realize conditions which must be adjusted in order to produce harmony at the very beginning rather than postpone the evil day with the hope that by closing ones eyes you may not see the trouble affecting a new system standing in the way of progress and ending in disaster.

I sent a warning of danger to Mr. Hamlin and every individual member of the Federal Reserve Board is personally interested to give the subject discussed careful consideration because the result is so momentous as to effect him individually the new banking system, the Administration of President Wilson and both houses of Congress because of the likelihood of a change in public sentiment through dissatisfaction with those who are responsible for present unstable conditions.

The Disorganization Committee has blundered as it remains for wise men on the Federal Reserve Board to correct that blunder without delay, or else be a party to continue the blunder for which there is no excuse and the country will not stand for.

I earnestly suggest that each member of the Board read my communication through very carefully and afterward discuss the matter among yourselves and determine your

action in a way so that "we will not serve ourselves, but the country at large, as the President (for very good reasons) requested you to do on August 13th 1914.

I am certain you will find the subject interesting, instructive and a valuable help to your Board and prove useful to the business interest of the country, on account of having spent so much of my time and labor in extracting the truth for their benefit.

I remain.

Very sincerely yours.

Wm. Leslie Boss.

P. S. Kindly show this letter to Mr. Harburg, Mr. Harding
 { Address Room 2272, and Mr. Miller, by way
 of notification to all members
 of the Board and
 Woolworth Building. Oblige. W. L. B.
 New York.

123.
4/10/14

123

DECISION OF THE
RESERVE BANK ORGANIZATION COMMITTEE
DETERMINING THE FEDERAL RESERVE DISTRICTS
AND THE LOCATION OF FEDERAL RESERVE
BANKS UNDER FEDERAL RESERVE ACT
APPROVED DECEMBER 23, 1913

—
APRIL 2, 1914
—

WITH STATEMENT OF THE COMMITTEE
IN RELATION THERETO

—
APRIL 10, 1914
—

WASHINGTON
GOVERNMENT PRINTING OFFICE
1914

DECISION OF THE RESERVE BANK ORGANIZATION COMMITTEE DETERMINING THE FEDERAL RESERVE DISTRICTS AND THE LOCATION OF THE FEDERAL RESERVE BANKS.

[Under the Federal Reserve Act approved December 23, 1913.]

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

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

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

More than 200 cities, through their clearing-house associations, chambers of commerce, and other representatives, were heard. Of these, thirty-seven cities asked to be designated as the headquarters of a Federal Reserve bank.

The majority of the organization committee, including its chairman and the Secretary of Agriculture, were present at all hearings, and stenographic reports of the proceedings were made for more deliberate consideration. Independent investigations were, in addition, made through the Treasury Department, and the preference of each bank as to the location of the Federal Reserve bank with which it desired to be connected was ascertained by an independent card ballot addressed to each of the 7,471 national banks throughout the country which had formally assented to the provisions of the Federal reserve act.

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

First. The ability of the member banks within the district to provide the minimum capital of \$4,000,000 required for the Federal

Reserve bank, on the basis of six per cent of the capital stock and surplus of member banks within the district.

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

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

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

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

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

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

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

DISTRICT No. 1.

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

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

DISTRICT No. 2.

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

This district contains 477 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of New York, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the

district, will amount to \$20,621,606; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$20,687,606.

DISTRICT No. 3.

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

This district contains 757 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Philadelphia, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$12,488,138; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$12,500,738.

DISTRICT No. 4.

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

This district contains 767 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Cleveland, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$12,007,384; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$12,100,384.

DISTRICT No. 5.

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

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

DISTRICT No. 6.

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

This district contains 372 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Atlanta, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$4,641,193; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$4,702,558.

DISTRICT No. 7.

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

This district contains 952 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Chicago, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$12,479,876; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$12,967,701.

DISTRICT No. 8.

The State of Arkansas; all that part of Missouri located east of the western boundary of the following counties: Harrison, Daviess, Caldwell, Ray, Lafayette, Johnson, Henry, St. Clair, Cedar, Dade, Lawrence, and Barry; all that part of Illinois not included in district No. 7; all that part of Indiana not included in district No. 7; all that part of Kentucky not included in district No. 4; all that part of Tennessee not included in district No. 6; and all that part of Mississippi not included in district No. 6, with the city of St. Louis, Mo., as the location of the Federal Reserve bank.

This district contains 458 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the

Federal Reserve Bank of St. Louis, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$4,990,761; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$6,367,006.

DISTRICT No. 9.

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

This district contains 687 national banks, which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Minneapolis, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$4,702,925.

DISTRICT No. 10.

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

This district contains 836 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Kansas City, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$5,590,015; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$5,600,977.

DISTRICT No. 11.

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

This district contains 731 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Dallas, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$5,540,020; and if there be added six per cent

of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$5,653,924.

DISTRICT No. 12.

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

This district contains 514 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of San Francisco, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$7,825,375; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$8,115,494.

The committee was impressed with the growth and development of the States of Idaho, Washington, and Oregon, but on the basis of six per cent of the capital stock and surplus of national banks and State banks and trust companies which have applied for membership, that section could not provide the \$4,000,000 minimum capital stock required by the law. With the continued growth of that region it is reasonable to expect that in a few years the capital and surplus of its member banks will be sufficient to justify the creation of an additional Federal Reserve district, at which time application may be made to the Congress for a grant of the necessary authority.

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

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

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

WASHINGTON, D. C., April 2, 1914.

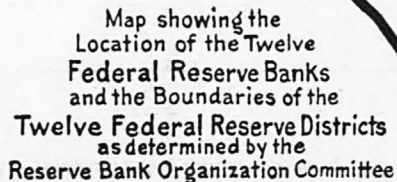


TABLE A.—Showing subscriptions to stock of Federal reserve banks by national banks, State banks, and trust companies, with area and population of each district.

[PART 1.]

District No.	Federal reserve cities.	Districts.		National banks March 4, 1914.			Including State banks and trust companies that have applied for membership up to April 1, 1914.		
		Land area in square miles. ¹	Population. ¹	Number of banks.	Capital and surplus.	6 per cent subscription.	Number of banks.	Capital and surplus.	6 per cent subscription.
1	Boston.....	61,976	6,552,681	445	\$165,409,043	\$9,924,543	445	\$165,409,043	\$9,924,543
2	New York.....	47,651	9,113,614	477	343,693,437	20,621,606	478	344,793,437	20,687,606
3	Philadelphia.....	40,449	7,932,065	757	203,135,631	12,488,138	758	208,345,631	12,500,738
4	Cleveland.....	72,693	8,326,668	767	200,123,060	12,007,384	769	201,673,060	12,100,384
5	Richmond.....	152,931	8,519,310	475	105,055,023	6,303,301	484	109,045,223	6,542,713
6	Atlanta.....	233,821	8,677,288	372	77,353,221	4,641,193	382	78,375,971	4,702,558
7	Chicago.....	171,306	12,348,767	952	207,997,941	12,479,876	967	216,128,363	12,967,701
8	St. Louis.....	194,767	8,747,662	458	83,179,348	4,990,761	469	106,116,764	6,367,006
9	Minneapolis.....	433,281	5,195,886	687	78,382,081	4,702,925	687	78,382,081	4,702,925
10	Kansas City, Mo.....	450,831	5,671,051	836	93,166,912	5,590,015	839	93,349,612	5,600,977
11	Dallas.....	430,329	5,797,970	731	92,333,673	5,540,020	737	94,232,073	5,653,924
12	San Francisco.....	683,852	5,089,304	514	130,422,921	7,825,375	529	135,258,231	8,115,494
	Total.....	2,973,890	91,972,266	7,471	1,785,252,291	107,115,137	7,544	1,831,109,489	109,866,569

¹ United States census of 1910.

TABLE A.—Showing amount due to and due from banks, amount of individual deposits and all deposits, also cash in vault, for all national banks in each Federal reserve district as of March 4, 1914.

[PART 2.]

District No.	Federal reserve cities.	Total due to banks.	Total due from banks.	Net balance due to banks.	Net balance due from banks.	Individual deposits.	All deposits.	Per capita deposit.	Cash in vault.
1	Boston.....	\$125,363,123	\$125,087,628	\$275,495	.....	\$500,636,637	\$631,356,974	\$96	\$53,354,398
2	New York.....	863,414,285	192,806,668	670,607,617	.....	1,191,533,728	2,061,858,058	226	359,715,324
3	Philadelphia.....	214,326,384	189,222,922	25,103,462	.....	718,185,010	937,181,166	118	77,909,120
4	Cleveland.....	186,273,482	170,831,707	15,441,775	.....	654,985,827	851,157,633	102	75,287,748
5	Richmond.....	71,963,378	72,983,655	.....	.....	317,659,065	399,579,841	47	25,524,694
6	Atlanta.....	39,603,415	61,442,028	.....	\$1,020,277	21,838,613	262,318,818	30	18,752,412
7	Chicago.....	441,078,660	278,661,678	162,416,982	.....	811,307,271	1,265,208,464	102	150,414,811
8	St. Louis.....	131,446,049	92,813,994	38,632,055	.....	241,740,690	378,858,307	43	40,866,167
9	Minneapolis.....	80,671,243	104,873,520	.....	24,202,277	389,088,959	475,684,697	92	34,917,883
10	Kansas City, Mo.....	146,742,582	134,726,219	12,016,363	.....	365,978,140	521,318,350	92	44,118,906
11	Dallas.....	51,172,553	78,083,730	.....	26,911,177	252,490,607	307,130,732	53	25,979,225
12	San Francisco.....	120,188,341	122,927,748	.....	2,739,407	444,274,574	573,243,051	113	60,077,300
	Total.....	2,472,243,495	1,624,461,497	924,493,749	76,711,751	6,103,624,811	8,664,896,091	94	966,917,988

TABLE B.—Number of national banks on September 9, 1903, and August 9, 1913, with increase or decrease; also amount of capital stock and surplus, loans and discounts, and individual deposits (in thousands), with amount and percentage of increase or decrease.

	Number of national banks.			Capital and surplus.				Loans and discounts.				Individual deposits.			
	1903	1913	Increase or decrease. ³	1903	1913	Increase or decrease. ³	Per cent.	1903	1913	Increase or decrease. ³	Per cent.	1903	1913	Increase or decrease. ³	Per cent.
New York, N. Y.	43	36	— 7	\$173,185	\$249,305	\$76,120	44	\$631,565	\$936,908	\$305,343	48	\$450,732	\$636,544	\$185,812	41
Chicago, Ill.	12	9	— 3	38,625	69,050	30,425	79	181,416	329,024	147,608	81	125,352	202,335	76,983	62
Philadelphia, Pa.	34	32	— 2	45,630	62,065	16,435	36	142,378	218,746	76,368	53	122,387	162,437	40,050	33
Boston, Mass.	32	17	—15	46,836	48,081	1,245	2.7	156,869	189,872	33,003	21	118,670	171,327	52,657	45
Pittsburgh, Pa.	35	22	—13	45,200	48,514	3,314	7.3	115,086	129,802	14,716	13	86,146	113,796	27,650	32
San Francisco, Cal.	7	9	2	11,238	44,880	33,642	300	27,658	113,959	86,301	313	21,860	88,894	67,034	308
St. Louis, Mo.	7	7	—	25,910	29,140	3,230	13	89,312	109,161	19,849	22	46,752	61,380	14,628	32
Cincinnati, Ohio.	13	8	— 5	14,405	20,350	5,945	41.3	41,543	53,443	11,900	29	32,320	38,459	6,139	19
Baltimore, Md.	19	16	— 3	18,926	19,760	834	4.4	47,222	63,703	16,481	35	32,191	44,547	12,356	38
Cleveland, Ohio.	13	7	— 6	15,372	14,400	—972	— 6.5	49,155	60,945	11,790	24	27,656	46,110	18,454	67
Minneapolis, Minn.	5	6	1	6,120	13,710	7,590	124	20,898	55,281	34,383	164	13,590	42,930	29,340	216
Kansas City, Mo.	6	12	6	3,855	11,650	7,795	203	38,735	69,673	30,938	80	27,085	40,600	13,515	50
Washington, D. C.	11	11	—	6,102	11,165	5,063	83	14,343	26,834	12,491	89	18,699	26,319	7,620	40
St. Paul, Minn.	5	4	— 1	5,036	9,600	4,564	91	14,870	34,188	19,318	130	14,990	29,712	14,722	99
Richmond, Va. ¹	5	8	3	2,970	9,484	6,514	219	11,372	34,732	23,360	207	9,668	24,391	14,723	152
Indianapolis, Ind.	7	5	— 2	5,860	9,410	3,550	60	17,850	28,420	10,570	60	18,033	22,790	4,757	27
Atlanta, Ga. ¹	4	6	2	2,330	8,600	6,270	269	10,128	26,856	16,728	165	8,703	20,842	12,139	140
New Orleans, La.	6	5	— 1	5,790	8,230	2,440	42	17,389	24,467	7,078	41	16,675	20,611	3,936	24
Louisville, Ky.	8	8	—	6,497	8,225	1,728	26.6	15,800	25,553	9,753	61	10,540	20,766	10,226	97
Denver, Colo.	5	6	1	3,250	7,538	4,288	132	15,292	29,212	13,920	91	29,691	35,587	5,896	20
Houston, Tex.	6	6	—	2,350	7,050	4,700	200	6,923	25,612	18,689	270	6,794	22,597	15,803	233
Portland, Oreg.	3	5	2	1,250	6,675	5,425	434	5,880	21,947	16,067	273	8,619	23,751	15,132	176
Omaha, Nebr.	7	7	—	3,820	6,560	2,740	72	16,020	32,810	16,790	105	14,608	27,731	13,123	90
Dallas, Tex.	4	5	1	2,168	5,900	3,732	172	6,388	19,816	13,428	210	5,915	18,918	13,003	220
Seattle, Wash. ²	5	6	1	1,460	5,560	4,100	281	8,616	25,857	17,241	200	12,297	28,931	16,634	135
Fort Worth, Tex. ²	6	8	2	1,865	4,950	3,085	165	4,803	15,507	10,704	223	3,934	11,707	7,773	199
Columbus, Ohio.	6	8	2	3,270	4,673	1,403	43	11,639	17,429	5,790	50	12,582	21,597	9,015	72
Nashville, Tenn. ¹	4	5	1	2,389	4,198	1,809	76	7,850	17,335	9,485	121	6,132	14,759	8,627	140
Spokane, Wash. ²	4	5	1	890	4,172	3,282	370	4,847	16,056	11,209	230	6,366	16,436	10,070	158
Birmingham, Ala. ¹	2	2	—	815	3,114	2,299	282	4,629	9,697	5,068	110	5,367	9,604	4,237	79
Des Moines, Iowa.	4	4	—	1,060	3,055	1,995	190	5,071	13,485	8,414	166	2,803	6,669	3,866	138
Charlotte, N. C. ¹	4	5	1	1,167	1,890	683	58	3,354	6,364	3,010	90	2,435	4,421	1,986	83
Columbia, S. C. ¹	2	5	3	750	1,825	1,075	143	2,029	7,311	5,282	264	2,002	5,062	3,060	153
Savannah, Ga.	2	2	—	975	1,600	625	64	2,090	3,339	1,249	59.7	703	1,358	655	93
Memphis, Tenn. ¹	4	3	— 1	1,600	1,590	— 10	— 0.6	7,990	5,523	—2,467	—31	6,869	4,276	—2,593	—37.7
Lincoln, Nebr.	3	4	1	559	1,330	771	137	3,040	6,314	3,274	107	2,649	4,717	2,068	78
Kansas City, Kans.	2	2	—	1,470	800	—670	—45.5	4,225	4,263	38	1	2,306	2,765	459	20

¹ Nonreserve cities.² Not a reserve city in 1903.³ Minus (—) shows decrease; other changes show increase.

TABLE C.—Total loans and discounts by geographical divisions, made by national banks in the cities named as of January 13, 1914. Compiled from special statements submitted to the Comptroller of the Currency.

	Total loans.	New England States.		Eastern States.		Southern States.		Middle Western States.		Western States.		Pacific States.	
		Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.
New York.....	\$920,804,000	\$36,819,000	4.00	\$654,822,000	71.12	\$86,843,000	9.43	\$116,424,000	12.64	\$12,668,000	1.38	\$13,228,000	1.43
Chicago.....	303,498,000	2,055,000	.68	7,027,000	2.31	17,736,000	5.85	257,427,000	84.82	11,358,000	3.74	7,895,000	2.60
Philadelphia.....	219,044,000	3,789,000	1.73	188,594,000	86.10	9,398,000	4.29	16,013,000	7.31	580,000	.27	670,000	.30
Boston.....	190,973,000	145,411,000	76.14	18,137,000	9.50	4,779,000	2.50	19,731,000	10.33	1,419,000	.74	1,496,000	.79
Pittsburgh.....	126,358,000	785,000	.62	119,999,000	94.97	598,000	.47	4,410,000	3.49	382,000	.30	184,000	.15
San Francisco.....	104,696,000	63,000	.06	1,125,000	1.08	30,000	.03	1,130,000	1.08	25,000	.02	102,323,000	97.73
St. Louis.....	104,006,000	1,240,000	1.19	3,769,000	3.62	13,593,000	13.07	80,208,000	77.12	4,701,000	4.52	495,000	.48
Kansas City, Mo.....	67,237,000	15,000	.02	304,000	.43	6,419,000	9.55	38,101,000	56.69	21,804,000	32.43	594,000	.88
Cleveland.....	60,763,000	385,000	.63	3,566,000	5.87	186,000	.31	56,303,000	92.66	208,000	.34	115,000	.19
Baltimore.....	59,435,000	278,000	.47	50,893,000	85.63	6,891,000	11.59	1,359,000	2.29	6,000	.01	8,000	.01
Minneapolis.....	58,021,000			332,000	.57	25,000	.04	52,657,000	90.76	4,745,000	8.18	262,000	.45
Buffalo.....	55,084,000	660,000	1.20	49,061,000	89.07	314,000	.57	4,858,000	8.82	150,000	.27	41,000	.07
Cincinnati.....	52,290,000	313,000	.60	2,145,000	4.10	4,017,000	7.68	45,999,000	87.40	56,000	.11	60,000	.11
Los Angeles.....	47,985,000			935,000	1.95	20,000	.04	231,000	.48	90,000	.19	46,709,000	97.34
St. Paul.....	38,018,000	155,000	.40	1,306,000	3.43	187,000	.48	32,157,000	84.62	2,751,000	7.23	1,462,000	3.84
Richmond.....	35,721,000	125,000	.35	1,619,000	4.53	33,473,000	93.71	489,000	1.37	5,000	.01	10,000	.03
Omaha.....	31,536,000	125,000	.40	567,000	1.79	200,000	.63	2,172,000	6.89	28,212,000	89.46	260,000	.83
Washington.....	27,790,000	11,000	.04	26,620,000	95.79	915,000	3.29	81,000	.29	24,000	.09	139,000	.50
Atlanta.....	26,916,000	120,000	.45	277,000	1.03	26,117,000	97.03	397,000	1.47	5,000	.02		
Louisville.....	26,452,000			77,000	.29	25,342,000	95.80	1,026,000	3.88	7,000	.03		
Providence.....	25,032,000	15,442,000	61.69	4,674,000	18.67	536,000	2.14	3,586,000	14.33	436,000	1.74	358,000	1.43
Seattle.....	24,486,000	85,000	.35	568,000	2.32	161,000	.66	1,444,000	5.89	244,000	1.00	21,984,000	89.78
Albany.....	23,950,000	778,000	3.25	22,134,000	92.42	180,000	.75	721,000	3.01	85,000	.35	52,000	.22
Houston.....	23,659,000			205,000	.87	23,391,000	98.86	25,000	.11	38,000	.16		
Portland, Ore.....	21,446,000			47,000	.21	15,000	.08	382,000	1.78	8,000	.04	20,994,000	97.89
Hartford.....	21,202,000	16,019,000	75.55	1,384,000	6.53	1,059,000	5.00	2,301,000	10.85	287,000	1.35	152,000	.72
Dallas.....	19,731,000	10,000	.05	214,000	1.08	19,123,000	96.92	251,000	1.28	130,000	.66	3,000	.01
New Orleans.....	19,677,000			171,000	.87	19,477,000	98.98	20,000	.10			9,000	.05
Nashville.....	18,031,000			25,000	.14	17,735,000	98.36	271,000	1.50				
Brooklyn.....	17,437,000	69,000	.39	16,659,000	95.54	17,000	.10	562,000	3.22	5,000	.03	125,000	.72
Memphis.....	7,977,000			6,000	.07	7,913,000	99.20	58,000	.73				

NOTE.—The above statement has been compiled from special statements made to the Comptroller of the Currency showing all loans in the United States. Foreign loans are not included. The differences between this statement and the abstract of Jan. 13, 1914, are made up of foreign loans, bonds loaned and other minor items.

The above classification by geographical groups, which has been observed in the reports of the comptroller's office for the past 18 years, is as follows: New England States: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. Eastern States: New York, New Jersey, Pennsylvania, Delaware, Maryland, and District of Columbia. Southern States: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky, and Tennessee. Middle Western States: Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Missouri. Western States: North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, and Oklahoma. Pacific States: Washington, Oregon, California, Idaho, Utah, Nevada, Arizona, and Alaska.

¹ \$7,457,000 less than abstract Jan. 13, which included report from branches.

² Includes \$1,075,000 not localized.

TABLE D.—Showing bank and trust company credit balances with the national banks in some of the principal cities of the United States; also showing amounts loaned by the national banks in the same cities to their correspondent banks; also bought paper and collateral loans to noncustomers of the lending banks, securities owned, and cash reserve in vaults, as of dates named.

Cities.	Amount on deposit from all banks and trust companies throughout the United States, Feb. 14, 1914.	Amount loaned to all banks and trust companies on bills payable, and rediscounts, including indirect loans with guarantee of directors, etc., Jan. 13, 1914.	Per cent loaned banks Jan. 13, 1914, to bank deposits Feb. 14, 1914.	Bought paper, stock-exchange loans, etc., made by national banks to noncustomers throughout the United States, Jan. 13, 1914.	Bonds and securities (exclusive of bonds for circulation) held by national banks, Jan. 13, 1914.	Reserve in vaults (specie and legal tenders), Jan. 13, 1914.
New York.....	\$742,386,939	\$59,107,399	7.96	\$263,803,618	\$165,827,533	\$313,586,128
Chicago.....	278,824,567	25,663,706	9.20	29,716,830	31,734,647	88,732,480
Philadelphia.....	173,584,687	6,859,243	3.95	38,289,408	37,837,529	43,280,798
Boston.....	97,136,156	3,695,480	3.80	47,402,893	19,958,013	32,661,707
St. Louis.....	90,430,968	14,271,230	15.78	16,840,657	6,326,699	26,880,206
Pittsburgh.....	1,382,363,317	109,597,058	7.92	396,053,406	261,684,421	505,141,319
Kansas City, Mo.....	79,314,345	710,415	.89	16,808,600	37,565,648	24,301,181
San Francisco ¹	54,835,438	18,844,099	34.36	4,889,204	4,035,117	8,703,544
Albany.....	45,859,188	3,296,431	7.19	13,850,432	17,859,369	18,683,813
Cleveland.....	39,528,280	276,052	.70	1,815,045	8,340,938	4,756,442
Cincinnati.....	36,746,820	1,163,551	3.17	6,177,657	6,684,800	10,025,546
Minneapolis.....	32,593,282	1,955,816	6.00	7,675,667	13,281,317	8,859,630
Baltimore.....	31,316,864	2,620,504	8.37	2,449,329	3,649,749	7,865,849
Omaha.....	27,421,904	2,404,815	8.04	4,989,093	9,120,902	8,715,311
Los Angeles.....	18,533,959	5,768,762	31.12	3,507,878	2,675,002	4,596,702
St. Paul.....	16,290,131	1,374,958	8.44	2,267,638	5,212,186	8,178,093
Houston.....	16,002,069	792,594	4.95	12,637,337	8,036,166	6,425,836
Louisville.....	12,616,553	1,865,678	14.79	1,685,948	1,366,532	3,596,044
Buffalo.....	11,750,499	2,204,727	18.76	1,879,833	5,525,095	3,322,604
Richmond.....	11,388,536	109,557	.96	3,298,005	13,297,773	4,471,788
Portland, Oreg.....	10,970,068	1,629,449	14.85	4,257,528	2,444,639	2,276,451
Seattle.....	8,427,674	572,100	6.79	1,574,059	5,437,032	5,387,374
New Orleans.....	7,518,865	602,937	8.02	3,064,245	4,937,661	4,654,524
Dallas.....	7,229,470	1,134,102	15.70	1,234,109	5,587,233	2,830,769
Nashville.....	6,237,357	1,385,687	22.21	587,558	1,293,061	2,546,927
Washington.....	5,536,719	1,158,622	20.91	489,888	91,632	1,164,930
Atlanta.....	5,516,705	1,714,076	31.07	3,266,983	9,790,823	4,053,193
Brooklyn.....	4,436,974	892,612	20.12	865,180	1,408,350	1,855,427
Memphis.....	4,017,811	10,000	.25	4,124,955	5,684,913	4,322,537
Providence.....	2,377,836	496,006	20.86	458,088	128,081	1,189,721
Hartford.....	1,983,787	125,000	6.30	13,518,890	6,336,469	1,804,614
	835,334			9,850,001	1,867,390	1,348,465

The cities included in the above list are all either central reserve or reserve cities, except the cities of Buffalo, N. Y.; Providence, R. I.; Hartford, Conn.; Richmond, Va.; Atlanta, Ga.; Memphis and Nashville, Tenn., which are not reserve cities.

¹ Does not include loans and deposits from banks, in other cities, of branches of Bank of California, N. B. A.

TABLE E.—Statement showing population, capital and surplus, individual deposits, and loans and discounts of all national banks, as of March 4, 1914, in the 37 cities which asked to be designated as Federal reserve cities.

Location.	Population. ¹	Number of banks.	Capital and surplus.	Per capita.	Individual deposits.	Per capita.	Loans and discounts.	Per capita.
1. Boston.....	670,585	15	\$47,896,000	\$71	\$176,088,004	\$268	\$200,480,934	\$299
2. New York.....	4,766,883	35	248,505,000	52	771,724,999	161	1,082,272,650	227
3. Philadelphia.....	1,549,008	32	62,215,000	40	184,643,392	119	232,906,822	153
4. Cleveland.....	560,663	7	14,400,000	25	40,479,025	72	62,588,735	112
5. Cincinnati.....	363,591	8	20,350,000	56	39,154,843	108	55,761,638	153
6. Columbus.....	181,511	8	4,685,500	25	21,853,183	120	17,169,907	95
7. Pittsburgh.....	533,905	21	46,714,000	88	120,260,088	225	124,568,231	233
8. Wheeling.....	41,641	2	1,700,000	40	4,331,394	104	4,915,613	118
9. Baltimore.....	558,485	15	19,205,720	34	42,553,451	76	60,312,953	108
10. Washington.....	331,069	11	11,365,000	34	28,491,402	86	25,405,554	77
11. Richmond.....	127,628	7	9,314,392	73	25,705,866	201	35,593,044	279
12. Charlotte.....	34,014	5	1,850,000	54	4,578,573	135	6,785,057	199
13. Columbia.....	26,319	5	1,887,500	72	6,398,138	243	7,322,262	278
14. Atlanta.....	154,839	6	8,600,000	56	24,348,912	157	26,038,731	168
15. Savannah.....	65,064	2	1,600,000	24	1,443,161	22	3,244,938	50
16. Louisville.....	223,928	8	8,280,000	37	20,430,574	91	27,999,427	125
17. Birmingham.....	132,685	2	3,300,000	25	9,995,561	75	10,449,274	79
18. Montgomery.....	38,136	4	2,515,000	66	6,115,197	160	5,658,213	148
19. Chattanooga.....	44,604	3	2,975,000	66	10,109,930	226	11,565,519	259
20. Memphis.....	131,105	3	2,140,000	16	7,511,216	57	7,014,359	53
21. New Orleans.....	339,075	4	6,730,000	20	16,857,832	50	17,285,254	51
22. Chicago.....	2,185,283	9	69,050,000	31	211,558,247	97	335,820,233	154
23. St. Louis.....	687,029	7	29,140,000	42	61,685,925	90	102,138,744	149
24. Minneapolis.....	301,408	6	13,710,000	45	45,453,532	150	57,973,491	192
25. St. Paul.....	214,744	5	9,887,081	46	35,788,142	167	37,437,913	174
26. Kansas City, Mo.....	248,381	12	11,660,000	47	40,415,210	162	66,205,054	267
27. Omaha.....	124,096	5	6,570,000	53	27,258,869	220	32,848,397	265
28. Denver.....	213,381	6	7,545,000	35	34,124,272	160	28,022,377	131
29. Lincoln.....	43,973	4	1,330,000	32	4,439,212	101	6,066,192	138
30. Dallas.....	92,104	5	5,900,000	64	18,551,847	201	18,622,564	202
31. Fort Worth.....	73,312	7	4,275,000	58	11,629,158	159	12,632,408	172
32. Houston.....	78,800	6	7,125,000	90	25,013,951	317	25,923,087	329
33. San Francisco.....	416,912	9	45,185,000	108	95,756,484	230	120,287,608	288
34. Seattle.....	237,194	6	5,596,500	23	29,498,646	124	23,948,338	101
35. Portland.....	207,214	5	6,780,000	32	22,595,277	109	20,173,774	97
36. Spokane.....	104,402	5	4,175,000	40	16,156,830	155	13,985,084	134
37. Salt Lake City.....	92,777	6	3,482,500	37	11,103,182	120	11,791,043	127

¹ United States census of 1910.

TABLE F.—Statement showing population, capital and surplus, individual deposits, and loans and discounts of all reporting banks (National, State, savings, and loan and trust companies), as of June 4, 1913, in the 37 cities which asked to be designated as Federal reserve cities.

Location.	Population. ¹	Number of banks and trust companies.	Capital and surplus.	Per capita.	Individual deposits.	Per capita.	Loans and discounts.	Per capita.
1. Boston.....	670,585	60	\$100,779,114	\$150	\$661,950,254	\$987	\$561,625,627	\$803
2. New York.....	4,766,883	142	563,221,701	118	2,866,351,069	601	2,306,503,682	483
3. Philadelphia.....	1,549,008	100	177,448,741	114	592,533,612	382	413,298,566	266
4. Cleveland.....	560,663	35	41,635,100	74	271,693,217	484	188,499,403	336
5. Cincinnati.....	363,591	39	31,813,107	87	98,178,794	270	88,845,791	244
6. Columbus.....	181,511	21	7,099,000	39	30,498,790	168	24,186,704	133
7. Pittsburgh.....	533,905	83	130,037,145	243	350,298,872	656	291,668,678	547
8. Wheeling.....	41,641	11	4,949,393	118	18,845,965	452	16,802,317	405
9. Baltimore.....	558,485	55	47,952,469	85	190,679,440	341	118,912,253	213
10. Washington.....	331,069	36	29,161,731	88	72,552,236	219	63,012,066	190
11. Richmond.....	127,628	26	16,810,955	131	35,371,126	277	50,004,572	393
12. Charlotte.....	34,014	7	2,680,000	78	6,616,642	194	9,242,936	271
13. Columbia.....	26,319	9	2,365,318	89	5,894,711	223	8,511,384	326
14. Atlanta.....	154,839	28	15,313,448	98	28,371,032	183	33,494,035	216
15. Savannah.....	65,064	16	8,129,605	125	20,622,523	316	28,061,700	431
16. Louisville.....	223,928	18	15,100,297	67	41,437,599	185	38,701,079	172
17. Birmingham.....	132,685	11	6,685,620	50	23,182,608	174	21,494,705	162
18. Montgomery.....	38,136	9	3,396,762	89	6,018,942	157	7,756,141	204
19. Chattanooga.....	44,604	10	4,294,114	96	15,166,950	340	16,355,760	366
20. Memphis.....	131,105	22	7,346,214	56	23,343,841	179	24,442,321	186
21. New Orleans.....	339,075	19	20,532,500	60	70,854,415	209	64,845,722	194
22. Chicago.....	2,185,283	88	151,882,559	69	632,498,992	312	690,799,087	315
23. St. Louis.....	687,029	44	72,222,500	105	205,443,737	299	233,385,655	339
24. Minneapolis.....	301,408	33	20,731,391	68	78,258,930	260	82,720,056	274
25. St. Paul.....	214,744	20	11,260,845	52	40,490,496	189	42,322,465	197
26. Kansas City, Mo.....	248,381	30	17,415,500	70	66,562,431	268	91,686,871	370
27. Omaha.....	124,096	14	8,165,000	65	28,038,694	226	34,989,699	282
28. Denver.....	213,381	31	11,489,551	53	57,371,171	269	41,365,143	194
29. Lincoln.....	43,973	15	2,042,000	46	7,253,010	165	8,696,240	198
30. Dallas.....	92,104	13	9,997,000	108	24,808,891	269	27,517,338	299
31. Fort Worth.....	73,312	18	6,667,724	90	14,375,274	196	16,861,831	231
32. Houston.....	78,800	13	13,599,100	172	26,551,714	329	32,775,530	415
33. San Francisco.....	416,912	45	73,623,325	176	313,153,942	752	281,447,424	675
34. Seattle.....	237,194	32	11,567,020	48	67,527,325	285	48,963,007	206
35. Portland.....	207,214	22	12,097,718	58	56,805,140	274	44,132,644	213
36. Spokane.....	104,402	18	7,660,876	73	25,821,751	249	23,235,697	223
37. Salt Lake City.....	92,777	18	7,838,696	84	33,623,153	362	30,676,029	330

¹ United States census of 1910.

ON APRIL 10, 1914, THE FEDERAL RESERVE BANK ORGANIZATION COMMITTEE MADE PUBLIC THE FOLLOWING STATEMENT RELATING TO ITS DECISION OF APRIL 2, 1914, DEFINING THE BOUNDARIES OF THE FEDERAL RESERVE DISTRICTS AND DESIGNATING THE LOCATION OF THE FEDERAL RESERVE BANKS.

WASHINGTON, D. C., *April 10, 1914.*

Congress imposed on the committee the duty of dividing the country into not less than 8 nor more than 12 districts, and the location of a Federal reserve bank in each. Thirty-seven cities asked to be chosen. The committee could select at most only 12. Necessarily 25 cities had to be disappointed.

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

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

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

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

of the communities, the business establishments, and the individual banks.

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

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

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

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

NEW ORLEANS' CLAIMS.

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

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

The banks of Alabama generally desired to be connected either with Birmingham or Atlanta, only three expressing a first choice for

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

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

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

	Capital and surplus.	Loans and discounts.	Individual deposits.
Atlanta.....	\$8,600,000	\$26,038,000	\$24,348,000
Dallas.....	5,900,000	18,622,000	18,551,000
New Orleans.....	6,730,000	17,285,000	16,857,000

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

CAPITAL AND SURPLUS.

	September, 1904.	March, 1914.	Percentage of increase.
Atlanta.....	\$2,410,000	\$8,600,000	256
Dallas.....	2,676,000	5,900,000	120
New Orleans.....	6,250,000	6,730,000	8

LOANS AND DISCOUNTS.

Atlanta.....	\$10,329,000	\$26,038,000	152
Dallas.....	7,653,000	18,622,000	143
New Orleans.....	20,088,000	17,285,000	Decrease 13

INDIVIDUAL DEPOSITS.

Atlanta.....	\$9,931,000	\$24,348,000	145
Dallas.....	7,157,000	18,551,000	159
New Orleans.....	19,425,000	16,857,000	Decrease 13

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

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

Atlanta reported capital stock and surplus \$15,313,000, or \$98 per capita; Dallas \$9,997,000, or \$108 per capita; and New Orleans \$20,532,000, or \$60 per capita. Individual deposits, per capita, Atlanta, \$183; Dallas, \$269; New Orleans, \$209.

The loans and discounts for all reporting banks for the three cities were as follows: Atlanta, \$33,494,000, or \$216 per capita; Dallas, \$27,517,000, or \$299 per capita; New Orleans, \$64,845,000, or \$194 per capita.

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

Atlanta.....	\$26,117,000
Dallas.....	19,123,000
New Orleans.....	19,477,000

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

Special reports, made under oath to the Comptroller of the Currency also show that on February 14, 1914, the credit balances of the banks

and trust companies in the 13 Southern States with the national banks of Dallas exceeded in amount the credit balances of all banks and trust companies in these same States with the national banks of New Orleans.

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

National bank statistics for States of Texas, Virginia, Maryland, Georgia, Louisiana, and Mississippi as of March 4, 1914.

[According to sworn reports made to the Comptroller of the Currency.]

	Area (square miles).	Popula- tion, cen- sus 1910.	Capital and surplus.	Individual deposits.	Loans and discounts.
State of Texas (including Dallas).....	265,780	3,896,542	\$76,785,584	\$197,663,338	\$215,114,326
State of Virginia (including Richmond).....	42,450	2,061,612	29,732,696	90,887,858	107,410,063
State of Maryland (including Balti- more).....	12,210	1,295,346	28,267,420	83,217,376	91,326,942
State of Georgia (including Atlanta).....	59,475	2,609,121	24,479,735	51,382,061	61,852,579
State of Louisiana (including New Orleans).....	48,720	1,656,388	12,128,866	32,000,521	34,804,354
State of Mississippi.....	46,810	1,797,114	5,168,192	17,045,324	13,669,200

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

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

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

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

KANSAS CITY DISTRICT.

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

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

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

Of the 218 banks which expressed a first preference for Omaha, 181 were from Nebraska. The committee had to consider the State of Oklahoma and part of Missouri in connection with this region, and in district No. 10, 497 banks expressed a first preference for Kansas City; western Missouri, Oklahoma, and Kansas, and part of New Mexico, especially asked for this connection. Thirty-seven banks in Colorado gave Kansas City as second choice and 26 gave Omaha.

It seemed impossible to serve the great section from Kansas City to the mountains in any other way than by creating a district with Kansas City as the headquarters, or to provide for the north-western section except by creating a district with Minneapolis as headquarters. The only other thing that could have been done with Nebraska under the conditions which presented themselves

was to relate her to Chicago, and this seemed to be inadvisable in the circumstances. The Kansas City banks serve a very distinctive territory and will serve it more satisfactorily than St. Louis could have done. The relations of that territory on the whole are much more largely with Kansas City than with any other city in the Middle West with which it could have been connected. It will, of course, be recognized by those who are informed that of the four cities Kansas City is the most dominant banking and business center. The following statistics as of March, 1914, will throw light on the situation:

	Capital and surplus.	Loans and discounts.	Individual deposits.
Kansas City.....	\$11,660,000	\$66,205,000	\$40,415,000
Omaha.....	6,570,000	32,848,000	27,258,000
Denver.....	7,545,000	28,022,000	34,124,000
Lincoln.....	1,330,000	6,066,000	4,439,000

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

CAPITAL AND SURPLUS.

	September, 1904.	March, 1914.	Percentage of increase.
Kansas City.....	\$3,900,000	\$11,660,000	199
Omaha.....	3,880,000	6,570,000	69
Denver.....	3,325,000	7,545,000	127
Lincoln.....	768,000	1,330,000	73

LOANS AND DISCOUNTS.

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Lincoln.....	3,820,000	6,066,000	58

INDIVIDUAL DEPOSITS.

Kansas City.....	\$30,730,000	\$40,415,000	31
Omaha.....	15,728,000	27,258,000	73
Denver.....	27,798,000	34,124,000	22
Lincoln.....	3,283,000	4,439,000	35

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

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

The great preponderance in the movement of trade in district No. 10 is to the east. In order to place the Federal reserve bank for

that region in Denver it would have been necessary to disregard these facts and the opposition and earnest protests of banks, both national and State, throughout the district.

THE RICHMOND DISTRICT.

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

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

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

District No. 5 is composed of the States of Maryland, Virginia, West Virginia (except four counties), North and South Carolina, and the District of Columbia. These States have always been closely bound together commercially and financially and their business dealings are large and intimate. The reports made to the Comptroller of the Cur-

rency on March 4, 1914, by all the national banks in each of these States show in every essential respect that the business of the national banks of Virginia, including Richmond, is greater than the business of the national banks of Maryland, including Baltimore, or any other of the five States embraced in district No. 5, as appears in the following table:

	Capital, surplus, and undivided profits.	Loans and discounts.	Total individual deposits.
Virginia.....	\$33,544,631	\$107,410,063	\$90,887,858
Maryland.....	31,300,057	91,326,942	83,217,376
West Virginia.....	18,209,346	56,789,538	61,421,332
North Carolina.....	13,527,086	44,051,033	36,051,154
South Carolina.....	10,332,439	28,860,456	23,330,916
District of Columbia.....	12,685,411	26,253,432	29,520,853

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

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

Richmond.....	\$33,473,000
Baltimore.....	6,891,000
New Orleans.....	19,477,000
Washington.....	915,000

The figures also show that in these portions of district No. 5 *outside* of the States of Virginia and Maryland the Richmond national banks are lending *twice as much money as all the national banks in Baltimore and Washington combined*. They also show that although Richmond is not a reserve city, the banks and trust companies in the 13 Southern States had on deposit in the national banks of Richmond on February 14, 1914, \$9,876,000, or slightly more than the banks of this section had on deposit in the city of Baltimore, and four times as much as they carried in Washington, although these two cities have long enjoyed the benefits of being reserve cities. That southern banks should carry larger balances in Richmond, where they could *not* be counted in their reserves, rather than in Baltimore or Washington, where they could be counted, is suggestive.

The figures show that the capital and surplus of all reporting banks—national, State, and savings, and trust companies—per capita, in Richmond, as of June 4, 1913, was \$131; in Baltimore, \$85; in Washington, \$88; and in New Orleans, \$60, while the loans and discounts made by *all* banks and trust companies in Richmond, on the same date, amounted to \$393 per capita, against \$190 in Washington, \$213 in Baltimore, and \$194 in New Orleans.

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

The statistics furnished the organization committee show that on March 4, 1914, the capital and surplus of the national banks of Richmond, per capita, amounted to more than *twice as much* as the capital and surplus, per capita, of the national banks of either Baltimore or Washington, and three and a half times as much as New Orleans, while the individual deposits of the national banks of Richmond amounted to \$201 per capita, against \$86 for Washington and \$76 for Baltimore and \$50 for New Orleans. The loans and discounts in the national banks of Richmond on the same date were reported at \$279 per capita, against \$77 for Washington, \$108 for Baltimore and \$51 for New Orleans.

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

CAPITAL AND SURPLUS.

	September, 1904.	March, 1914.	Percentage of increase.
Richmond.....	\$3,115,000	\$9,314,000	199
Washington.....	3,215,000	11,365,000	83
Baltimore.....	18,262,000	19,205,000	5
New Orleans.....	6,250,000	6,730,000	8

LOANS AND DISCOUNTS.

	September, 1904.	March, 1914.	Percentage of increase.
Richmond.....	\$12,946,000	\$35,593,000	175
Washington.....	15,018,000	25,405,000	69
Baltimore.....	48,755,000	60,312,000	23
New Orleans.....	20,088,000	17,285,000	Decrease 13

INDIVIDUAL DEPOSITS.

	September, 1904.	March, 1914.	Percentage of increase.
Richmond.....	\$11,257,000	\$25,705,000	128
Washington.....	20,017,000	28,491,000	42
Baltimore.....	40,910,000	42,553,000	4
New Orleans.....	19,425,000	16,857,000	Decrease 13

In other words, the figures show that the national banks of Richmond were lending on March 4, 1914, *twice as much* money as all the national banks in the city of New Orleans, and 40 per cent more than all the national banks of Washington.

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



123.

WASHINGTON, D. C. April 10, 1914.

THE FOLLOWING STATEMENT WAS GIVEN OUT TODAY BY THE
RESERVE BANK ORGANIZATION COMMITTEE.

Congress imposed on the Committee the duty of dividing the country into not less than eight (8) nor more than twelve (12) Districts, and the location of a Federal Reserve bank in each. 37 cities asked to be chosen. The Committee could select at most only 12. Necessarily 25 cities had to be disappointed.

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

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

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

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

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

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

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

The facts which the Committee had to consider will throw light on its decision in reference to these cities.

NEW ORLEANS CLAIMS.

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

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

The banks of Alabama generally desired to be connected either with Birmingham or Atlanta, only three expressing a first choice for New Orleans. The banks of Georgia desired to be connected with Atlanta, none expressing a first or second choice for New Orleans, and only 12 a third choice. They represented that it would do violence to them to be connected with a city to the west, and claimed that their relations were mainly with Atlanta or cities to the northeast. Of 44 banks in Florida, 19 gave Atlanta as their first choice, 19 as their second choice, and 5 as their third choice. Only 5 expressed a first preference for New Orleans, and these were in the Western corner; 4 a second choice, and 3 a third choice. No bank in Tennessee expressed a first or second choice for New Orleans, and only 2 a third choice, while 7 expressed a first choice for Atlanta, 14 a second choice, and 13 a third choice. Generally speaking, the only banks which desired to be connected with New Orleans and expressed a first preference for her, were 25 of the 26 banks reporting in Louisiana, and 19 of the 32 in Mississippi. On a poll made from the Comptroller's office of all banks expressing their

preference as to the location for a Federal Reserve City, 124 expressed a first preference for Atlanta, 232 for Dallas, and only 52 for New Orleans. The views of the bankers were supported by chambers of Commerce, other business organizations and by many business men.

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

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

	<u>Capital & Surplus</u>	<u>Loans & Discounts.</u>	<u>Individual Deposits.</u>
Atlanta	\$8,600,000	\$26,038,000	\$24,348,000
Dallas	5,900,000	18,622,000	18,551,000
New Orleans	6,720,000	17,285,000	16,857,000

Even more significant are the statistics of growth from September, 1904, to March, 1914:

<u>CAPITAL AND SURPLUS</u>			
	<u>SEPTEMBER 1904.</u>	<u>MARCH 1914.</u>	<u>PERCENTAGE OF INCREASE.</u>
Atlanta	\$2,410,000	- \$6,600,000	256
Dallas	2,676,000	- 5,900,000	120
New Orleans	6,250,000	- 6,700,000	8

<u>LOANS AND DISCOUNTS</u>			
	<u>SEPTEMBER 1904.</u>	<u>MARCH 1914</u>	<u>PERCENTAGE OF INCREASE.</u>
Atlanta	\$10,329,000	\$26,088,000	152
Dallas	7,650,000	18,622,000	143
New Orleans	20,088,000	17,285,000	<u>Decrease</u> 13

<u>INDIVIDUAL DEPOSITS</u>			
	<u>SEPTEMBER 1904</u>	<u>MARCH 1914</u>	<u>PERCENTAGE OF INCREASE.</u>
Atlanta	\$9,931,000	\$23,548,000	145
Dallas	7,157,000	18,551,000	159
New Orleans	19,425,000	16,857,000	<u>Decrease</u> 13

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

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

Atlanta reported capital stock and surplus \$15,313,000, or \$98 per capita; Dallas \$9,997,000 or \$100 per capita; and New Orleans \$20,532,000 or \$60 per capita; individual deposits, per capita, Atlanta \$160; Dallas, \$269; New Orleans \$209.

The loans and discounts for all reporting banks for the three cities were as follows: Atlanta \$33,494,000 or \$216 per capita; Dallas \$27,517,000 or \$299 per capita; New Orleans \$64,845,000 or \$194 per capita.

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

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

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

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

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

NATIONAL BANK STATISTICS
FOR
STATES OF TEXAS, VIRGINIA, MARYLAND, GEORGIA, LOUISIANA and MISSISSIPPI
as of March 4, 1914,
according to sworn reports made to the Comptroller of the Currency.

	Area sq. miles	Population Census 1910	Capital & Surplus	Individual Deposits	Loans & Discounts.
State of TEXAS (Including Dallas)	265,780	3,896,542	\$76,785,584	\$197,663,338	\$215,114,326
State of VIRGINIA (Including Richmond)	42,450	2,061,612	29,732,696	90,887,858	107,410,063
State of MARYLAND (Including Baltimore)	12,210	1,295,346	26,267,420	83,217,376	91,326,942
State of GEORGIA (Including Atlanta)	59,475	2,609,121	24,479,735	51,302,061	61,852,579
State of LOUISIANA (Including New Orleans)	48,720	1,656,388	12,128,966	32,000,521	34,804,354
State of MISSISSIPPI	46,810	1,797,114	5,168,192	17,045,324	13,669,200

From the above statement it will be seen that in each item, CAPITAL and SURPLUS, INDIVIDUAL DEPOSITS and LOANS and DISCOUNTS, the national banks of VIRGINIA, including RICHMOND, largely surpass the national banks of MARYLAND, including Baltimore.

The Capital and Surplus of the national banks of the state of VIRGINIA are 60 per cent greater than the Capital and Surplus of the national banks of the States of LOUISIANA and MISSISSIPPI combined, including the City of NEW ORLEANS, while the Loans and Discounts by the national banks of VIRGINIA are more than three times as great as the loans and Discounts in the national banks of LOUISIANA, including NEW ORLEANS.

While the Capital and Surplus of the national banks of GEORGIA largely exceed the combined Capital and Surplus of the national banks of the States of both MISSISSIPPI and LOUISIANA, the Loans and Discounts made by the national banks of GEORGIA exceed by 13 million dollars the Loans and Discounts of all the national banks of LOUISIANA and Mississippi combined, including the City of NEW ORLEANS.

The Capital and Surplus of the national banks of TEXAS amount to four times as much as the Capital and Surplus of the national banks of the States of LOUISIANA and MISSISSIPPI combined, and the individual Deposits in the national banks of TEXAS also amount to about four times as much as the Individual Deposits of all national banks in LOUISIANA and MISSISSIPPI, the only states from which New Orleans received as much as half a dozen votes as first choice for the location for a Federal Reserve Bank.

KANSAS CITY DISTRICT.

The region in the middle and far west presented problems of difficulty. Careful consideration was given to the claims of Omaha, Lincoln, Denver and Kansas City, which conflicted in this region. Denver asked for a district which included Idaho, Montana, Utah, Wyoming, Colorado, New Mexico, and the eastern two thirds of Arizona and Texas, Kansas and Nebraska west of the 100th Meridian, and the Deadwood portion of South Dakota. The district ga-

approximately the minimum capital provided by law. Of the territory included in this District Montana unanimously requested to be connected with Minneapolis or Chicago, saying that she had little or no trade relations with Denver. Idaho desired to go to Portland or San Francisco; Arizona preferred San Francisco, and the greater part of New Mexico asked for Kansas City. Western Texas, Kansas and Nebraska unanimously protested against going to Denver. Kansas desired Kansas City, Nebraska preferred Omaha or Lincoln; and Texas wanted either a Texas City or Kansas City or St. Louis.

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

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

Of the 218 banks which expressed a first preference for Omaha, 181 were from Nebraska. The Committee had to consider the State of Oklahoma and part of Missouri in connection with this region, and in District No. 10, 497 banks expressed a first preference for Kansas City, Western Missouri Oklahoma and Kansas, and part of New Mexico, especially asked for this connection. Thirty-seven banks in Colorado gave Kansas City as second choice and 26 gave Omaha.

It seemed impossible to serve the greater section from Kansas City to

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

	<u>Capital and Surplus</u>	<u>Loans and Discounts</u>	<u>Individual Deposits</u>
Kansas City	\$11,660,000	\$66,205,000	\$40,415,000
Omaha	6,570,000	32,848,000	27,258,000
Denver	7,545,000	28,022,000	34,124,000
Lincoln	1,330,000	6,066,000	4,439,000

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

	<u>CAPITAL AND SURPLUS</u>		
	<u>September, 1904.</u>	<u>March, 1914.</u>	<u>Percentage of Increase.</u>
Kansas City	\$3,900,000	\$11,660,000	199
Omaha	3,880,000	6,570,000	69
Denver	3,325,000	7,545,000	127
Lincoln	768,000	1,330,000	73

LOANS AND DISCOUNTS.

	<u>September 1904</u>	<u>March 1914</u>	<u>Percentage of Increase.</u>
Kansas City----	\$35,598,000	\$66,205,000	86
Omaha-----	16,218,000	32,848,000	102
Denver-----	14,146,000	\$28,022,000	98
Lincoln-----	3,820,000	6,066,000	58

INDIVIDUAL DEPOSITS.

Kansas City----	\$30,730,000	\$40,415,000	31
Omaha-----	15,728,000	27,258,000	73
Denver-----	27,798,000	34,124,000	22
Lincoln-----	3,283,000	4,439,000	35

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

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

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

THE RICHMOND DISTRICT.

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

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

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

District No. 5 is composed of the States of Maryland, Virginia, West Virginia (except four counties) North and South Carolina, and the District of Columbia. These States have always been closely bound together.

commercially and financially and their business dealings are large and intimate. The reports made to the Comptroller of the Currency on March 4, 1914, by all the national banks in each of these states show in every essential respect that the business of the national banks of Virginia, including Richmond, is greater than the business of the national banks of Maryland, including Baltimore, or any other of the five States embraced in District No. 5, as appears in the following table:

	<u>Capital, Surplus and Undivided Profits.</u>	<u>Loans and Discounts.</u>	<u>Total Individual Deposits.</u>
Virginia,	\$33,544,631	\$107,410,063	\$ 90,887,858
Maryland,	31,390,057	91,326,942	83,217,376
West Virginia,	18,209,346	56,789,538	61,421,332
North Carolina,	13,527,086	44,051,033	36,051,154
South Carolina,	10,332,439	29,860,456	23,330,916
District of Columbia,	12,685,411	26,253,432	29,520,853

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

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

Richmond -----	33,473,000
Baltimore -----	6,891,000
New Orleans -----	19,477,000
Washington -----	915,000

The figures also show that in these portions of District No. 5 OUTSIDE of the States of Virginia and Maryland, the Richmond national banks are lending twice as much money as all the national banks in Baltimore and Washington combined. They also show that although Richmond is not a Reserve City, the banks and trust companies in the thirteen Southern States had on deposit in the national banks of Richmond on February 14, 1914, \$9,876,000, or slightly more than the banks of this section had on deposit in the city of Baltimore, and four times as much as they carried in Washington, although these two cities have long enjoyed the benefits of being Reserve Cities. That Southern banks should carry larger balances in Richmond, where they could NOT be counted in their reserves, rather than in Baltimore, or Washington, where they could be counted, is suggestive.

The figures show that the Capital and Surplus of all reporting banks-national, state and savings, and Trust Companies, - per capita, in Richmond, as of June 4, 1913, was \$131; in Baltimore, \$85; in Washington, \$88 and in New Orleans, \$60, while the loans and discounts made by ALL banks and trust companies in Richmond, on the same date, amounted to \$393 per capita, against \$190 in Washington, \$213 in Baltimore and \$194 in New Orleans.

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

The statistics furnished the Organization Committee show that on March 4, 1914, the capital and surplus of the national banks of Richmond, per capita, amounted to more than twice as much as the capital and surplus, per capita, of the national banks of either Baltimore or Washington and three and a half times as much as New Orleans, while the Individual Deposits of the national banks of Richmond amounted to \$201 per capita, against \$86 for Washington and \$76 for Baltimore and \$50 for New Orleans. The Loans and Discounts in the national banks of Richmond on the same date were reported at \$279 per capita, against \$77 for Washington and \$108 for Baltimore and \$51 for New Orleans.

Especially significant are the following statistics showing the growth in Capital and Surplus, Loans and Discounts, and Individual Deposits of national banks in the three cities named:

CAPITAL AND SURPLUS.

	<u>September, 1904.</u>	<u>March, 1914.</u>	<u>Percentage of Increase.</u>
Richmond	\$3,115,000	\$9,314,392	199
Washington	6,215,000	11,365,000	83
Baltimore	18,262,900	19,205,900	5
New Orleans	6,250,000	6,730,000	8

LOANS AND DISCOUNTS.

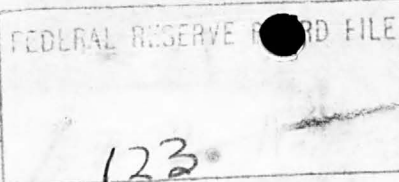
	<u>September, 1904.</u>	<u>March, 1914.</u>	<u>Percentage of Increase.</u>
Richmond	\$12,946,000	\$35,593,000	175
Washington	15,018,000	25,405,000	69
Baltimore	48,755,000	60,312,000	23
New Orleans	20,088,000	17,285,000	Decrease 13

INDIVIDUAL DEPOSITS.

	September 1 9 0 4	March 1 9 1 4	Percentage of Increase.
Richmond	\$ 11, 257,000	- \$25,705,000	128
Washington	20, 017,000	- 28,491,000	42
Baltimore	40, 910,000	- 42,553,000	4
New Orleans	19, 425,000	- 16,857,000	Decrease 13

In other words, the figures show that the national banks of Richmond were lending on March 4, 1914, twice as much money as all the national banks in the City of New Orleans and 40 per cent more than all the national banks of Washington.

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



DECISION OF THE RESERVE BANK ORGANIZATION COMMITTEE

4/2/14

DETERMINING THE FEDERAL RESERVE DISTRICTS AND THE LOCATION OF THE FEDERAL RESERVE BANKS

Under the Federal Reserve Act approved December 23, 1913.

* * * * *

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

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

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

More than 200 cities, through their Clearing House Associations, Chambers

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of Commerce and other representatives, were heard. Of these, 37 cities asked to be designated as the headquarters of a Federal Reserve bank.

The majority of the Organization Committee, including its Chairman and the Secretary of Agriculture, were present at all hearings, and stenographic reports of the proceedings were made for more deliberate consideration. Independent investigations were, in addition, made through the Treasury Department, and the preference of each bank as to the location of the Federal Reserve bank with which it desired to be connected was ascertained by an independent card ballot addressed to each of the 7,475 national banks throughout the country which had formally assented to the provisions of the Federal Reserve Act.

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

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

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

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

and provisions of the Federal Reserve Act.

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

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

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

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

The TWELVE DISTRICTS and the TWELVE CITIES selected for the location of the FEDERAL RESERVE BANKS are as follows:

DISTRICT No. 1: The NEW ENGLAND STATES: MAINE, NEW HAMPSHIRE, VERMONT, MASSACHUSETTS, RHODE ISLAND and CONNECTICUT, with the City of BOSTON as the location of the Federal Reserve bank.

This District contains 446 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Boston, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$9,931,740.

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DISTRICT No. 2: The STATE OF NEW YORK, with NEW YORK CITY as the location of the Federal Reserve bank.

This District contains 478 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of New York, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$20,621,606; and if there be added six per cent of the capital stock and surplus of the State Banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$20,687,616.

DISTRICT No. 3: The States of NEW JERSEY and DELAWARE and all that part of PENNSYLVANIA located east of the western boundary of the following counties: McKean, Elk, Clearfield, Cambria and Bedford, with the Federal Reserve bank in the City of PHILADELPHIA.

This District contains 800 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Philadelphia, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$12,980,412; and if there be added six per cent of the capital stock and surplus of the State Banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$12,993,013.

DISTRICT No. 4: The State of OHIO, all that part of PENNSYLVANIA lying west of District No. 3; the counties of Marshall, Ohio, Brooke and Hancock in the State of WEST VIRGINIA, and all that part of the State of KENTUCKY located east of the western boundary of the following counties: Boone, Grant, Scott

Woodford, Jessamine, Garrard, Lincoln, Pulaski and McCreary, with the City of CLEVELAND, Ohio, as the location of the Federal Reserve bank.

This District contains 724 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Cleveland, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$11,528,835; and if there be added six per cent of the capital stock and surplus of the State Banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$11,621,535.

DISTRICT NO. 5: The DISTRICT OF COLUMBIA and the States of MARYLAND, VIRGINIA, NORTH CAROLINA, SOUTH CAROLINA, and all of WEST VIRGINIA except the counties of Marshall, Ohio, Brooke and Hancock, with the Federal Reserve bank located in the City of RICHMOND, Virginia.

This District contains 475 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Richmond, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$6,303,868; and if there be added six per cent of the capital stock and surplus of the State Banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$6,543,281.

DISTRICT No. 6: The States of ALABAMA, GEORGIA and FLORIDA, all that part of TENNESSEE located east of the western boundary of the following counties: Stewart, Houston, Wayne, Humphreys and Perry; all that part of MISSISSIPPI located south of the northern boundary of the following counties:

Maquena, Sharkey, Yazoo, Kemper, Madison, Leake and Neshoba; and all of the Southeastern part of LOUISIANA located east of the western boundary of the following counties: Pointe Coupee, Iberville, Assumption and Terrebonne, with the City of ATLANTA, Georgia, as the location of the Federal Reserve bank.

This District contains 372 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Atlanta, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$4,641,415; and if there be added six per cent of the capital stock and surplus of the State Banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$4,702,780.

DISTRICT No. 7: The State of IOWA, all that part of WISCONSIN located south of the northern boundary of the following counties: Vernon, Sauk, Columbia, Dodge, Washington and Osaukee; all of the Southern Peninsula of MICHIGAN, viz: that part east of Lake Michigan; all that part of ILLINOIS located north of a line forming the southern boundary of the following counties: Hancock, Schuyler, Cass, Sangamon, Christian, Shelby, Cumberland, and Clark; and all that part of INDIANA north of a line forming the southern boundary of the following counties: Vigo, Clay, Owen, Monroe, Brown, Bartholomew, Jennings, Ripley and Ohio, with the Federal Reserve bank located in the City of CHICAGO, Illinois.

This District contains 984 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve

Bank of Chicago, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$12,664,100; and if there be added six per cent of the capital stock and surplus of the State Banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$13,151,925.

DISTRICT No. 3: The State of ARKANSAS, all that part of MISSOURI located east of the western boundary of the following counties: Harrison, Daviess, Caldwell, Ray, Lafayette, Johnson, Henry, St. Clair, Cedar, Dade, Lawrence and Barry; all that part of ILLINOIS not included in District No. 7; all that part of INDIANA not included in District No. 7; all that part of KENTUCKY not included in District No. 4; all that part of TENNESSEE not included in District No. 6; and all that part of MISSISSIPPI not included in District No. 6, with the City of ST. LOUIS, Missouri, as the location of the Federal Reserve bank.

This District contains 434 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of St. Louis, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$4,843,079; and if there be added six per cent of the capital stock and surplus of the State Banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$6,219,323.

DISTRICT No. 9: The States of MONTANA, NORTH DAKOTA, SOUTH DAKOTA, MINNESOTA, all that part of WISCONSIN not included in District No. 7; and all that part of MICHIGAN not included in District No. 7, with the City of MINNEAPOLIS, Minnesota, as the location of the Federal Reserve bank.

This District contains 687 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Minneapolis, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$4,702,864.

DISTRICT No. 10; The States of KANSAS, NEBRASKA, COLORADO and WYOMING, all that part of MISSOURI not included in District No. 8; all that part of OKLAHOMA north of a line forming the southern boundary of the following counties: Ellis, Dewey, Blaine, Canadian, Cleveland, Pottawatomie, Seminole, Okfuskee, McIntosh, Muskogee, and Sequoyah; and all that part of NEW MEXICO north of a line forming the southern boundary of the following counties: McKinley, Sandoval, Santa Fe, San Miguel and Union, with the City of KANSAS CITY, Missouri, as the location of the Federal Reserve bank.

This District contains 835 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Kansas City, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$5,583,955; and if there be added six per cent of the capital stock and surplus of the State banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$5,594,916.

DISTRICT No. 11: The State of TEXAS, all that part of NEW MEXICO not included in District No. 10; all that part of OKLAHOMA not included in District No. 10; all that part of LOUISIANA not included in District No. 6, and the following counties in the State of ARIZONA: Pima, Graham, Greenlee, Cochise and Santa Cruz, with the City of DALLAS, Texas, as the location of the Federal

Reserve bank.

This District contains 726 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of Dallas, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$5,520,187; and if there be added six per cent of the capital stock and surplus of the State Banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$5,634,091.

DISTRICT No. 12: The States of CALIFORNIA, WASHINGTON, OREGON, IDAHO, NEVADA and UTAH, and all that part of ARIZONA not included in District No. 11, with the City of SAN FRANCISCO, California, as the location of the Federal Reserve bank.

This District contains 514 national banks which have accepted the provisions of the Federal Reserve Act. The capital stock of the Federal Reserve Bank of San Francisco, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the District, will amount to \$7,825,405; and if there be added six per cent of the capital stock and surplus of the State Banks and Trust Companies which have applied for membership up to April 1, 1914, the total capital stock will be \$8,115,524.

The Committee was impressed with the growth and development of the States of Idaho, Washington and Oregon, but on the basis of six per cent of the capital stock and surplus of national banks and state banks and trust companies which have applied for membership, that section could not provide the \$4,000,000 minimum capital stock required by the law. With the continued growth of that region, it is reasonable to expect that in a few years the capital and surplus of its member banks will be sufficient to justify the creation of an

additional Federal Reserve district, at which time application may be made to the Congress for a grant of the necessary authority.

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

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

Washington, D. C.,

April 2, 1914.

W. McAdoo
W. S. Hart
W. S. Hart
RESERVE BANK ORGANIZATION COMMITTEE.

