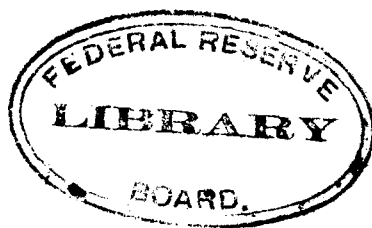


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#2



New York.



EXHIBITS SUBMITTED AT HEARING IN

NEW YORK

EXHIBIT NO.

- Bizallion, Henry H., - outline of nine districts, 1.
- Bradstreet Co., New York, - list of names reported for 1913 and 1914 books, 2.
- Carpenter, Henry S., - general outline of districts, 3.
- Clearing House Association, New Haven, Conn., stating that bankers of that Association preferred to become members of the Federal Reserve of New York, 4.
- Clearing House Association, Scranton, Pa., request that Scranton be included in the New York district, 5.
- Clearing House Association, Syracuse, N. Y., - resolution stating that the Federal Reserve Banks located at New York City would best serve the banking interests of New York State, 6.
- Clearing House Association, Rochester, N. Y., - statistics, 7.
- Clement, P. W., Rutland, Vt., - letter stating that business of Vt. West of the Green Mountains is done almost entirely with New York, 8.
- Conant, C. A., - General outline of districts, 9.
- Connecticut Bankers Association of South Norwalk, Conn., enclosed 74 replies received to circular letters sent to 115 banks and Trust companies in State of Connecticut, 10.
- de Lima, E. A., of the Battery Park National Bank, N. Y., - Brief, 11.
- Dun Co., R. G., New York, - statement as to location of districts, 12.
- First National Bank, Canton, N. Y., - letter, 13.

NEW YORK- EXHIBITS, - 2.

EXHIBIT NO.

Flannagan, W. W., Montclair, N. J., - additional statement,	14.
Hepburn, A. B., of the Chase National Bank, N. Y., encloses letter from former Congressman, E. J. Hill,	15.
Hine, Francis, - location of Reserve Banks,	16.
Kones, G. Ellsworth, N. Y. City, - Suggestions for the estab- lishment of Federal Reserve districts,	17.
Kuehn, Loeb & Co., - suggestions as to districts,	18.
La Monte, George Mason, Commissioner of Banking and Insurance for New Jersey forwards map and memorandum relative to dis- tricts,	19.
Marshall, H. C., - general outline of districts,	20.
Merchants National Bank, N.Y., requests that Sayre, Pa., be in- cluded in the New York district,	21.
Newburyport Morning Herald, - editorial,	22.
Outerbridge, E. H., - statements,	23.
Page, Edward D., - general outline of districts,	24.
Rockville National Bank, Connecticut, prefers to be located in New York district,	25.
Rothschild, V. Sidney, - encloses newspaper clipping regard remarks at hearing,	26.

Exhibit No. *1-26*
Hearing at *New York*

New York

Exhibit 1
(9717)

THE GOTHAM NATIONAL BANK OF NEW YORK

CAPITAL \$200,000

SURPLUS \$100,000

COLUMBUS CIRCLE AND EIGHTH AVENUE

NEW YORK

HENRY M. BIZALLION, PRESIDENT
FREDERICK FOWLER, VICE PRESIDENT
THOMAS C. FRY, CASHIER

Jan. 28, 1914

Organization Committee,
Federal Reserve Bank,
Washington, D. C.

Gentlemen:-

During your sessions in this City you very kindly afforded me the privilege of placing before you my ideas as to the establishment of the Federal Reserve Banks, as required by law.

I very respectfully submit herewith outline map of the United States showing nine Federal Reserve Districts, and attached to this map is an estimate of the capital of the nine Federal Reserve Banks.

Very respectfully yours,

Henry M. Bizallion

PLAN OF THE ESTABLISHMENT OF NINE FEDERAL RESERVE DISTRICTS.

- District No. 1** **New England States.** Federal Reserve Bank located in Boston. Estimated banking capital and surplus of the District \$203,000,000. Estimated capital Federal Reserve Bank \$12,000,000.
- District No. 2** Federal Reserve Bank located in New York City. Comprising New York City and Metropolitan District of New Jersey. Estimated banking capital and surplus of the District \$420,000,000. Estimated capital Federal Reserve Bank \$25,000,000.
- District No. 3** Federal Reserve Bank located in Philadelphia. Comprising Eastern Pennsylvania, New Jersey (except Metropolitan District in District No. 2), Delaware, Maryland, District of Columbia, Virginia and North Carolina. Estimated banking capital and surplus \$240,000,000. Estimated capital Federal Reserve Bank \$15,000,000.
- District No. 4** Federal Reserve Bank located in Cincinnati, O. Comprising Western Pennsylvania, Ohio, West Virginia, and Kentucky. Estimated capital and surplus \$288,000,000. Estimated capital Federal Reserve Bank \$17,000,000.
- District No. 5** Federal Reserve Bank located in Chicago, Ill. Comprising Illinois, Indiana, Michigan, Wisconsin and Minnesota. Estimated capital and surplus \$280,000,000. Estimated capital Federal Reserve Bank \$17,000,000.
- District No. 6** Federal Reserve Bank located in St. Louis, Mo. Comprising Missouri, Iowa, Kansas, Arkansas, Oklahoma and Tennessee. Estimated capital and surplus \$160,000,000. Estimated capital Federal Reserve Bank \$10,000,000.
- District No. 7** Federal Reserve Bank located in New Orleans, La. Comprising Louisiana, Mississippi, Alabama, Georgia, South Carolina, Florida and Texas. Estimated capital and surplus \$172,000,000. Estimated capital Federal Reserve Bank \$10,000,000.
- District No. 8** Federal Reserve Bank located in Denver, Colo. Comprising Colorado, North Dakota, South Dakota, Wyoming, New Mexico, Arizona, Utah, Montana and Nebraska. Estimated capital and surplus \$84,000,000. Estimated capital Federal Reserve Bank \$5,000,000.
- District No. 9** Federal Reserve Bank located in San Francisco, Cal. Comprising California, Oregon, Washington, Idaho and Nevada. Estimated capital and surplus \$39,000,000. Estimated capital Federal Reserve Bank \$8,000,000.

In giving an estimate of the banking capital and surplus in each of the above Districts I have taken the National banks capital, surplus and undivided profits; undivided profits, for I feel that much of this will be carried to surplus account, and State banks will no doubt largely join the System.

Respectfully submitted,

Henry H. Bizallion,
President, Gotham National Bank
New York, N. Y.

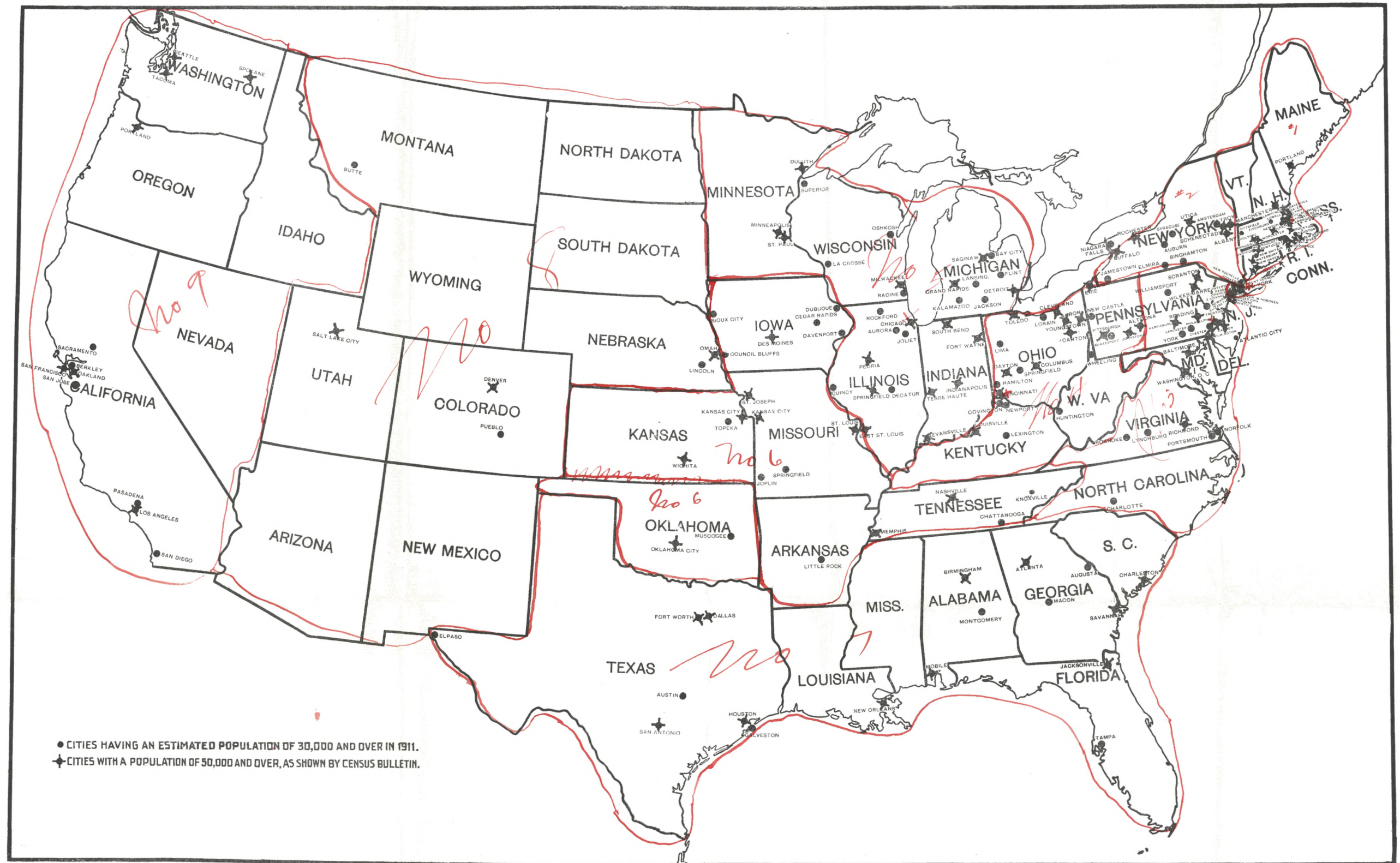


Exhibit 2
note

(2)

January 12, 1914.

RECEIVED
JAN 15 1914

2

2

My dear Sir:

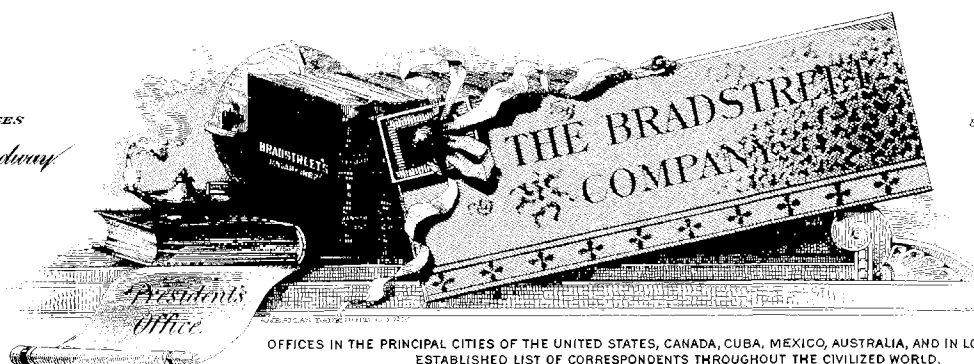
I have your letter of January 7th, enclosing a list of the totals of names reported by the offices of your organization for the Fall, 1913, issue of your book, and thank you for same.

The Committee would be glad to have the figures representing the contents of your January, 1914, volume, which you kindly offer to submit.

Very truly yours,

Mr. Henry E. Dunn,
President, The Bradstreet Co.,
New York, N. Y.

EXECUTIVE OFFICES
346 to 348, Broadway
NEW YORK.



ESTABLISHED 1849.

INCORPORATED 1876

OFFICES IN THE PRINCIPAL CITIES OF THE UNITED STATES, CANADA, CUBA, MEXICO, AUSTRALIA, AND IN LONDON, ENGLAND, WITH AN ESTABLISHED LIST OF CORRESPONDENTS THROUGHOUT THE CIVILIZED WORLD.

Represented throughout the European Continent by Institute W. Schimmelpfeng.

HFD-BS

New York January 7, 1914

Honorable William G. McAdoo,

New York City, N. Y.

Dear Sir:

In compliance with your request, we beg leave to enclose herewith a list of the totals of names reported by the offices of our Organization for the Fall 1913 issue of our book. It should perhaps be noted that in making these divisions of our work, we are governed more by the convenience in reporting than any other factor.

The revised figures representing the contents of the January 1914 Volume will be ready in a few days and we shall be pleased to furnish them, if the information is of any value to your Committee.

You will, of course, command us if there is anything else that we can supply.

Yours very truly,

Henry E. Dunn
President.

(Enclosure)

SUMMARY OF NAMES BY DISTRICTS AND STATES.

Volume 183. Fall, 1913.

States.	Offices.	Names.	Totals.	States.	Offices.	Names.	Totals.
ALABAMA	Montgomery	6,347		NORTH CAROLINA	Bristol	709	
	Mobile	2,893			Richmond	8,791	
	Birmingham	7,864			Norfolk	1,862	
	Nashville	2,378			Knoxville	2,007	
	Chattanooga	854	20,336		Charlotte	4,601	
ALASKA	Seattle	939	939		Greensboro	5,534	23,604
ARIZONA	Albuquerque	133		NORTH DAKOTA	Fargo	2,449	
	Los Angeles	1,261			St. Paul	9,285	11,734
	Phoenix	1,544	2,938	OHIO	Huntington	1,878	
ARKANSAS	Little Rock	8,941			Canton	4,068	
	Fort Smith	3,103			Cleveland	28,609	
	Texarkana	3,199			Cincinnati	18,353	
	Memphis	3,235	18,478		Erie	1,126	
CALIFORNIA	San Francisco	38,938			Toledo	11,612	
	Los Angeles	19,787			Springfield	2,455	
	Sacramento	1,508	60,233		Columbus	8,295	
COLORADO	Denver	15,848	15,848		Dayton	7,649	
CONNECTICUT	New Haven	16,854			Wheeling	6,603	
	Hartford	6,533			Youngstown	3,395	
	Bridgeport	2,806	26,193	OKLAHOMA	Zanesville	3,909	97,952
DELAWARE	Philadelphia	2,549			Oklahoma	15,568	
	Baltimore	1,548	4,097		Dallas	3,209	
DISTRICT OF COLUMBIA	Washington	7,053	7,053		Fort Smith	892	
FLORIDA	Jacksonville	6,319		OREGON	Muskogee	4,843	24,512
	Tampa	4,646			Portland	16,576	
	Mobile	1,645	12,610		Boise	192	16,768
GEORGIA	Savannah	5,858		PENNSYLVANIA	Easton	2,813	
	Atlanta	15,515			Philadelphia	58,060	
	Augusta	2,299			Pittsburgh	48,093	
	Macon	3,784			Buffalo	2,689	
	Chattanooga	897			Binghamton	1,408	
	Albany	4,942	33,295		Elmira	1,648	
HAWAIIAN ISLANDS	San Francisco	648	648		Jamestown	922	
IDAHO	Boise	2,434			Scranton	5,919	
	Salt Lake City	1,316			Wilkes-Barre	6,327	
	Spokane	2,168	5,918		Reading	9,619	
ILLINOIS	Chicago	104,267			Harrisburg	11,620	
	St. Louis	19,983			Williamsport	7,429	
	Burlington	183			Youngstown	1,229	
	Peoria	3,823			Erie	7,720	
	Davenport	3,049			Allentown	3,439	163,965
	Dubuque	494		RHODE ISLAND	Providence	11,282	11,282
	Quincy	1,189	132,988	SOUTH CAROLINA	Augusta	2,557	
INDIANA	Cincinnati	5,583			Charleston	6,306	
	Louisville	1,995			Charlotte	1,363	
	Indianapolis	22,988			Greenville	3,685	
	Chicago	9,953			Savannah	438	14,349
	Evansville	5,163		SOUTH DAKOTA	Sioux Falls	10,035	
	Terre Haute	2,116			Omaha	1,398	
	Toledo	3,530	51,328		Sioux City	445	11,878
IOWA	Burlington	6,485		TENNESSEE	Bristol	1,442	
	Cedar Rapids	2,549			Nashville	10,239	
	Omaha	5,171			Memphis	6,557	
	Davenport	5,161			Knoxville	3,491	
	Des Moines	11,088			Chattanooga	3,566	25,295
	Dubuque	6,796		TEXAS	Dallas	19,058	
	Sioux City	3,711			Albuquerque	766	
	Waterloo	3,121	44,122		Waco	718	
KANSAS	Kansas City	17,579			Fort Worth	12,488	
	St. Joseph	5,000			Houston	10,604	
	Wichita	6,760	29,339		San Antonio	8,521	
KENTUCKY	Huntington	2,124			Texarkana	2,934	
	Cincinnati	10,617			Galveston	942	56,031
	Louisville	11,990		UTAH	Salt Lake City	5,396	5,396
	Nashville	343		VERMONT	Boston	7,668	7,668
	Evansville	2,587		VIRGINIA	Bristol	2,576	
	Knoxville	1,438			Baltimore	5,625	
	St. Louis	2,210	31,339		Richmond	8,069	
LOUISIANA	New Orleans	17,523			Lynchburg	5,793	
	Shreveport	2,331	19,854		Norfolk	4,300	
MAINE	Portland	17,684	17,684	WASHINGTON	Washington	464	26,827
MARYLAND	Baltimore	23,862	23,862		Seattle	12,459	
MASSACHUSETTS	Boston	47,835			Tacoma	3,651	
	Springfield	8,357			Portland	2,961	
	Worcester	6,741			Spokane	7,290	26,361
	Providence	612	63,545	WEST VIRGINIA	Huntington	1,911	
MICHIGAN	Bay City	8,539			Baltimore	1,528	
	Detroit	28,157			Charleston	5,349	
	Milwaukee	2,368			Clarksburg	867	
	Grand Rapids	11,734			Wheeling	8,361	
	Chicago	1,499			Lynchburg	970	18,986
	Duluth	2,112	54,409	WISCONSIN	Duluth	1,769	
MINNESOTA	St. Paul	3,801			Milwaukee	35,443	
	St. Paul	28,822			St. Paul	4,070	
	Minneapolis	6,414			Green Bay	7,203	48,485
	Fargo	385	39,422	WYOMING	Denver	1,666	
MISSISSIPPI	New Orleans	5,290			Salt Lake City	477	
	Memphis	8,501			Helena	530	2,473
	Mobile	460		ALBERTA	Calgary	5,757	
	Jackson	3,987	18,238		Edmonton	3,305	9,062
MISSOURI	St. Louis	42,037		BRITISH COLUMBIA	Calgary	455	
	Kansas City	15,792			Vancouver	7,978	
	St. Joseph	5,456	63,285		Victoria	1,061	9,494
MONTANA	Helena	7,575		MANITOBA	Winnipeg	8,500	8,500
	Butte	1,053	8,628	NEW BRUNSWICK	St. John	5,778	5,778
NEBRASKA	Omaha	22,400		NEWFOUNDLAND	Halifax	1,266	1,266
	Lincoln	1,032		NOVA SCOTIA	Halifax	8,368	8,368
	Sioux City	1,813	25,245	ONTARIO	Toronto	29,276	
NEVADA	San Francisco	1,486			Montreal	4,992	
	Los Angeles	261			Winnipeg	1,188	
	Salt Lake City	428	2,175		Ottawa	5,279	
NEW HAMPSHIRE	Boston	8,566	8,566		Hamilton	6,251	
NEW JERSEY	Easton	1,871			London	8,557	53,543
	Newark	22,681		PRINCE EDWARD ISLAND	St. John	1,047	1,047
	New York	20,320		QUEBEC	Montreal	28,693	
	Philadelphia	11,479	55,851		Quebec	10,543	
NEW MEXICO	Albuquerque	3,300	3,300		Ottawa	1,733	
NEW YORK	New York	96,740			Halifax	48	41,077
	Albany	12,103		SASKATCHEWAN	Winnipeg	9,193	
	Binghamton	4,543			Edmonton	1,056	10,249
	Buffalo	19,524		ST. PIERRE ET MIQUELON	Halifax	68	68
	Elmira	3,303		YUKON TERRITORY	Vancouver	115	115
	Jamestown	1,844					
	Rochester	14,265					
	Syracuse	15,823					
	Troy	5,711					
	Utica	8,296					
	Brooklyn	43,823	225,975				
				Total.		1,869,874	

EXECUTIVE OFFICES
346 to 348, Broadway
NEW YORK.



ESTABLISHED 1849.

INCORPORATED 1876.

OFFICES IN THE PRINCIPAL CITIES OF THE UNITED STATES, CANADA, CUBA, MEXICO, AUSTRALIA, AND IN LONDON, ENGLAND, WITH AN
ESTABLISHED LIST OF CORRESPONDENTS THROUGHOUT THE CIVILIZED WORLD.

HED-RS

Represented throughout the European Continent by Institute W. Schimmelpfeng.



New York

January 16, 1914

Honorable William G. McAdoo,
Washington, D. C.

Dear Sir:

I am in receipt of your favor of the 12th inst. and, in compliance with your request, take pleasure in enclosing herewith the list of totals of names reported by our offices for the January 1914 edition of our book, recently issued.

Very truly yours,

Henry E. Dunn

(Enclosure)

President.

SUMMARY OF NAMES BY DISTRICTS AND STATES.

Volume 184. January, 1914.

States.	Offices.	Names.	Totals.	States.	Offices.	Names.	Totals.
ALABAMA	Montgomery	6,369		NORTH CAROLINA	Bristol	686	
	Mobile	2,866			Richmond	9,048	
	Birmingham	7,838			Norfolk	2,011	
	Nashville	2,377			Knoxville	1,711	
	Chattanooga	933	20,383		Charlotte	4,648	
ALASKA	Seattle	963	963		Greensboro	5,636	23,740
ARIZONA	Albuquerque	155		NORTH DAKOTA	Fargo	2,390	
	Los Angeles	1,287			St. Paul	9,526	11,916
	Phoenix	1,552	2,994	OHIO	Huntington	1,841	
ARKANSAS	Little Rock	9,021			Canton	3,926	
	Fort Smith	3,106			Cleveland	28,558	
	Texarkana	3,253			Cincinnati	18,607	
	Memphis	3,298	18,678		Erie	1,151	
CALIFORNIA	San Francisco	39,185			Toledo	11,709	
	Los Angeles	20,467			Springfield	2,423	
	Sacramento	1,532	61,184		Columbus	8,091	
COLORADO	Denver	15,805	15,805		Dayton	7,522	
CONNECTICUT	New Haven	16,955			Wheeling	6,548	
	Hartford	6,540			Youngstown	3,479	
	Bridgeport	2,843	26,338		Zanesville	3,904	97,759
DELAWARE	Philadelphia	2,593		OKLAHOMA	Oklahoma	15,326	
	Baltimore	1,575	4,168		Dallas	3,235	
DISTRICT OF COLUMBIA	Washington	7,201	7,201		Fort Smith	904	
FLORIDA	Jacksonville	6,479			Muskogee	4,355	24,320
	Tampa	4,394		OREGON	Portland	15,913	
	Mobile	1,639	12,502		Boise	190	16,103
GEORGIA	Savannah	5,910		PENNSYLVANIA	Easton	2,838	
	Atlanta	13,738			Philadelphia	58,575	
	Augusta	2,801			Pittsburgh	42,406	
	Macon	3,742			Buffalo	2,705	
	Chattanooga	898			Binghamton	1,425	
	Albany	4,921	31,510		Elmira	1,634	
HAWAIIAN ISLANDS	San Francisco	708	708		Jamestown	925	
IDAHO	Boise	2,437			Scranton	5,983	
	Salt Lake City	1,337			Wilkes-Barre	6,095	
	Spokane	2,116	5,890		Reading	9,596	
ILLINOIS	Chicago	105,221			Harrisburg	11,663	
	St. Louis	20,111			Williamsport	7,460	
	Burlington	176			Youngstown	1,274	
	Peoria	3,864			Erie	7,724	
	Davenport	3,117			Allentown	3,461	163,764
	Dubuque	496		RHODE ISLAND	Providence	11,378	11,378
	Quincy	1,185	134,170	SOUTH CAROLINA	Augusta	2,605	
INDIANA	Cincinnati	5,560			Charleston	6,269	
	Louisville	1,912			Charlotte	1,393	
	Indianapolis	23,117			Greenville	3,779	
	Chicago	10,105			Savannah	469	14,515
	Evansville	5,332		SOUTH DAKOTA	Sioux Falls	10,018	
	Terre Haute	2,132			Omaha	1,424	
	Toledo	3,584	51,802		Sioux City	423	11,865
IOWA	Burlington	6,552		TENNESSEE	Bristol	1,462	
	Cedar Rapids	2,499			Nashville	9,990	
	Omaha	5,245			Memphis	6,572	
	Davenport	5,152			Knoxville	3,194	
	Des Moines	11,040			Chattanooga	3,576	24,794
	Dubuque	6,884		TEXAS	Dallas	19,065	
	Sioux City	3,708			Albuquerque	797	
	Waterloo	3,029	44,109		Waco	742	
KANSAS	Kansas City	17,598			Fort Worth	12,730	
	St. Joseph	5,001			Houston	10,809	
	Wichita	6,687	29,286		San Antonio	8,698	
KENTUCKY	Huntington	2,204			Texarkana	2,996	
	Cincinnati	10,753			Galveston	924	56,761
	Louisville	12,126		UTAH	Salt Lake City	5,455	5,455
	Nashville	353		VERMONT	Boston	7,612	7,612
	Evansville	2,565		VIRGINIA	Bristol	2,605	
	Knoxville	1,378			Baltimore	5,097	
	St. Louis	2,133	31,512		Richmond	8,178	
LOUISIANA	New Orleans	17,728			Lynchburg	5,851	
	Shreveport	2,360	20,088		Norfolk	4,367	
MAINE	Portland	17,589	17,589		Washington	469	27,137
MARYLAND	Baltimore	23,917	23,917	WASHINGTON	Seattle	12,642	
MASSACHUSETTS	Boston	47,543			Tacoma	3,590	
	Springfield	8,458			Portland	3,005	
	Worcester	6,746			Spokane	7,202	26,439
	Providence	608	63,355	WEST VIRGINIA	Huntington	1,970	
MICHIGAN	Bay City	8,476			Baltimore	1,544	
	Detroit	27,351			Charleston	5,363	
	Milwaukee	3,032			Clarksburg	903	
	Grand Rapids	11,854			Wheeling	8,519	
	Chicago	1,528			Lynchburg	948	19,247
	Duluth	2,089	54,230	WISCONSIN	Duluth	1,816	
MINNESOTA	Duluth	3,817			Milwaukee	35,332	
	St. Paul	28,916			St. Paul	4,082	
	Minneapolis	6,450			Green Bay	7,277	48,507
	Fargo	391	39,574	WYOMING	Denver	1,653	
MISSISSIPPI	New Orleans	5,330			Salt Lake City	472	
	Memphis	8,753			Helena	335	2,460
	Mobile	461		ALBERTA	Calgary	5,929	
	Jackson	4,030	18,624		Edmonton	3,544	9,473
MISSOURI	St. Louis	40,103		BRITISH COLUMBIA	Calgary	522	
	Kansas City	15,965			Vancouver	7,871	
	St. Joseph	5,443	61,511		Victoria	1,014	9,407
MONTANA	Helena	7,552		MANITOBA	Winnipeg	8,544	8,544
	Butte	1,050	8,602	NEW BRUNSWICK	St. John	5,695	5,695
NEBRASKA	Omaha	22,485		NEWFOUNDLAND	Halifax	1,304	1,304
	Lincoln	1,004		NOVA SCOTIA	Halifax	8,441	8,441
	Sioux City	1,791	25,280	ONTARIO	Toronto	29,790	
NEVADA	San Francisco	1,340			Montreal	4,995	
	Los Angeles	261			Winnipeg	1,223	
	Salt Lake City	420	2,021		Ottawa	5,365	
NEW HAMPSHIRE	Boston	8,563	8,563		Hamilton	6,366	
NEW JERSEY	Easton	1,397			London	8,601	56,340
	Newark	22,952		PRINCE EDWARD ISLAND	St. John	1,053	1,053
	New York	20,671		QUEBEC	Montreal	28,746	
	Philadelphia	11,444			Quebec	10,592	
	Trenton	5,284	61,748		Ottawa	1,808	
NEW MEXICO	Albuquerque	3,115	3,115		Halifax	51	41,197
NEW YORK	New York	97,056		SASKATCHEWAN	Winnipeg	9,357	
	Albany	12,185			Edmonton	1,114	10,471
	Binghamton	4,558		ST. PIERRE ET MIQUELON	Halifax	69	69
	Buffalo	19,783		YUKON TERRITORY	Vancouver	118	118
	Elmira	3,284					
	Jamestown	1,860					
	Rochester	14,316					
	Syracuse	15,888					
	Troy	5,726					
	Utica	8,341					
	Brooklyn	44,134	227,131				
				Total		1,880,432	

Attach to
Testimony of
Bradstreet
Representative
Submitted in N.Y.
Jan 7-1914.

File

Re by
Smith C. Smith
ter Mob
Beterid

3

January 12, 1914.

Dear Mr. Carpenter:

Please let me thank you for yours of the 7th instant and for the suggestions you submit. You may be sure that they shall have very careful consideration.

It was a pleasure to see you while I was in New York the other day.

With kindest regards for Mrs. Carpenter and yourself, I am,

Very sincerely yours,

Herbert S. Carpenter, Esq.,
Ardsley-on-Hudson,
New York.

Exhibit 3

(3)

THE UNION LEAGUE CLUB
NEW YORK

January 7/1914

Hon. W. G. McAdoo
Secretary of Treasury
Chamber of Commerce
New York.

Dear Sir;

Having either listened to
or read the opinions given by
Bankers and others at the recent
hearing, - and noting your desire
for expressions regarding the align-
ment of the Country for the Federal
Reserve Banks, - I have the follow-
ing suggestion, -

With the question an ~~open one~~
as to whether ^{there shall be} a maximum of twelve
Regional Banks, I believe that it
would be wiser to start with the
larger number and cut them down
under the provision for readjusting
districts if the larger number proves
superfluous. -

Bankers favoring centralization rather.

is a larger financial center. - its proximity to New York City might act to concentrate capital more, than would be the case with a point further away) -

Fourth

Atlanta The Southeastern Planter States. - This territory to include Kentucky, Tenn & Alabama

Fifth

Chicago The central agricultural and manufacturing country. - including Illinois, Ind, Mich & Iowa.

Sixth

Minneapolis. - Agricultural and ore section. - to include Minnesota, Wisconsin North and South Dakota

Seventh

St. Louis The Central agricultural and Packers district
This to include, Missouri Arkansas, Kansas, Nebraska & Oklahoma.

ally prefer the smaller number, but it is certainly logical that the larger the number of the Banks the less chance there would be in centralization.

As to alignment of territory. - The following are my suggestions. -

First

New York City. - The metropolis of the country, - center of finance and commerce. - The large banking capital which the City itself represents would make it seem advisable to restrict its territory to New York City alone, - but any way to include only Eastern New York State and Northern New Jersey. -

Second

Boston. - Covering Cotton, Woolen and Manufacturing districts. - This Bank to control the New England States.

Third

Pittsburgh. - The iron and Coal region. - Territory Western N.Y., Penn., Ohio, Virginia & West Virginia, Maryland and Delaware (while recognizing that Philadelphia

Eighth

New Orleans Planters & Sugar districts
Louisiana Mississippi and Texas
 Ninth

Denver Mining. — Colorado, New
Mexico Arizona Utah Wyoming
and Montana.

Tenth

Portland. Agriculture. — Territory
Oregon Idaho and Washington
 Eleventh

San Francisco. — The Pacific slope
to include California and Nevada.

If, in this alignment too much
Business Capital is concentrated
at Chicago and Pittsburgh. —

Detroit would be available, as
a Port of entry and controlling
Lake Trade. — This territory would
include Michigan and Northern
Ohio. — instead of as before suggested

Respectfully submitted

Sincerely

Herbert S. Carpenter

Ardsley - in - Hudson

Westchester Co

N.Y.

Exhibit 4 added

NEW HAVEN CLEARING HOUSE ASSOCIATION.

SAMUEL HEMINGWAY, PRES.

~~WILSON F. BAY, Pres.~~

~~CHARLES E. GUTHRIE, Sec'y.~~

C. C. BARLOW, Sec'y.

P 74

New Haven, Conn., Jan 5 190/14

W. G. McAdoo, Chairman,
Reserve Bank Organization Committee,
Boston, Mass.

Sir:-

Replying to your letter
of December 27th, our Clearing House
Association met today, and passed
the following vote:

That the member^s of the
New Haven Clearing House Association
would much prefer to become members
of the Federal Reserve Bank at New
York should such Reserve Bank be design-
ated.

Respectfully,


Secretary.

CCB-EL

Scranton, Pa., January 14, 1914

To
Hon. William G. McAdoo, Chairman,
Organization Committee, Regional Reserve Banks,
Washington, D. C.

Sir:

The undersigned Committee, representing the Scranton Clearing House of the City of Scranton, beg to submit herewith a Resolution unanimously passed at a meeting of said Clearing House held this day, January 14th, 1914; said Resolution being as follows:

"RESOLVED, That in the unanimous opinion of the Clearing House of Scranton, the convenience and customary course of business of Scranton would be best served and less interfered with through the inclusion of Scranton in the regional reserve district tributary to the City of New York, but if State lines are to be regarded, then the Clearing House would unhesitatingly and unqualifiedly favor Philadelphia."

Your Committee would further submit that the provision of the Act, namely "That the District shall be apportioned with due regard to the convenience and customary course of business" clearly justifies the request of the Scranton Clearing House that Scranton shall be included in the District supposedly to be served by New York City. The request is based upon no thought or desire of increasing any preponderating influence of New York City, but simply upon the ground that New York is the only proposed regional reserve city that could serve Scranton without interference both with the convenience and the existing customary course of Scranton's banking and general business relations - Scranton being within three and one-half hours of rail communication with New York, with almost perfect transportation facilities, - while from Philadelphia, the next nearest proposed city, we are five and one-half hours, with facilities as compared with New York, very much less satisfactory, even more unsatisfactory than is indicated by the difference in time.

As between Philadelphia, Baltimore and Washington, Philadelphia would, of course, be the first choice of Scranton, as with either of the latter two cities, Scranton could not have thirty-six hour communication, such as now exists with New York.

Your Committee beg further to submit that the importance of Scranton as a banking center, it being not only the third city of the State, but having annual bank clearings of over \$160,000,000.00, clearly entitle it to the consideration so clearly set forth and unequivocally promised in the Act establishing Federal Reserve Banks.

L. J. Simpson
M. J. Murphy
to be voice

RICHARD H. HIGGINS

VICE PRESIDENT



ANSWERED

JAN 6 1914

January

Twenty-second

Nineteen Fourteen.

222

n g m

Dear Mr. McAdoo,-

As you doubtless remember, I am Director in the First National Bank of Scranton, and am enclosing you herein one of the last statements which I have, and from which you will see what size bank it is. I have been a Director in this Bank for quite a number of years, and have been familiar with the business of the City of Scranton for the past twenty years.

I heartily concur in the Resolution of the Scranton Clearing House Banks, original of which was sent to you as Chairman of the Organization Committee of the Regional Reserve Banks.

I am taking the liberty of writing you in their behalf, and would say that if you care to, or think it advisable, a committee would be very glad to meet with you or any one you should name, at any time or place desired, and go over the matter thoroughly.

With kindest regards, believe me,

Most sincerely yours,

Richard H. Higgins

Hon. William G. McAdoo,
Secretary of the Treasury
of the U.S.

DIRECTORS.

J. A. LINEN.
CHAIRMAN OF THE BOARD.

G. L. DICKSON.

W. W. SCRANTON.

GEO. B. SMITH.

CHAS. H. WELLES.

F. E. PLATT.

C. S. WESTON.

RICHARD H. HIGGINS.

THOS. E. CLARKE.

HENRY BELIN, JR.

J. BENJAMIN DIMMICK.

THE
FIRST NATIONAL BANK
OF SCRANTON, PA.



OFFICERS.

C. S. WESTON, PRESIDENT.

G. L. DICKSON, VICE PRES. J. BENJ. DIMMICK, VICE PRES

ISAAC POST, CASHIER.

A. G. IVES, ASST. CASHIER. ALFRED T. HUNT, ASST. CASHIER

CHARTER NUMBER 77

The First National Bank of Scranton, Pa.

COMPTROLLER'S CALL.

STATEMENT OF CONDITION (CONDENSED)

OCTOBER 21st, 1913.

RESOURCES.

Loans and Discounts	\$ 5,131,207.73
Overdrafts	1,398.33
Bonds and other Securities	7,416,442.27
Bank Building and other Real Estate	106,904.37
Due from Treasurer of U. S. and Banks	160,921.35
Cash in Bank and with Reserve Agents	1,992,324.89
	<hr/>
	\$14,809,198.94

LIABILITIES.

Capital	\$ 1,000,000.00
Surplus	1,500,000.00
Undivided Profits	117,457.02
Reserved for Interest	70,000.00
Dividends Unpaid	1,578.00
Circulation	986,595.00
Deposits (Individual—Banks)	11,133,568.92
	<hr/>
	\$14,809,198.94

Exhibit 7

NATIONAL BANK OF SYRACUSE

File

CAPITAL AND SURPLUS \$ 950,000

W. L. SMITH
CHAIRMAN OF THE BOARD
C. H. SANFORD, PRESIDENT
F. C. SOULE, VICE PRES.
J. F. DURSTON, VICE PRES.
W. S. PECK, VICE PRES.
G. L. TICKNER, SECRETARY
F. L. BARNES, CASHIER

SYRACUSE, N.Y.

Jan. 2, 1913

6

Hon. W. G. McAdoo, Chairman,
Reserve Bank Organization Committee,
Washington, D.C.

Dear Sir:

A special meeting of the Syracuse Clearing
House Association was held January 2, 1914, and the following
resolution was carried unanimously:

RESOLVED, That it is the sentiment of the Syracuse
Clearing House Association that a Federal Reserve Bank located
in the City of New York would best serve the banking interest of
New York State.

~~_____~~ If there is any statistics that this associ-
ation can furnish, or if your committee would like a representative
at the hearings in New York City, kindly advise.

Very truly yours,

F. L. Barnes

Secretary Syracuse
Clear'g House Ass'n.

JOHN CRAIG POWERS, PRESIDENT
P. A. VAY, VICE-PRESIDENT
W. J. TRIMBLE, SECY AND TREAS.

WILLIAM G. WATSON, MANAGER
A. F. C. KINEMAN, ASST. MGR.

CLEARING HOUSE COMMITTEE
JAMES S. WATSON (CHAIRMAN)
P. R. MCPHAIL H. P. BREWSTER
T. J. SWANTON ROBERT C. WATSON

Exhibit 7
Rochester Clearing House Association

Feb

(5)

Rochester, N. Y. Jan. 3, 1914.

W. G. McAdoo, Esq., Chairman,
Reserve Bank Organization Committee,
Treasury Department,
Washington, D. C.
Dear Sir:-

In reply to your letter of December 27th,
addressed to the President of the Rochester Clearing House
Association, I beg to submit the following statistics which
may be of use to you at your hearing to be held in New York
on the 5th, 6th, 7th, 8th and 9th of January.

The Capital of the three National Banks in this
City amount to\$2,250,000.00
Surplus and Undivided Profits.....\$2,753,490.95
Deposits of same.....\$30,934,488.24
Capital of the State Banks and Trust
Companies in the City amount to \$2,425,000.00
Surplus of same..... \$3,178,991.02
Deposits of same..... \$79,868,517.57
The total deposits of all the banks including
Savings Banks in the City amount to\$177,065,431.50

Clearings for the past six years are
as follows:-

YEAR	AMOUNTS
1908	\$175,959,356.13

JOHN CRAIG POWERS, PRESIDENT
P. A. VAY, VICE-PRESIDENT
W. J. TRIMBLE, SEC'Y AND TREAS.

WILLIAM G. WATSON, MANAGER
A. F. C. KINEMAN, ASST. MGR.

CLEARING HOUSE COMMITTEE
JAMES S. WATSON (CHAIRMAN)
P. R. MCPHAIL H. P. BREWSTER
T. J. SWANTON ROBERT C. WATSON

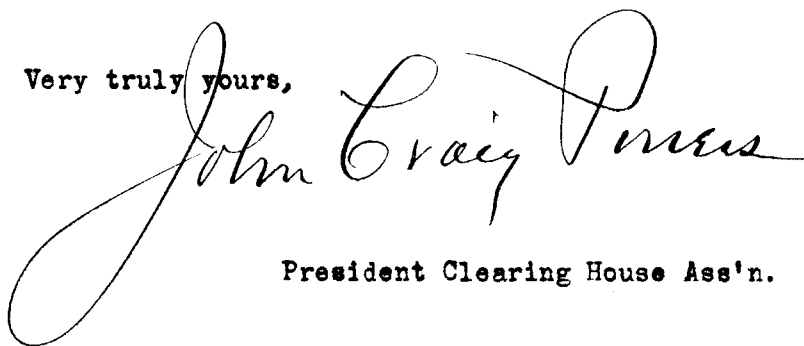
Rochester Clearing House Association

Rochester, N. Y. Jan. 3rd, 1914.

1909	\$199,589,937.59
1910	210,842,070.59
1911	223,546,084.24
1912	250,370,987.24
1913	258,262,201.26

If there are any further statistics that
you desire, they will be immediately forwarded for
the use of your Committee.

Very truly yours,



President Clearing House Ass'n.

A/P

Exhibit 8
PERCIVAL W. CLEMENT
RUTLAND VERMONT

46

Rutland, Vt., Jan. 16, 1914.

Honorable William G. McAdoo,
Washington, D. C.

Form *LS*

Dear Sir:

I am one of the directors and principal stockholders of the Clement National Bank at this place. I enclose copy of our last published statement.

The business of the west side of Vermont, west of the Green Mts., which divides the State, north and south, is done almost entirely with New York. This Bank draws ten drafts on New York where it draws one on Boston. If our reserve bank were located in New York I think that we could make the account a live one. If the Clement Bank should be assigned to a Boston reserve bank, we should not be able to do any business with it. I, therefore, request that we be assigned to the New York reserve bank. All other bankers on this side of the State, with whom I have talked, prefer to be connected with a New York reserve bank, rather than Boston.

The other day when you were in New York I had some directors meetings to attend in Boston, and on Friday the day you were in Boston I had directors meetings in New York, so I missed your committee, and that is the reason I take the liberty of calling this matter to your attention.

Please notice that my son, Robert Clement, whom you know is a director in this institution.

Yours respectfully,

Percival W. Clement

Exhibit 9

32 LIBERTY STREET
NEW YORK

9

February 13, 1914.

My dear Mr. McAdoo:

I enclose herewith a more formal letter in regard to the division of the country into federal reserve districts.

It is proper to advise you that I was consulted by the Richmond people in the preparation of their case and might not be regarded, therefore, as an entirely disinterested witness in regard to the southern districts.

I am sending this personal letter separately, in case you should wish to use the other for more general purposes.

Yours very sincerely,

Charles A. Conant

The Hon. William G. McAdoo,
Department of the Treasury,
Washington, D. C.

9

32 LIBERTY STREET
NEW YORK

February 13, 1914.

My dear Mr. Secretary:

In accordance with your suggestion at the hearings in New York by the Organization Committee under the new currency law, I enclose herewith a map of the United States, showing roughly the outlines of suggested districts, and I enclose also tables showing the national bank capital available in each district.

It is to be understood, of course, that I made these up chiefly by states and have based the figures upon the subdivision of the totals for certain states, without working out the problem by individual banks and communities, as should perhaps be done before the official plan is adopted.

I have set forth in the tables, in the case of some of the southern districts, the resources of the state banks, because these would probably be available in part to make up the slight deficiency in the capital required to constitute a reserve district or to enlarge the capital provided by the national banks alone. Not all of the state banks would be able to enter the system, even if they desired, because their capital falls below the required minimum; but on the other

-2-

hand, certain amounts might be subscribed by trust companies in the states, whose capital and surplus do not appear in the tables.

In the plan which I submit, I have allotted a district to Boston, because there appears to be a strong desire for such a district, and there is, of course, abundant capital among the national banks of New England for its formation. It seems to me highly desirable, however, as set forth in my testimony before the Organization Committee, that the New York and Chicago districts should be of considerable capitalization, and that the northeastern territory should not be split up into small subdivisions, when their principal cities are within a few hours' reach of each other.

I believe that in my testimony before the Committee, I suggested the advisability of a federal reserve bank at the City of Washington. On further reflection, I am inclined to doubt the wisdom of creating such an institution. Washington is not in any real sense a business center and her bankers, so far as I am advised, do not rediscount largely for the growers of cotton, tobacco, and other southern products, and are not especially familiar by experience with such discounts.

It would probably be convenient to have a federal reserve office at Washington, but it seems to me that it would be advisable to have the Washington office a branch of the federal reserve bank at New York. As the office at Washington

-3-

would deal largely with government funds, and the bank at New York would naturally be the largest holder of such funds, through payments for customs there, it might avoid needless correspondence and transfer of funds between different reserve banks to have the Washington office attached to New York. Transfers of gold and other funds could then be made within the limits of the New York district without exciting the comment and perhaps needless uneasiness which would be caused by shifting funds in such a manner between different reserve banks.

One of the points which has impressed me in conversation with bankers in the south and west is the general indisposition to be connected with a reserve bank which would necessitate sending funds in the direction away from New York rather than towards that city. As bankers generally have more or less business in New York, and frequently visit the city, it would subject them to inconvenience, if they were located in the south, for instance, to have to look south instead of north for their rediscount accommodations. The same observation would apply to western bankers if they were connected with a reserve bank to the west instead of in the direction of New York and other eastern financial centers. I think this element should be kept in mind in allotting the territory of the reserve districts and fixing the reserve centers for such districts.

The hearings given by the Committee at different points have placed them in the possession of so many facts and side-lights on the situation which have not been brought to my

-4-

attention that it does not seem to me necessary to go at greater length at present into the problem involved in the delimitation of the districts. It will undoubtedly be a difficult problem to meet the views of different interests and communities, but I presume that the Committee has been greatly aided by the evidence presented at the hearings which it has given.

Yours very respectfully,

Charles R. Conant

The Hon. William G. McAdoo,
Secretary of the Treasury,
Washington, D. C.

~~January 23, 1914.~~New York District.

<u>State or city.</u>	<u>Capital.</u>	<u>Surplus.</u>	<u>Total.</u>	<u>Three per cent. payment.</u>
New York, - -	\$ 49,313,000	\$ 36,346,000	\$ 85,659,000	\$ 2,569,770
Albany, - - -	2,100,000	2,200,000	4,300,000	129,000
Brooklyn, - -	2,252,000	2,700,000	4,952,000	148,560
New York City,	119,700,000	129,605,000	249,305,000	7,479,150
New Jersey, -	22,425,000	23,191,000	45,616,000	1,368,480
Connecticut,	19,239,000	12,092,000	31,331,000	939,930
Pennsylvania (three- quarters),	51,086,000	55,748,000	106,834,000	3,205,020
Philadelphia,	22,055,000	40,010,000	62,065,000	1,861,950
Delaware, - -	1,688,000	1,613,000	3,301,000	99,030
Maryland, - -	5,192,000	3,897,000	9,089,000	272,670
Baltimore, -	11,790,000	7,970,000	19,760,000	592,800
District of Columbia, -	252,000	252,000	504,000	15,120
Washington, -	6,500,000	4,840,000	11,340,000	340,200
	<u>\$313,592,000</u>	<u>\$320,464,000</u>	<u>\$634,056,000</u>	<u>\$19,021,680</u>

2

~~February 13, 1914.~~New England District:

<u>State.</u>	<u>Capital.</u>	<u>Surplus.</u>	<u>Total.</u>	<u>Three per cent. payment.</u>
New England, except Connec- ticut,	\$82,847,000	\$51,598,000	\$134,445,000	\$4,033,350

3

~~February 13, 1914.~~Richmond District:

<u>State or city.</u>	<u>Capital.</u>	<u>Surplus.</u>	<u>Total.</u>	<u>Three per cent. payment.</u>
Virginia, -	\$17,683,500	\$11,672,520	\$29,356,020	\$ 880,680
N. Carolina,	8,460,000	2,859,525	11,319,525	339,586
S. Carolina,	6,365,000	2,151,400	8,516,400	255,492
Georgia (one-third),	4,756,000	2,877,000	7,633,000	228,990
Savannah, -	900,000	700,000	1,600,000	48,000
Florida (one-half),	3,752,000	1,544,000	5,296,000	158,880
W. Virginia (one-half),	5,082,500	3,214,725	8,297,185	248,915
	<hr/> \$46,999,000	<hr/> \$25,019,170	<hr/> \$72,018,170	<hr/> \$2,160,543

State banks:

Virginia, -	\$ 7,454,000	\$ 4,666,000	\$12,120,000	\$ 363,600
N. Carolina,	7,522,000	2,394,000	9,916,000	297,480
S. Carolina,	10,179,000	3,725,000	13,904,000	417,120
Georgia (one-third),	6,952,000	1,998,000	8,950,000	268,500
W. Virginia (one-half),	3,788,000	2,198,000	5,986,000	179,580
	<hr/> \$35,895,000	<hr/> \$14,981,000	<hr/> \$50,876,000	<hr/> \$1,526,280

4

~~February 15, 1914.~~Atlanta District:

<u>State or city.</u>	<u>Capital.</u>	<u>Surplus.</u>	<u>Total.</u>	<u>Three per cent. payment.</u>
Georgia (two-thirds),	\$ 9,512,000	\$ 5,756,000	\$15,268,000	\$ 458,040
Florida (one-half),	3,752,000	1,544,000	5,296,000	158,880
Alabama, - -	10,180,000	5,851,000	16,031,000	480,930
Mississippi,	3,385,000	1,644,000	5,029,000	150,870
Tennessee, -	13,217,000	5,553,000	18,770,000	563,100
	<hr/> \$40,046,000	<hr/> \$20,348,000	<hr/> \$60,394,000	<hr/> \$1,811,820

State Banks:

Georgia (two-thirds),	\$13,905,000	\$ 3,996,000	\$17,901,000	\$ 534,030
Alabama, - -	9,134,000	2,616,000	11,750,000	352,500
Mississippi,	10,341,000	2,357,000	12,698,000	380,940
Tennessee, -	9,380,000	3,294,000	12,674,000	350,220
	<hr/> \$42,760,000	<hr/> \$12,263,000	<hr/> \$55,023,000	<hr/> \$1,650,690

5

February 13, 1914.

Pittsburgh District:

<u>States and cities.</u>	<u>Capital.</u>	<u>Surplus.</u>	<u>Total.</u>	<u>Three per cent. payment.</u>
Pittsburgh, -	\$ 25,900,000	\$22,614,000	\$48,514,000	\$1,455,420
Pennsylvania (one-fourth),	17,000,000	18,500,000	35,500,000	1,065,000
Ohio, - - -	35,529,000	18,964,000	54,493,000	1,634,790
Cities, - - -	28,500,000	12,923,000	41,423,000	1,242,690
Louisville, -	5,495,000	2,730,000	8,225,000	246,750
Kentucky (two-thirds),	8,242,000	3,519,000	11,761,000	352,830
Indianapolis,	6,400,000	3,010,000	9,410,000	282,300
Indiana (one-half),	10,786,000	4,922,000	15,708,000	471,240
Detroit, - -	5,000,000	2,000,000	7,000,000	210,000
Michigan, (two-thirds),	6,840,000	3,822,000	10,662,000	319,860

~~\$149,692,000 \$93,004,000 \$242,696,000 \$7,289,880~~

West Virginia
(one-half) 5,082,000 3,214,000 8,296,000 248,880

\$154,774,000 \$96,218,000 \$250,992,000 \$7,527,760

6

~~January 8, 1914~~

Chicago District:

<u>State or city.</u>	<u>Capital.</u>	<u>Surplus.</u>	<u>Total.</u>	<u>Three per cent. payment.</u>
Chicago, - -	\$ 42,750,000	\$26,300,000	\$ 69,050,000	\$2,071,500
Illinois, -	33,070,000	18,592,000	51,662,000	1,539,860
Indiana (one-half),	10,786,000	4,922,000	15,708,000	471,240
Michigan (one-third),	3,420,000	1,910,000	5,330,000	159,900
Wisconsin, -	17,800,000	8,077,000	25,877,000	776,310
Minnesota, -	11,966,000	6,509,000	18,475,000	554,250
Cities, - -	13,400,000	9,910,000	23,310,000	699,300
Iowa, - - -	18,695,000	7,759,000	26,454,000	793,620
Cities, - -	4,500,000	1,758,000	6,258,000	187,740
Nebraska, -	10,470,000	4,628,000	15,098,000	452,940
Cities, - -	5,800,000	3,725,000	9,525,000	285,750
N. Dakota, -	5,275,000	2,087,000	7,362,000	220,860
S. Dakota, -	4,245,000	1,332,000	5,577,000	167,310
Wyoming, - -	1,735,000	1,177,000	2,912,000	87,360
	<u>\$183,912,000</u>	<u>\$98,686,000</u>	<u>\$282,598,000</u>	<u>\$8,477,940</u>

7

January 8, 1914.

St. Louis District:

<u>State.</u>	<u>Capital.</u>	<u>Surplus.</u>	<u>Total.</u>	<u>Three per cent. payment.</u>
Missouri, - -	\$ 6,490,000	\$ 2,820,000	\$ 9,310,000	\$ 279,300
St. Louis, -	20,200,000	8,940,000	29,140,000	874,200
Kansas City,	8,250,000	3,405,000	11,655,000	349,650
St. Joseph, -	1,100,000	700,000	1,800,000	54,000
Arkansas (one-half),	2,671,000	1,084,000	3,755,000	112,650
Oklahoma (two-thirds),	8,122,000	2,182,000	10,304,000	309,120
Kansas, - - -	10,912,000	5,096,000	16,008,000	480,240
Kansas cities,	1,400,000	1,055,000	2,455,000	73,650
Colorado, - -	10,940,000	7,640,000	18,580,000	557,400
Tennessee (two-thirds),	8,510,000	3,502,000	12,012,000	360,360
Kentucky (one-third),	4,121,000	1,759,000	5,880,000	176,400
	\$38,016,000	\$58,581,000	\$121,397,000	\$3,641,910
	\$ 74,206,000	\$ 34,681,000	\$ 108,887,000	\$ 3,266,610

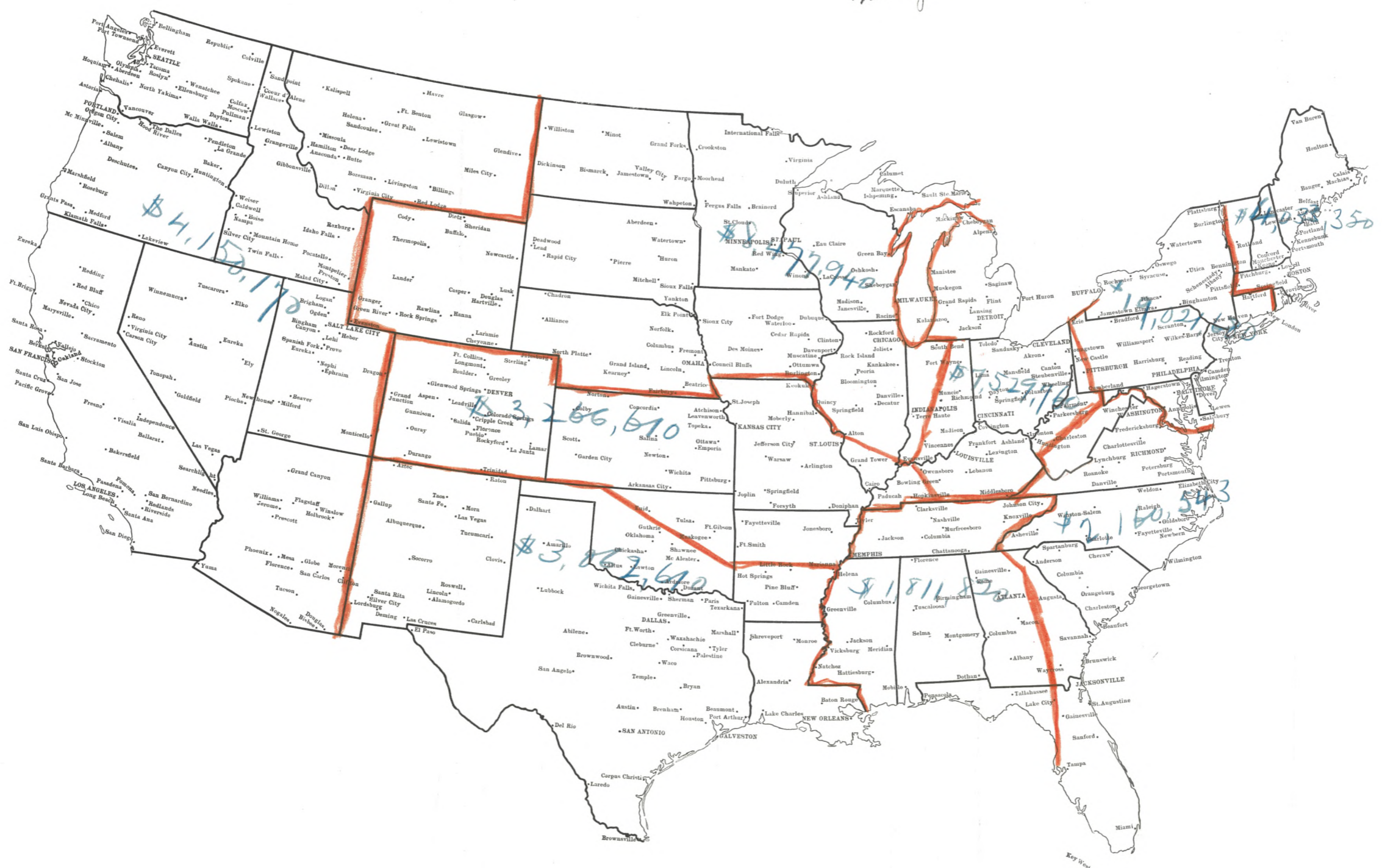
~~February 13, 1914~~New Orleans District:

<u>States and cities.</u>	<u>Capital.</u>	<u>Surplus.</u>	<u>Total.</u>	<u>Three per cent. payment.</u>
Louisiana, -	\$ 8,220,000	\$ 5,381,000	\$13,601,000	\$ 408,030
Texas, - - -	34,020,000	17,881,000	51,901,000	1,557,030
Cities, - -	16,475,000	7,992,000	24,467,000	734,010
New Mexico,	2,215,000	996,000	3,211,000	96,330
Arkansas (one-half),	2,671,000	1,084,000	3,755,000	112,650
Oklahoma (one-third),	4,061,000	1,091,000	5,152,000	154,560
	<u>\$67,662,000</u>	<u>\$34,425,000</u>	<u>\$102,087,000</u>	<u>\$3,062,610</u>

San Francisco District:

<u>States and cities.</u>	<u>Capital.</u>	<u>Surplus.</u>	<u>Total.</u>	<u>Three per cent. payment.</u>
Pac. States,	\$89,220,000	\$41,135,000	\$130,355,000	\$3,910,650
Montana, - -	5,200,000	2,784,000	7,984,000	239,520
	<u>\$94,420,000</u>	<u>\$43,919,000</u>	<u>\$138,339,000</u>	<u>\$4,150,170</u>

CA Count
new york



New York
Exhibit 10 *File*

January 3, 1914

My dear Sir:

In the absence of Secretary
McAfee, who is out of the city, I beg
to acknowledge receipt of your letter
of January 1st, regarding a partial
canvass of Connecticut concerning the
location of regional reserve bank, and
to say that it will be brought to the
Secretary's attention at the first
opportunity.

Very truly yours,

Private Secretary.

C. E. Hoyt, Esq.,
Secretary, Connecticut Bankers Association,
South Norwalk, Conn.

The Connecticut Bankers' Association

Office of the Secretary


10

South Norwalk, Conn. January 1, 1914

2 10

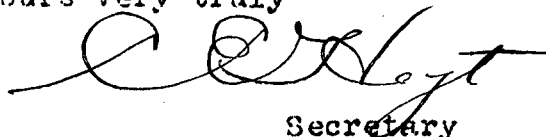
Secretary McAdoo

Washington, D. C.

Dear Sir:-

I have already received 74 replies to the letter sent to the 115 banks and trust companies in the state of Connecticut, 67 have expressed a preference to have Connecticut placed in the New York Regional Reserve Bank District and four trust companies and three national banks prefer Boston. the national banks are located in Norwich, Naugatuck and Danielson, the trust companies are in Bristol, Branford, Willimantic and a new trust company in Hartford.

Yours very truly


Secretary

Special
The Connecticut Bankers' Association

Office of the Secretary

December 30, 1913.

Senator Mc Addo, Sec'y of Treasury,
Washington, D. C.

Dear Sir:

At a meeting of the Executive Committee of the Connecticut Bankers' Association, it was their opinion that the banks of Connecticut wished to be placed in the New York Regional Bank District, rather than in the Boston District, if a Reserve Bank is placed in Boston.

In order to get a correct expression of the wishes of our bankers, I am today sending them a notice asking them to express their preference, and will advise you of their decision later.

We would therefore ask you if it is the thought to place Connecticut in the Boston District, that you wait until I can forward you the decision of the bankers in the matter.

Yours very truly,

C. W. Vose
Secretary.

THE BATTERY PARK NATIONAL BANK
OF NEW YORK

Call Address: Battery Park

(2)

Exhibit 11
my / Jan 8

Office Comptroller
JAN 10 1914
OF CURRENCY.

NEW YORK January 8, 1914.

(MS)
11

To,--

The Reserve Bank Organization Committee,
Washington, D.C.

Dear Sirs:--

In conformity with the offer made to Secretary Mc Adoo, I beg to submit to you the following brief on the question of the necessity for the establishment of as large a Regional Bank as possible at some point in the country where the local conditions are such as to embody all the essential requirements.

There were three fundamental essentials of reform necessary in our currency system, and I consider that these have been amply provided for by the Act, as follows:

1. Concentration of reserves.
2. A note issue responsive to the needs of business.
3. A liquifying of the credit of the country.

ANSWERED
JAN 23 1914

ELP The concentration of reserves has been provided for by the establishment of Regional Banks.

The responsive note issue will be brought about by utilizing commercial paper as its basis.

The credit of the country will be rendered liquid by the re-discount provision.

Under a system of misconception resulting in undue restrictions,

-2-

we have been consistently unjust to ourselves, by dwarfing and localizing our credit; that of the individual merchant has been restricted and confined to his particular bank; the credit-granting facility of the bank has been narrowed to the limit of its cash resources; and the aggregate credit of all our banks has been held within the confines of our shores. This condition has been one of the main elements of weakness in our system, and it has shown its dire results whenever circumstances have arisen that have placed an abnormal strain on the credit situation. It is, therefore, no exaggeration to say that the provisions of the Act regarding rediscounts and bank acceptances are of the most vital importance in correcting the evils under which we have been laboring. The system of rediscount will carry the credit of the individual merchant beyond the portfolio of the bank and disseminate it throughout the country by means of Federal Reserve Notes; it will amplify the credit-granting facility of the bank by permitting it to utilize its portfolio, and so long as the portfolio is sound and conservative there will be no reason for a bank to withhold credit from a solvent client.

If the discount and acceptance privilege were by themselves all-sufficient for the purpose to be accomplished, it would undoubtedly not be necessary to provide for any predominantly large Regional Bank; but there is a very much larger consideration to be borne in mind. In order that the nation shall benefit to the fullest extent by this system, it is of paramount importance that there be a discount market where the operation of dealing freely in short-time bills, either commercial or bank acceptances, can be carried on in the quickest and least expensive manner. A study of the operation in European centers teaches us that the normal method is for banks to buy and sell short-time bills in an open discount market according to their needs and resources, to meet their temporary condition; and to discount at a central bank only for the purpose of meeting their more

-3-

permanent requirements. In order to accomplish this, there must be a recognized, centralized and focused market, where there must be as necessary elements:

- (a) Frequent and rapid mail connections, both domestic and foreign,
- (b) The largest possible aggregation of banking capital,
- (c) The largest concentration of personal capital.

With these elements present, it would be possible for both the regional and member banks of the whole country to find a common meeting place, where by purchase and sale of short-time bills, there would be developed a finely adjusted balance for controlling the machinery of credit; it would also be in such a central, open market, that the foreign exchange operations must naturally concentrate so that their full power may be utilized in controlling the gold supply.

It must be borne in mind that the member banks will in the future invest their surplus funds mainly in short-time bills instead of in the call money market as hitherto; and the provision of bank acceptances should be a very important factor in developing a class of paper which will provide such a form of investment. The converse is also true, that when a member bank is under the necessity of realizing on its holdings of such paper to meet a temporary call for funds, there should be a facile and ready market where it may dispose of a part of its portfolio for this purpose; it is only by this means that a finely adjusted balance can be maintained. A recourse to re-discount with the Regional Bank should not be necessary except to provide for the more permanent needs of the member banks. Therefore, it follows that if there is no central, open market, big enough to meet all the demands, then the result would be a number of isolated and inadequate markets for the purpose, none of which would be im-

-4-

portant enough to do the work, and as a consequence the several Regional Banks would have to bear the burden which ought properly to be taken up by the market. In this connection it must be remembered that the purchasers in such a market will not necessarily be only banks, but will be made up of private investors, and more important than all, there will be the purchases made for account of European banks.

This last-mentioned development, of the purchases by the European Banks, is to my mind one of the great possibilities under the new system, and it flows directly from the provision for bank acceptances. This privilege of bank acceptances is a radical and welcome innovation, and its beneficial results to the nation can hardly be over-estimated. It will furnish a credit facility that will not impose the necessity of a cash disbursement by a bank. It will be the means of financing our foreign trade with economy to our merchants and profit to ourselves, which advantages have hitherto been poured needlessly into the lap of the European banker. It will result in a form of investment for our banks upon which they may easily realize in case of need through the resultant discount market. It will take our credit over the seas instead of confining it to our shores, for the American bank acceptance will find a ready purchaser in any money center of the world where the interest rate is lower than ours, whereas the individual obligation of our highest grade merchant cannot be so taken.

With such a perfected system the credit of the country will have an ebb and flow abroad which it has never adequately enjoyed before, and it will be the greatest possible force in equalizing interest rates. But in order to accomplish this, there must be a central point of negotiation, for without it there is no conceivable way in which it can be made effective.


All this leads to the irresistible conclusion that there must go

-5-

hand in hand with such a centralized, open market, a large and predominating Regional Bank which can cope with the situation. To my mind it matters little where this large bank may be situated, so long as the location furnishes the essential conditions of adequate mail connections, both domestic and foreign; the largest possible aggregation of banking capital, and the largest concentration of private capital.

I am,

Very respectfully yours,


President.

File with Committee
Dun Building
Broadway & Reade Street
Executive Offices
Eleventh Floor

Exhibit 12
COPY.

The Mercantile Agency
R. G. Dun & Co.
New York

(A)
12

Jan. 6th, 1914.

M. C. Elliott, Esq.,

Sec'y Pro-tem Reserve Bank Organization Committee
of the United States Government,
Chamber of Commerce, New York City.

Dear Sir:-

One of our secretaries informed us this morning that he received on our behalf, from you, by telephone late yesterday afternoon, an invitation that we attend the meeting of the Committee this morning, and express to the Committee any opinions we have as to the proper number and the proper location of the Federal Reserve Banks.

We are at present without any opinion upon either subject, excepting only that we think the number should be about as small as the statute permits. The questions in the first instance are concerned with matters which require a far greater knowledge than we have of the course and practice of banking as distinguished from its principles. That kind of knowledge seldom comes but to a worker in the banking business. A secondary, but highly important ground for the forming of an intelligent opinion upon the subject is a knowledge of the general nature, the particular current of commercial credits and transactions, and their magnitude as between different cities, states and sections of the country.

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Broadway & Reade Street
Executive Offices
Eleventh Floor*

*The Mercantile Agency
R. G. Dun & Co.
New York*

-2-

That knowledge, or the means of acquiring it, we have, but we could not upon any short notice arrange it or so lay it out in our own minds as to enable us to form an opinion upon the subject which we would be willing to state, and which we could justify to our own satisfaction.

Because we think that any opinion we might express to the Committee would neither afford a ground for its action, nor be any substantial support for any action it might take, we venture to ask that we be relieved from the duty of attending before the Committee.

There is another reason, personal to ourselves, for that request. We suppose that there are or may be rivalries between banks, cities, states and sections in respect to the subject. Our business extends to every part of the country, our business relations are substantial with nearly every bank and banker in the country, and we highly esteem the good-will of all of them. Very likely, because naturally, any of them who thought opinions expressed by us were either erroneous, or were opposed to their interests, would have some shade of displeasure with us. Were they to say that we were incompetent to express an opinion upon the subject, we could not dispute their saying with any confidence that we were right.

We wish to thank you for the invitation and its honor, and to assure you that if we thought we could be helpful

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Eleventh Floor*

*The Mercantile Agency
R. G. Dun & Co.
New York*

-3-

to the Committee, we should in the discharge of our duty promptly
contribute whatever help we could.

Yours very truly,

(Signed) R. G. DUN & CO.

Exhibit 13

(13)

No. 3696

The First National Bank of Canton, New York

CAPITAL, \$100,000.00. SURPLUS, \$100,000.00.
UNDIVIDED PROFITS, \$35,000.00.

L22

January Twenty-third,
Nineteen Hundred Fourteen.

Hon. W. G. McAdoo, Chairman,
Reserve Bank Organization Committee,
Washington, D. C.

Sir:-

At a Meeting of the Board of Directors of this Bank held January 22, 1914, your communication of December 26, 1913, together with alternative resolutions accepting or rejecting the provisions of the Federal Reserve Act, were duly submitted and after considerable discussion the resolution of acceptance was unanimously adopted and is enclosed herewith.

A suggestion has been made in the public press that this territory (northern New York) might possibly be placed in a Federal Reserve District with Boston and this possibility assumed prominent proportions in the discussion by our Directors. There is very little in common between this section and Boston. Practically all of our business is with New York and it would indeed be a severe hardship were we placed in any District other than with New York City.

It has not seemed likely to our Directors that your Committee would consider for a moment tying this section up to any other Reserve District than New York. We feel confident that the Organization Committee will sufficiently inform itself as to existing business and banking relations that no such hardship may be inflicted as would be our unfortunate predicament if placed otherwise than with New York. I was instructed by unanimous vote of our Board of Directors to make it clear in transmitting the resolution of acceptance that the action had been taken by our Board in full faith and confidence that when the Federal Reserve Districts were established, we would be with New York City.

If we were included in any District other than New York City, it is a grave question indeed whether we would find continuance in the National System advantageous; and if there has been any thought of including Northern New York in a Boston or other District than New York City, we ask that due consideration be given to our plea for association with New York and none other.

Respectfully,

Cashier.

ANSWERED
JAN 26 1914
FORM *de2*

B/E

ngm.

Wm 2/10 Exhibit 14
Judge Elliott

January 13, 1914.

Dear Mr. Flammagan:

I have your letter of the 12th instant,
enclosing a statement regarding the inauguration
of the new currency system, for which please
accept my thanks. Your suggestions will receive
the careful consideration of the Organization
Committee.

Sincerely yours,

W. W. Flammagan, Esq.,
Montclair, N. J.

Manhattan N.Y.

Jan'y 11. 1914.

Mr. W. G. McAdoo.

Washington. D.C.

Dear Mr. McAdoo.

I am enclosing herewith, for your record, the statement you asked me to prepare, at the hearings of the Organization Committee in New York.

The solution I offer for your difficult problem, is to organize a big bank for Washington - the ^{Federal} district to embrace only Md, Va, and D.C. - with a capital not less than \$25,000,000, the public and the Government, taking the excess of capital, beyond what the banks of the district subscribe.

I then, tentatively name nine additional Reserve Cities, leaving to

the banks, as far as is possible, the designation of the outlines of the nine districts, by preferential choice as to locality of membership.

The reasons therefor are given in the paper, which I respectfully submit for your consideration.

Yours very truly

W. W. Kavanaugh.

Additional Statement by
William W. Flannagan,
of Montclair, N. J.

(14)

Purpose of the Law.

The spirit of the law (Federal Reserve Act) according to my interpretation is to promote the general welfare of the whole country, by encouraging and facilitating the development of the material interests of the several districts, preserving as far as possible their separate financial independence.

To attain this result I believe it would have been better, if under the law the capital of each Federal Reserve Bank had been made the same, allotting to the Government any deficiency in subscription below the minimum fixed, with the right on the part of the Secretary of the Treasury to dispose of such allotted stock to the general public. But we must take the law as we find it, and with the requirement that the capital stock must be 6% of the aggregate capital and surplus of the banks in each district, it becomes a very difficult problem so to divide the districts as to preserve the spirit of the law, if the limits of the districts are to approximate present Geographical lines.

14
Made by
Miss G. Smith
and
Miss E. R. V.

New York City.

The preponderance of New York City and the territory contiguous thereto, seems to present the greatest stumbling block. It would hurt local pride immensely, not to locate a parent bank in that City, and would probably be construed as an antagonism or unfriendliness on the part of the administration, not to do so. Yet with a branch of a parent bank in

- 2 -

Philadelphia, and another branch from a parent bank in Boston, the dividing line between the districts being so drawn as to separate into approximately equal amounts, the banking capital of the City, New York would have from these two branches greater advantages than any other city. Indeed these branches would probably dominate the balance of the respective districts, measured by the volume of business done.

The law prescribes that the districts "shall be apportioned with due regard to the convenience, and customary course of business" and it becomes a question to consider how these terms are to be construed.

Convenience.

Under this provision, "Convenience" becomes a big word, if the Federal Reserve board, fully realizes and utilizes, all the provisions of the law for the benefit of the people. The board can do so, so that it will be immaterial where any of the banks are located, so far as banking functions are concerned, and locality may be determined by accessibility, in the way of mail, and transportation facilities.

14

The Act provides that checks on member banks shall be accepted for deposit at par. This opens a great field for the utilization of current deposits, irrespective of the place of deposit. As deposits constitute about 95% of the circulating medium of the country, through the instrumentality of checks, this form of circulating medium will have the same parity of availability everywhere, as National Bank notes now have. The merchant in Dallas, Texas, may pay his creditor in New York or Chicago, by his own check on his home bank, without any "kick" coming as to "exchange charges."

- 3 -

It will not be necessary for the Dallas bank to maintain large balances in other cities for "exchange purposes", nor as a basis for asking rediscounts. The reserve bank of its district is prepared to meet these demands, irrespective of its location, and its draft on such reserve bank will be accepted at par by any other reserve bank, and hence by any member bank; consequently by any depositor of a member bank.

Customary Course of business.

One is apt to regard the volume of bank balances as between two localities, as evidencing the customary course of business, and to draw the conclusion, that credit bank balances in cities are kept as the result of accumulations from differences in trade, and are held there to adjust these differences.

I suppose this is normally true, and would be true with us, except for artificial consequences, which have resulted from certain provisions of our banking laws, which have given preferential advantage to certain localities.

Due from Reserve Agents.

I refer to the provision of the National Bank Act, which allows the debts of banks in reserve cities to be counted and considered as legal reserve money by other banks. I venture the assertion, though I have not accessible the data to prove it, that if an analysis is made showing the reserves of other banks held by New York, Chicago, and St. Louis banks, and to a lesser extent by other Reserve Cities, it will be found that balances are held by banks in those cities from banks in far distant points where the respective communities have little, if any, commercial intercourse, thus showing anything but the "customary course of business." These

- 4 -

balances have grown up primarily from the fact that they can be under the law "counted as reserve," and because of inducements held out in the way of rediscounts, or interest on balances, and in many cases, because of friendly and personal relations between the respective bank officers. That is, if these balances are not indicative of commercial relations between the sections, it cannot be inferred therefrom, that the product of one locality has found a market in the other, and therefore is no criterion to judge "the customary course of business."

By the Federal Reserve Act, after three years, this defect of the law will be entirely remedied, and it is therefore needless now to discuss how far this provision has been a contributory cause of financial predominance.

Volume of Exchanges.

Nor does it follow that the relative amount of the "Exchanges" through the swapping of checks by the banks at the Clearing houses, indicates the relative volume of commercial business done by the respective cities. It is impossible to determine from available data what proportion of these checks originate at the locality where the exchange is made, and what proportion represents movements of commodities from one locality to another. It is safe to say however, that a great portion of such checks represent exchanges of commodities or services originating at far distant points, and that the checks given in settlement may represent movements of commodities between other points entirely distinct from the place at which settlement is finally made. For example, cotton shipped from Texas to New Orleans for export, or grain shipped from Kansas to Galveston, may be settled by a check or draft on New York City or Chicago, and the "business" would be shown

- 5 -

as a part of the volume of New York's or Chicago's Exchanges, while in point of fact, neither city may have had any other connection with the movement.

The same cause which creates the volume of the bank balances in reserve cities, increases the volume of the "exchanges," at the Clearing houses. Checks in settlement of outside transactions thus appear because bank balances are there available, these balances being created by reason of the operation of law, as before explained.

It follows therefore, that in designating reserve districts and locating reserve banks, you cannot be governed by the volume of the exchanges at Clearing houses, as indicating the "convenience and customary course of business."

I would suggest to the Committee, to inquire concerning the customary markets of the agricultural and industrial products of the various sections, the channels of transportation they follow, to have statistics on the subject furnished to them by the Interstate Commerce Commission, to inquire as to the movements of currency to and from the various localities, and from the facts thus gathered to determine "the customary course of business" in designating the various districts.

If therefore the usual course of business is not to be determined by the amounts of bank balances kept, nor by the volume of the "exchange" in any particular City, and one place is equally convenient as another on which drafts may be drawn for the purpose of effecting exchanges of commodities and services, the question of locality may really resolve itself into one of accessibility, and the preferences of the several banks which are not located in any reserve City, and have no expectations of being so, may

- 6 -

reasonably become the determining factor.

Benefit not dependent upon location.

Banks are but intermediaries for the transfer of debts created by trade and commerce. They create no trade, they only facilitate the transfer essential to its proper development. They are not producers, distributors, nor consumers. The member banks come in direct contact with the participants in, and creators of social development, but the reserve banks have no such contact. The member bank must be the intermediary. The reserve bank offers no facilities for the transfer of property or service, except through the member bank. Hence it follows that when men of particular locations are clamoring for the establishment of Reserve banks in their midst, because of the volume of trade already developed there, and its assumed necessity for the preservation and growth of that development, they lose sight of the true functions of such bank. The locality has nothing whatever to do with the exercise of those functions, such exercise depending entirely upon membership, the creation of commercial paper, and the ability to provide the required gold reserve against liabilities assumed. The membership is only a matter of volition; unless commercial paper is created by actual business, no proper demand for the credit facilities of the reserve bank can exist, and unless the required reserve is readily available, it is prima facie, if not conclusive evidence that the credit facilities of the community are already extended beyond the bounds of prudence, or, in other words that the volume of debts has assumed an unsafe proportion to the community's capital employed, and should be restrained.

So many figures showing the combinations of Capital, Surplus and deposits in the different localities will be furnished you, that I

- 7 -

do not believe it will be productive of any good, for me to add to the number. I would suggest however, that you eliminate bank deposits - i. e. "due to other banks" entirely from consideration as bearing on the designation of boundaries, or location of reserve cities.

Federal Reserve Bank of Washington, D. C.

There is one thought, in connection with the knotty problem presented by the great preponderance of the New York district, which may lead to a solution satisfactory to all parties.

I believe it to be very undesirable to have any one bank so predominant both in capital and resources, as to overshadow the rest of the system. I do not consider such a condition to be in keeping with the spirit of the law.

My thought is to have one bank outside of New York City, with a capital of at least \$25,000,000 and locate this bank in the City of Washington.

Take into the Washington district such contiguous territory as is conveniently accessible, including Baltimore, say Maryland and Virginia, and offer the public or allot to the U. S. whatever amount of capital may be necessary to make up the capital stock to whatever amount may be determined upon, but not less than \$25,000,000, in accordance with Section 2 of the Federal Reserve Act. Then designate nine cities additional, tentatively as the places where Federal Reserve banks will be located, and announce that the preferences of the banks situated in the territory contiguous to these cities as to membership, would be followed as far as possible "with due regard to the convenience and customary course of business." If any City thus designated did not show sufficient capital subscriptions by

- 8 -

preferences, to reach the minimum of \$4,000,000 (on basis of 6%) then it would be time to consider whether the committee would offer the unsubscribed amount to the public or allot it to the U. S.

The law seems to contemplate the designation of the reserve cities, prior to the division of the country into districts.

The Cities I would tentatively suggest are Boston. New York. Philadelphia. Washington. New Orleans. Atlanta. Chicago. St. Louis. Denver. San Francisco. This would leave the Reserve board, with a margin of two banks to readjust the districts, if experience demonstrated this was desirable.

In addition to the reason stated, other advantages of having one bank of equal predominance in Washington, are that it will be under the direct supervision of the Federal Reserve board, and in close contact with the Treasury Department. Thro' its instrumentality the board, or the Treasury, can readily make any transfer of funds it may desire, and if it becomes necessary to utilize foreign markets in any way, for the negotiations of loans or otherwise, the fact of its location in Washington, would associate it in the mind of the foreigner with the Government itself, and the more readily enable the coordination and unity of the whole system by the Board, for any concerted or general movement, acting thro' this bank, if necessity required.

Exhibit 15

(15)

The Chase National Bank

A. Barton Hepburn,
CHAIRMAN OF THE BOARD.

New York Jan. 8, 1914.

Hon. William G. McAdoo,
Secretary of the Treasury,
New York City.

My dear Mr. Secretary:

I enclose letter from Hon. E. J. Hill,
which may be of interest in the consideration of the
subject you have in hand.

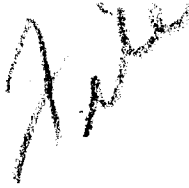
He says that his bank did \$9,000,000 of
business last year with its New York correspondent, and
less than \$350,000 with all Boston, and insists that
everything west of the Connecticut River should be in-
cluded in the New York district.

You may keep his letter if you choose.

Very truly yours,

A. B. Hepburn

15



January 12, 1914.

My dear Mr. Hepburn:

I have your letter of the 8th instant, enclosing a letter from Hon. E. J. Hill relating to the organization of the new currency system. It will receive the due consideration of the Committee.

Very truly yours,

A. B. Hepburn, Esq.,
Chairman of the Board,
Chase National Bank,
New York, N. Y.

SIXTY-FIRST CONGRESS.

EBENEZER J. HILL, CONN., CHAIRMAN.
ARTHUR E. BATES, PA.
HERMAN P. GOEBEL, OHIO.
WILLIAM B. MCKINLEY, ILL.
JOHN LAMB, VA.
JOHN N. GARNER, TEX.
WILLIAM A. CULLOP, IND.
CHAS. S. GREENWOOD, CLERK.

House of Representatives U. S.
Committee on
Expenditures in the Treasury Department
Washington, D. C.

Hon A. B. Hepburn.

Norwalk Conn Jan 8th 1914

My dear Mr Hepburn.

Referring to testimony before the Organization Committee, let me say.

1st "The only mandatory provision of the law, so far as the Organization Committee is concerned, is the provision relating to the formation of districts. "That the districts shall be apportioned with due regard to the convenience and customary course of business, and shall not necessarily be coterminous with any State or States."

The idea that making New York Reserve Bank capital large enough to take care of the business tributary to it, will thereby substantially relieve from other districts, is erroneous! The 6% contribution from the banks is not a limitation on the Federal Reserve Bank Capital, but only a limitation on the contribution of the member banks to that capital.

The bill distinctly provides, "Should the subscription by banks to the stock of said Federal Reserve banks, or any one or more of them be, in the judgment of the organization committee, insufficient to provide the amount of capital required therefor, then and in that event, the said organization committee, may under ~~conditions~~ and regulations to be prescribed by it, offer to public subscription at par, such an amount of stock in said Federal reserve banks, or any one or more of them, as said committee shall

SIXTY-FIRST CONGRESS.

EBENEZER J. HILL, CONN., CHAIRMAN.
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JOHN N. GARNER, TEX.
WILLIAM A. CULLOP, IND.
CHAS. S. GREENWOOD, CLERK.

House of Representatives U. S.
Committee on
Expenditures in the Treasury Department
Washington, D. C.

determine it.

"Furthermore Should the total subscriptions by the banks and the public, to the stock of said Federal Reserve banks, or any one or more of them, be in the judgement of the organization committee, insufficient to provide the amount of capital required therefor, then and that event the said organization committee shall call to the United States such an amount of stock as the committee shall determine." to be paid for out of the treasury.

In other words, the committee have absolute power to establish not less than 8 nor more than 12 banks with ~~minimum~~ ^{capital for each} of 4 million dollars and no maximum, with full power to raise otherwise such capital as may be needed, not subscribed by member banks, even if no banks went into the system and hence nothing contributed by them, the only restriction on the committee, being that such Reserve banks ^{districts} should be established with due regard to the convenience and customary course of business.

Now as to that, our own bank here, did last year nearly ruin millions of business with one New York bank and less than three hundred and fifty thousand with all Boston. What an absurdity to attempt to steer a ship out of the channel and overland it

SIXTY-FIRST CONGRESS.

EBENEZER J. HILL, CONN., CHAIRMAN.
ARTHUR L. BATES, PA.
HERMAN P. GOEBEL, OHIO.
WILLIAM B. MCKINLEY, ILL.
JOHN LAMB, VA.
JOHN N. GARNER, TEX.
WILLIAM A. CULLOP, IND.
CHAS. S. GREENWOOD, CLERK.

House of Representatives U. S.
Committee on
Expenditures in the Treasury Department
Washington, D. C.

would be, to attempt to change these business relations. The expense of telephone and railroad communication would be greatly increased, and our Boston reserve would practically have to be duplicated in New York.

We look to the New York Banks to see to it that the Banks, west of the Connecticut river, if no others, are included in the New York Reserve District.

Boston is making strenuous efforts to turn the business Eastward. I have been personally solicited to go there at the hearing and to get banks and business men to write along that line. From outstand point here, it would be a fatal mistake.

The question of comparative capital, has been eliminated by the language of the bill, and it is rapidly becoming a question of ~~the~~ diversion of business from its natural course. My impression is that the Banks of New York must act together, and get busy or you will ultimately find yourselves ~~losing~~ with a considerable amount of business diverted to other sections, by banks provided with Government capital, which in its final analysis, means that New York will contribute largely to outfit and capitulate its business competitors.

Yours truly,
E. J. Hill.

Exhibit 16
First National Bank 16

FRANCIS L. HINE, President.

New York, Jan. 6, 1914.

Reserve Bank Organization Committee,
Office of Chamber of Commerce,
New York City.

Sirs:

Supplementing the few words I addressed to
you on the 5th instant, I beg to submit the enclosed
memorandum containing my suggestions as to the loca-
tion and extent of eight Regional Reserve Banks.

Very respectfully,



President.

L. Encl.

Exhibit to
Mr. Hines' testimony

		Mailed in N.Y. <u>6</u> P.M. ARRIVES	Mailed in Phila. <u>6</u> P.M. ARRIVES	Mailed in Boston <u>6</u> P.M. ARRIVES
Rochester, N. Y.		5:15 A. M.		
Ygdensburg, N. Y.		8:40 A. M.		
Plattsburgh, N. Y.		5:35 A. M.		
Olean, N. Y.		6:32 A. M.		
Burlington, Vt.		4:25 A. M.		4:25 A. M
Newport, Vt.		6:35 P. M.		5:20 A. M
Bennington, Vt.		1:20 A. M.		8:55 A. M
New Haven, Conn.	X	10:20 P. M.		4:32 A. M
Hartford, Conn.		12:47 A. M.		3:27 A. M
Springfield, Mass.		1:30 A. M.		2:30 A. M
Greenfield, Mass.		5:57 A. M.		3:50 A. M
Tyrone, Pa.		5:09 A. M.	3:53 A. M.	
Altoona, Pa.		5:33 A. M.	4:17 A. M.	
Sayre, Pa.		3:33 A. M.	3:43 A. M.	
Scranton, Pa.		1:06 A. M.	6:08 A. M.	
Easton, Pa.	X	10:18 P. M.	3:59 A. M.	
Hazleton, Pa.		6:43 A. M.	5:45 A. M.	
Lock Haven, Pa.		6:30 A. M.	2:40 A. M.	

"X" means same day.

Federal Reserve Bank of	①	Including States	Nat. Banks capital & surplus in millions	6% of Nat. Banks capital & surplus in thousands
Boston	②	All New England except Conn.	135.	8,100.
New York City	③	Conn., N.Y. & Northern New Jersey	405.	24,300.
Philadelphia or Pittsburgh	④	Southern N.J., Pa., Del., Va., W.Va., Md., D. C.	358.	21,480.
Chicago	⑤	Mich., Wis., Ill., Ind., Ohio, Ky.	330.	19,800.
Atlanta or New Orleans	⑥	N.C., S.C., Ga., Fla., Ala., Miss., Tenn., La., Ark., Tex., Okla., N.M.	215.	12,900.
St. Louis, Kansas City or Denver	⑦	Missouri, Iowa, Kansas Nebraska, Colorado	145.	8,700.
San Francisco	⑧	California, Nevada, Utah, Arizona	94.	5,640.
Portland, Seattle, Minneapolis or St. Paul	⑨	Wash., Ore., Idaho, Montana, Wyoming, N.D., S.D., Minn.	102.	6,120.
Total.....			1,784.	107,040.

Table showing amount of Capital stock & surplus; amount of 6% subscription; total reserve required (18-15-12%); amount to be held in vault (6-5-4%) divided into eight sections as suggested by Pres. F.L.Hine.

(In millions)

Location of F.R. BANK		Cap. & Surpl,	6% Subscr.	Net Deposits	Total Reserve required	Reserve to be held in vault
BOSTON	1	135.	8,100	509,668	68,341	22,747
NEW YORK	2	405	24,300	1,744,057	276,200	92,067
PHILA. or PITTSBG.	3	358	21,480	1,318,343	174,668	58,223
CHICAGO	4	330	19,800	1,442,227	203,576	67,858
ATLANTA or NEW ORLEANS	5	215	12,900	626,613	78,954	26,318
ST. L. K.C. or DENVER	6	145	8,700	672,909	94,481	31,494
SAN FRANC.	7	94	5,640	338,176	46,103	15,367
PORTLAND SEATTLE MINNEAPOLIS ST. PAUL.	8	102 ----- 1784.	6,120 ----- 107,040	517,025 ----- 7,169,018	67,982 ----- 1,010,204	22,660 ----- 336,724

ORC

See Mr. Exhibit 17

(12)
17

January 20th, 1914.

Sir:-

I beg to acknowledge receipt of yours of the 10th enclosing, as stated, statement covering your suggestion for the establishment of Federal Reserve Districts which will be treated as an exhibit and filed with the testimony at the hearing in New York.

Respectfully,

Secretary, Reserve Bank Organization Committee

George Ellsworth Kones, Esq.,
145 East Thirty-Fifth Street,
New York City.

145 EAST THIRTY-FIFTH STREET

New York January 18th 1914.

The Reserve Bank Organization
Committee
Washington, D.C.

RECEIVED OFFICE SECRETARY
JAN 13 1914

Sirs:-

Conforming with the request of the Secretary of the Treasury, I beg to hand to you the enclosed Considerations governing my suggestions for Reserve Districts and Reserve Banks as outlined on the map submitted at the hearing of the Committee in the Chamber of Commerce in New York and to request that they be attached thereto for the record.

Very truly, Yours,
George Ellsworth Kones.

-1-

REVENUE CUTTER SERVICE

Rec'd JAN 13 1914

Amtd

BOSTON

I have separated the New England States from the State of New York and suggested Boston as the seat of a Reserve Bank in order to release some of the congested capital and power now concentrated in the City of New York.

A Branch Bank in Hartford would meet the needs of the Connecticut Valley.

NEW YORK

If, by the 23rd February, the correspondence and general knowledge of The Reserve Board Organisation Committee strongly indicates that the great Trust Companies and State Banks of the City of New York and of the State in general are likely to become member banks, I would decrease the district indicated on the map as the district of the Reserve Bank of New York - that of the entire State and New Jersey north of Trenton - and add to the district of the Reserve Bank of Boston that part of the State of New York north of a line drawn from but excluding the City of Binghamton, easterly to the north line of the State of Connecticut, or, I would divide the state north of the lines above named and the north boundary of the State of Pennsylvania and add the territory east of a line drawn north and south through the state immediately west of Syracuse, to the Reserve Bank of Boston, and add the territory west of the north and south line to the Reserve Bank of Cleveland. If this latter division is made, I would place a branch of the Reserve Bank of Boston in either Syracuse or Utica, preferably in Utica because of its cotton and woolen mills and its lack of sufficient banking capital.

WASHINGTON

I have suggested the National Capital as the seat of a Reserve Bank with a district embracing Pennsylvania, New Jersey south of Trenton, Delaware, Maryland, Virginia and West Virginia which furnishes the basis (\$353,000,000) for a capital as large as that of the Reserve Bank of New York in the belief that it would act in the nature of an escapement in co-ordinating the several Reserve Banks, and also, with the thought that the Secretary of the Treasury might, in the exercise of the discretion conferred by the Act, constitute it the principal reservoir for deposit of government moneys from which transfers could be made to other Reserve Banks and back again with the greatest dispatch and with the least disturbance to the general money market. I would not have any other Reserve Bank become accustomed or habituated to the use of government deposits. If they became dependent on the use of such deposits it would somewhat lessen the elasticity of the currency.

Branch Banks undoubtedly would be established in Philadelphia, Pittsburgh and Baltimore.

-2-

The deposits now held by the Philadelphia Banks will be greatly reduced when the provision of the Act for Collections throughout the country becomes operative.

ATLANTA

To place one of the Reserve Banks in the South Atlantic States would be like using yeast in making bread, and as necessary.

They are at the same time a one crop country and a growing manufacturing district and the need for increased credit facilities are great. There seems to be no doubt that a Reserve Bank should be established in Atlanta with Branch Banks at a point in North Carolina, in Charleston, Savannah and Mobile. This arrangement would greatly relieve the congestion of capital in cotton bills in New York City and provide Foreign Credits for Reserve Banks. Their crop of cotton is only a little less than 50% of the whole.

If the Reserve Bank Organization Committee should consider that the needs of the district outlined on the map for the Reserve Bank of Atlanta calls for a larger capital stock than the indicated basis of \$76,000,000 affords, they have the power, under the Act, to allot to the United States such an amount of said stock as said Committee shall determine.

DALLAS or HOUSTON

As one of the largest original sources of Cotton Bills in the country, the needs of Dallas calls for the establishment of a Reserve Bank in that city. Texas produced last year - crop 1912-13 - about 35% of the total cotton crop of the country - while Oklahoma added 1,057,000, Arkansas 805,000, and Louisiana 393,000 bales - about 15% - making a total of about 50% of the crop of the entire United States produced in the district indicated on the map for Dallas. The basis of \$130,000,000 capital and surplus of existing National Banks in the district furnishes sufficient capital for a Reserve Bank.

The recent and enormous development of Texas and Oklahoma seems to call for the establishment of a Reserve Bank in Dallas, rather than in New Orleans, which, somehow notwithstanding its commanding geographical situation has allowed business to seek other channels. The exports of cotton from New Orleans during the crop year - 1912-13 - were 1,350,000 bales against 2,459,000 bales in 1904-05 - a decrease of 1,109,000 bales, or nearly 50%; while the exports from Galveston were 3,217,000 bales against 2,304,000 bales - an increase of 913,000 bales or about 40%. This, however, does not help Galveston for the cotton goes to foreign ports on through bills of lading, and Galveston profits only by the stevedore and port charges. This may also be the case at New Orleans but I have not exact knowledge. Neither have I at hand statistics of the grain

-3-

and other exports, but if a Reserve Bank is placed at Atlanta the other one in the Southern States should be, in my opinion, in Texas and not at New Orleans.

Branch Banks suggested at San Antonio and Houston, Texas and at New Orleans, La.

CLEVELAND

The district of the Reserve Bank of Cleveland as indicated on the map would seem to be a natural one between the East and the Middle West, the only question in my mind being whether the Reserve Bank should be at Cleveland or at Cincinnati. As a counterpoise to the manufacturing interests of Michigan, Ohio, and Indiana I have included the agricultural products of Kentucky and Tennessee.

Branch Banks are suggested at Cincinnati and at Memphis.

Chicago, St. Louis and San Francisco need no comment.

Branch Banks suggested for St. Paul and Butte; Kansas City, Omaha and Denver; Seattle or Portland, Salt Lake City and Los Angeles.

KUHN, LOEB & CO.,
NEW YORK.

Peery's attention

Hon. Wm. G. McCadoe,

Chamber of Commerce,

65 Liberty Street,

City.

18
Exhibit 18

In trying to divide the United States into eight Federal Reserve Districts, we are meeting a peculiar problem. The little corner on the map embracing New York, New England and Pennsylvania would contain \$800,000,000. of national bank capital and surplus as compared to a total of the United States of \$1,700,000,000. and if we draw a line from North to South, ending in Kansas City, and a line from there through St. Louis to the East, we find that this sector, which is less than a sixth of the area of the whole United States, would contain \$1,250,000,000. as against the total of \$1,700,000,000!

This shows clearly the difficulty we meet in organizing the remaining territory outside of this sector, for in order to cover five-sixths of the entire territory of the United States, there are only left \$450,000,000. of national banking power. Of these, \$80,000,000. would belong to California and about \$30,000,000. to Washington and Oregon, so that for the whole remaining territory, being twenty-six of the geographically largest states, there remains only a national banking power of \$340,000,000.

Six per cent of these \$340,000,000. would produce \$20,000,000. of Federal Reserve capital, if fully paid, and these \$20,000,000., out of \$102,000,000. would have to cover the two Virginias, the two Carolinas, Kentucky, Tennessee, Alabama, Georgia, Florida, Mississippi, Louisiana, Arkansas, Oklahoma, part of Kansas, Texas, New Mexico, Arizona, Colorado, Utah, Nevada, Idaho, Montana, Wyoming, Nebraska and North and South Dakota.

--2--

This admits of several conclusions:

First, that the financial preponderance of the Northeastern angle of the United States is such that no matter how the country will be divided, it will have to rely for its financing largely upon the banking power of this section of the country.

Second, this being so, that the fluidity of credit which will follow the development of discount markets and which this law is destined to bring about, must depend upon the strength and efficient organization of this section, and that consequently any attempt artificially to reduce this strength would of necessity weaken the entire structure.

Third, that in constructing the Federal Reserve Banks, care should be taken that the centers of each district are situated towards the Eastern border of the Western districts, and towards the Northern border rather of the Southern districts, because financially and commercially the direction must of necessity be towards the financial center, and from an administrative point of view, it is important that these branches be within the nearest possible reach of Washington. The distance to be covered by each head of a Federal Reserve Bank or by the members of the Federal Reserve Board should be reduced to a minimum, as far as feasible, while members of the branches lying further to the West or South would have to carry the burden of traveling a little further East or North to the meetings of the Federal Reserve Banks. For clearings and transfers it will be equally important

--3--

that the letter travel in the right direction, which in the majority of the cases will be to the East and North.

Leaving aside for a moment these general questions of principles upon which to proceed, I believe that the best way of approach would be to begin with California, and to establish at the outset which of the States are to become tributaries to the Federal Bank of San Francisco, in particular whether Washington and Oregon are to be headed South or West, and whether Nevada and Arizona are to be headed West or East. I believe the Pacific Coast will have to be treated as an entirely distinct district which generally will take care of itself. As far as San Francisco and her territory is concerned, branches of course will have to head towards that city, and the theory of having the remaining country gravitate towards the Northeastern angle would not apply to this district.

After having decided upon the constitution of the Pacific Coast Federal Reserve District, I believe the next step would be to establish how far it be possible to let the banking power of the Northeastern angle radiate into the poorer districts.

Drawing a line from St. Louis through Denver and following the Mississippi from St. Louis South, we might construct the Federal Reserve District of St. Louis which would include all the states covered by that angle, excepting Louisiana and the territory allotted to San Francisco. This would give that district an approximate national banking power of \$193,000,000. Taking the Eastern border-lines

--4--

of Illinois and Wisconsin as the border-line for the Northwestern Federal Reserve District of Chicago, we would include in that district all the Northwestern states situated North of the St. Louis Denver line, which would not have been allotted to the San Francisco district.

The question of the New Orleans district is a perplexing one, because New Orleans does not lie in the right line of concentration. It is situated too far South, and all concentration that would take place by way of clearings, communications, or by way of meetings of members of branches at New Orleans, would lead away from the Northern course, which, in most cases, would be their natural direction. For instance, Atlanta, Savannah would naturally tend North for their trade and not South.

I am therefore rather reaching the conclusion that New Orleans should not be a head-office but a branch, and that the head-office should be further North. How far that should be, and which place that should be is very hard for me to decide. The best system would of course be procured by having the Southern district extend as far North as possible, and making it as large as possible, so as to draw into the system some part of the richer North, but it will probably not be possible to go further North than the Ohio River, and make part of Kentucky and the two Virginias the Northern border of the Southeastern district. It has been suggested that this Federal Reserve Bank might be located at Washington, which would have many advantages, although the disadvantage would be that Washington is not a

--5--

commercial center and that the Federal Reserve Board would naturally be under the daily influence of this Southeastern wing, while the Federal Reserve Board might prefer to be in a more protected position. to make Richmond the Federal Reserve Bank place or It might prove the best solution/ to include Maryland in the Southeastern district and make Baltimore the seat of the Federal Reserve Bank.

The strongest system would of course be secured if all the balance of the country would constitute one district, because this would form the basis of a system of enormous strength. Inasmuch, however, as there still remain four Federal Reserve Banks to be placed, this remainder of the country will have to be divided into four districts. If it should be found feasible to divide the South into two districts, it would be all the better for the whole country, because then this Northeastern corner could be divided into three districts only, and the fewer the Northeastern districts the stronger the entire system.

In order to divide the Northeastern corner into four districts, one Federal Reserve District might include Michigan, Indiana, and Ohio, to which probably ought to be added all, or at least the Northern part of Kentucky. In this case the Federal Reserve Bank would probably be located at Cincinnati. If Kentucky should be left out, Cleveland might have a strong claim upon the seat of the Federal Reserve Bank.

The next Federal Reserve Bank, the sixth, would be that of Philadelphia, including Pennsylvania, Maryland and Delaware and the

--6--

Southern part of New Jersey. The State of New York, Connecticut and the Northern part of New Jersey would form the seventh, and the New England States and Maine would form the eighth Federal Reserve Bank.

In order to render feasible the division of the country into districts, having each at least a certain intrinsic financial power, New York has been reduced to such a degree, under this plan, that two of the large New York banks would each have resources of about twice the amount of the full paid capital stock of the New York Federal Reserve Bank. This is an anomaly which, if possible, should be avoided, because at home and abroad the system would gain in dignity and efficiency if the New York district could receive a more adequate allotment of territory. This could possibly be brought about by dividing the Southeastern territory into two districts or by creating an additional district in the West, in case it should be found that Oregon & Washington would rather tie up to Minneapolis than San Francisco. While it is to be wished that it may be found practicable to create this additional Federal Reserve District and thus to remove the necessity of establishing too many units in the Northeast, the damage done by too drastically cutting up this territory might greatly be reduced if care be taken that by this cutting up process the stability and financial power of this Northeast corner be not interfered with, for if it should not be possible to develop, in due course, some discount markets in this territory, there is no

--7--

hope whatever that the system should ever develop in the remainder of the country. Moreover, the difficulty must be overcome that by creating so large a number in this Northeast corner, the Federal Reserve Board might find it extremely hard to handle the questions that will come up before it for decision. From this point of view, it is very desirable that, in an administrative way, the Federal Reserve Banks will be grouped in five large divisions. There would be a Northeastern division, containing the Federal Reserve Banks of New England, New York and Philadelphia; a Northwestern division, containing Chicago and Cincinnati; a Southeastern division, containing New Orleans, with a Federal Reserve branch at a point to be decided upon, possibly Washington or Baltimore; a Southwestern division, including St. Louis; and a Pacific division, including Hawaii.

The Federal Reserve Board would naturally desire to divide its functions and would probably allot one division to one member of the Board, the Comptroller of the Currency being in charge of examinations, auditing, supervision in general and of note issue in particular. In order to enable the Federal Reserve Banks of the Northeastern angle to develop any kind of joint discount policy, which would be necessary to build up a discount market, it might prove advisable that New York, Boston and Philadelphia form a Committee of their own, and Chicago and Cincinnati would form a Committee. Such Committee would discuss questions of policy and of mutual assistance between the three or two Federal Reserve Banks, respectively. If

--8--

the Federal Reserve Board would want to call upon the Northeastern States, or the Northwestern States for any rediscount operation in favor of any other Federal Reserve Bank District, it would communicate with these Committees, and it would be left with each Committee to apportion amongst its constituents the amount to be rediscounted by each Federal Reserve Bank. In case of disagreement amongst these Federal Reserve Banks, the Federal Reserve Board itself would decide how to apportion the amounts to be rediscounted. I believe that by a simple arrangement of this kind the objects of the legislation, which are the development of the fluidity of credit and the creation of discount markets, would be greatly helped. Because in this way cooperation will be secured between various financial districts, the lack of which might otherwise prevent the necessary degree of confidence in the stability and power of the organization, most essential prerequisites for a successful operation of the system.

When publishing the weekly statements of the Federal Reserve Banks a joint status of each division should be published in addition to that showing the condition of all divisions combined. In this way not only a clearer picture would be given which will be less confusing than the statement of eight Federal Reserve Banks, but at home and particularly abroad the larger figures will create more confidence and will be better understood.

If either the Southeast or the Northwest should be divided into two sections, these would of course form one administrative divi-

--9--

sion and operate exactly on the same lines as here suggested for the Northeast.

In venturing to submit these ideas, I hope they will be looked upon as suggestions only, and very hasty ones at that. I am fully aware of the fact that the state line cannot be observed in all cases where I have dealt with States.

Specific knowledge of local conditions, such as the Organization Committee is about to acquire, would be apt to lead to a modification in many respects of the thoughts as here expressed.

L.

Exhibit 19

GEORGE MASON LA MONTE

35 NASSAU STREET

NEW YORK

29
19

January 10, 1914.

Hon. William G. McAdoo,
Secretary of the Treasury,
Washington, D. C.

Sir:-

In accordance with your request at the hearing held recently in the Chamber of Commerce in this city, I am sending you my suggestion for the location of eight Federal Reserve banks, and have based my figures upon the 1912 report of the Comptroller of the Currency.

In working this out I regretted to find that the two western sections or divisions covered such a very large amount of territory. Nevertheless, after a careful study of the figures I am inclined to think that this cannot be helped.

The figures I give in the enclosed memorandum represent the capital, surplus and undivided profits of all the reporting banks in the various sections.

I enclose herewith a map and a memorandum of the banks reporting in each State surrounding each Federal Reserve bank and a summary for each of the eight cities mentioned.

If I can be of further service to you in this connection I should be glad to have you call upon me, and I am,

Respectfully,

Geo M La Monte

Commissioner of Banking and Insurance
for the State of New Jersey.

New York:

New York,	887,200,000.00
New Jersey, -one half-	59,000,000.00
	946,200,000.00

Boston:

Maine,	29,700,000.00
New Hampshire,	20,500,000.00
Vermont,	16,200,000.00
Massachusetts,	238,000,000.00
Rhode Island,	36,500,000.00
Connecticut,	68,700,000.00
	409,600,000.00

Washington:-New Jersey one half,	59,000,000.00
Pennsylvania,	585,800,000.00
Delaware,	12,000,000.00
Maryland,	69,000,000.00
Virginia,	51,600,000.00
West Virginia,	36,300,000.00
District of Columbia,	27,200,000.00
	840,900,000.00

Atlanta:

North Carolina,	26,600,000.00
South Carolina,	28,200,000.00
Georgia,	69,300,000.00
Florida,	18,800,000.00
Alabama,	36,300,000.00
Mississippi,	23,600,000.00
Louisiana,	38,000,000.00
Tennessee,	40,800,000.00
	281,600,000.00

Chicago:

Ohio,	179,500,000.00
Indiana,	83,400,000.00
Illinois,	262,300,000.00
Michigan,	75,900,000.00
Kentucky,	55,800,000.00
	656,900,000.00

St. Louis:

Arkansas,	21,700,000.00
Wisconsin,	57,300,000.00
Minnesota,	67,300,000.00
Iowa,	91,000,000.00
Missouri,	162,700,000.00
	400,000,000.00

Omaha:

N. Dakota,	18,400,000.00
S. Dakota,	16,800,000.00
Nebraska,	44,400,000.00
Montana,	18,800,000.00
Wyoming,	5,700,000.00
Kansas,	47,900,000.00
Colorado,	29,900,000.00
New Mexico,	4,900,000.00
Oklahoma,	30,600,000.00
Texas,	117,700,000.00
	335,100,000.00

San Francisco:

Washington,	37,700,000.00
Oregon,	25,900,000.00
California,	196,200,000.00
Idaho,	9,700,000.00
Utah,	12,300,000.00
Nevada,	4,500,000.00
Arizona,	4,700,000.00
	291,000,000.00

New York,	946,200,000.00
Boston,	409,600,000.00
Washington,	840,900,000.00
Atlanta,	281,600,000.00
Chicago,	656,900,000.00
St. Louis,	400,000,000.00
Omaha,	335,100,000.00
San Francisco,	291,000,000.00
	<hr/>
	4,161,300,000.00

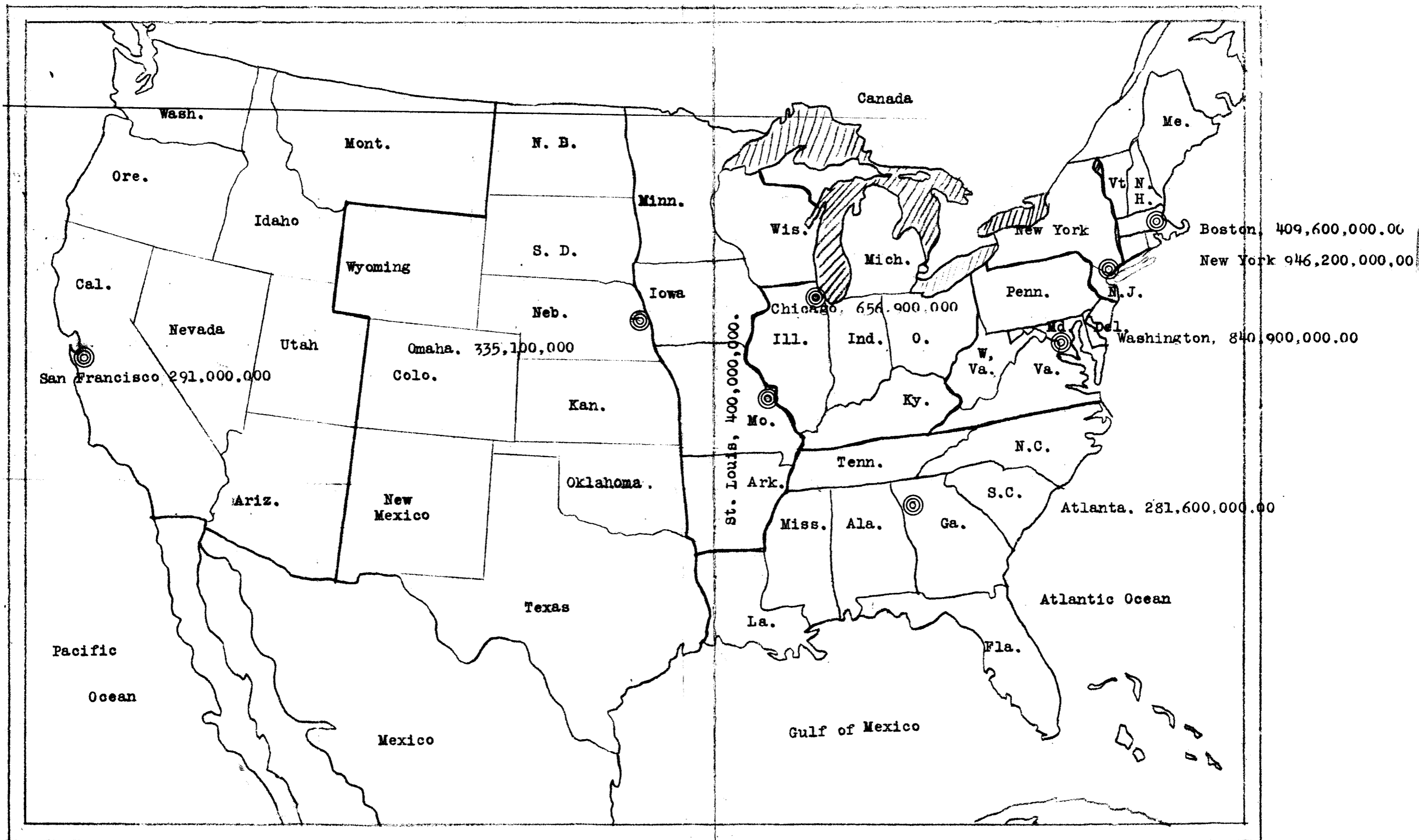


Exhibit 20

BCV.

*Received
General*

20
~~20~~
~~20~~

Sir:

On behalf of the Organization Committee I beg to acknowledge the receipt of your letter of the 15th inclosing, as stated, four copies of an outline map of the United States with suggested division of the country into districts; also letter giving the reasons for such suggestions, and tables giving figures as to population, etc.

In reply I beg to advise that these exhibits will be submitted to and considered by the Committee in determining these questions.

Respectfully,

Secretary,
Reserve Bank Organization Committee.

Mr. Herbert C. Marshall,
27 Cedar Street,
New York, N. Y.

20



HERBERT C. MARSHALL,
COUNSELOR AT LAW,
27 CEDAR STREET,
NEW YORK.

New York City, January 15, 1914.

Hon. William G. McAdoo,
Secretary of the Treasury,
Washington, D.C.

Superseded letter 3 Jan 2

-and-

Hon. David F. Houston,
Secretary of Agriculture,
Washington, D.C.

ANSWERED

JAN 21 1914

BCW

Dear Sirs:-

I beg to send herewith four copies of an outline map of the United States, each with a different division of the country into districts, but with most of the districts substantially the same in all. Accompanying these maps, there is a long letter directed to The Reserve Bank Organization Committee, giving reasons for the suggested divisions, and four tables giving figures as to population, area and banking capital of the various suggested districts.

I should like to have gone farther and made some estimate of bank capital other than that of National Banks and also to have made some discussion of the the variety of industry shown in these various districts, such as is of course in a measure desirable for smooth working of the system being installed. But such an extended discussion would have required a good deal of time, and the locating of centers of industry, mining etc., on the maps would have greatly encumbered them. As the maps stand, they are sufficient to support the argument in favor of following "natural boundaries", and that was the chief point in view in preparing the maps and the accompanying letter.

A full set of the maps is enclosed in the large envelope addressed to Secretary McAdoo.

Yours very truly,

Herbert C. Marshall

HERBERT C. MARSHALL,
COUNSELOR AT LAW,
27 CEDAR STREET,
NEW YORK.

New York City, January 10, 1914.

To The Reserve Bank Organization Committee,
Washington, D. C.

Dear Sirs:-

In connection with the task undertaken by you, in accordance with the requirements of Section 2 of the "Federal Reserve Act", to "designate not less than eight nor more than twelve cities to be known as Federal reserve cities, and divide the continental United States, excluding Alaska, into districts, each district to contain only one of such Federal reserve cities", with the special proviso, "that the districts shall be apportioned with due regard to the convenience of business and shall not necessarily be coterminous with any State or States", it may not be amiss to urge the importance of giving much consideration to certain natural lines of division between different sections of the country.

In establishing the political bodies that have ultimately become states, both under old colonial grants and under acts of Congress since the adoption of the Constitution, the general outline of each of these political communities has regularly been determined before any considerable number of inhabitants has moved into the district, it being necessary that there should be some definite division of land and security of tenure to attract settlers; and in consequence boundaries have usually been determined by the purely mechanical method of following meridians of longitude and parallels of latitude, rather than by the ultimately more desirable method of including within each of the prospective states some economic and social community, such as

R.B.O.C.

#2.

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the easiest and most direct routes of travel and the later agricultural, industrial and commercial development of the district should determine. Even if there had been full appreciation of the importance of making the political communities, subsequently to become states, conform approximately to future social and economic communities, it would not have been possible at that time, with the existing inadequate knowledge of the resources of the various sections, to foresee the location of centers of industry, trade and population; and it was perhaps inevitable that the state divisions as originally laid out should with the development of the country fail to conform to any sort of ultimate real division of the people and their interests. With the latitude allowed by the "Federal Reserve Act", however, it will be possible to make the proposed reserve districts conform much more closely to natural lines and divisions than do the existing states, thereby making them "regional", not merely in extent of territory, but also in conforming to "natural boundaries" and in serving "the convenience and customary course of business".

In designating the cities in which Federal reserve banks shall be organized and in fixing the geographical limits of the Federal reserve districts, the committee will of course endeavor to select large centers of population with important banking interests as such cities and will no doubt include with each city as its particular district such adjacent territory as is in an especial degree commercially tributary to that city. In the division of counsel as to what cities are of importance and may be expected to be of importance in the future in the banking and commercial world and as to what outlying districts now are and may in the future be expected to be tributary to

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each particular city, it will perhaps be of assistance to recall certain well recognized principles which could not fail to receive the approval of all. Briefly stated, some of the more important of these principles are the following:-

(1) Large centers of population should be as nearly as possible the centers of the various districts, and boundaries should follow the lines of the more sparsely settled regions.

(2) Water-sheds and boundaries of river systems are usually sparsely inhabited, and transportation across them is usually difficult. Water-sheds should therefore ordinarily be boundaries. This is particularly true of the great Continental Divide between the Mississippi Valley and the Pacific Coast and of the Appalachian Water-shed. It is true in lesser degree of the water-shed bounding the Connecticut Valley on the west and of that between the Valley of the Columbia on the north and the territory lying to the southward. It is only in a measure true of the water-sheds between the rivers of the Atlantic Coast Plain and between various branches of the Mississippi System.

(3) River valleys usually constitute economic communities and should either alone or in combination with others constitute such districts or divisions. Good examples are the Columbia, the Sacramento and San Joaquin, the Upper Mississippi, the Upper Missouri, the Upper Ohio, the Tennessee and Cumberland, the Hudson, Delaware and Susquehanna.

(4) In some instances, rivers are so large or so difficult of passage as to serve better as boundaries, particularly where the entire river valley cannot be included in the same division. Examples are the Lower Mississippi, the impassable Grand Canon of the Colorado,

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possibly the Lower Ohio. Even in such instances, however, the mouth of any such river is apt to be such a center of population and trade as to make it desirable that both sides of the river at that point should be included within the same political division, and particularly within the same banking district. New York City and the near by cities of New Jersey suffer much business and other inconvenience from their division into separate political and legal jurisdictions, and other centers of population similarly situated suffer from similar inconvenience only in lesser degree. New Orleans and the adjacent region about the mouth of the Mississippi escape this inconvenience by being included entirely within the same State of Louisiana. In defining the boundaries of the Federal reserve districts, state boundaries will no doubt be ignored, where they pass through large centers of population, as at several points on the Atlantic Sea Board.

(5) The location and direction of great railway systems, as one of the principal indications of the "convenience and customary course of business", will of course be an element of very great importance in designating Federal reserve cities and in limiting the boundaries of districts. These however usually follow the course of large rivers, do not often cross water-sheds of even minor importance, and usually radiate from large centers of population and connect them with more sparsely settled regions in the vicinity. Railway traffic and communication generally are therefore in large measure determined by "natural boundaries", particularly the more important water-sheds; and these same boundaries will undoubtedly control in the future. Such boundaries are the real element in controlling communication, rather than meridians of longitude and parallels of latitude.

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(6) In order that each reserve district may as far as possible within itself be capable of meeting its own local demands for banking accommodations, particularly seasonal demands, it is desirable that each district should include a considerable variety of business interests, at least to such extent as is consistent with reasonable compactness of territory and convenience in other respects.

In accordance with the foregoing considerations or principles, I have attempted a division of the country into districts, and I beg to submit the results on four separate outline maps of the country, with the lines of division indicated thereon. Four separate maps are submitted, because, while the general division is the same in all, there are some very considerable differences of detail that can better be presented on separate maps.

In general, all New England as far west as the water-shed of the Connecticut River, substantially the line of the Green Mountains and the Berkshire Hills, constitutes one district, the territory between that line and the Mississippi River constitutes five districts, the territory between the Mississippi River and the Continental Divide constitutes three districts, and the territory west of the Continental Divide constitutes one district, making ten districts in all. A slight variation from this general division on all the maps is to permit the districts at the headwaters of the Mississippi and at its mouth to cross the river, as seems to accord with greater convenience of business.

In view of the concentration of banking capital, and of population as well, in the north-eastern part of the country, the districts in that section are somewhat small and compact in area, although the

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total banking capital in each of these districts is considerably larger than of other districts, as appears from the tables given below. The districts in the West and South are necessarily large in area, some of them large in population, because of the comparative lack of banking capital in that part of the country. The districts west of the Mississippi River are of much greater length from east to west than from north to south, the great railway systems in that region running from east to west, both because of the usual direction of traffic between the larger cities and the rural districts and because of the usual direction of the rivers tributary to the Mississippi. The head-waters of the Mississippi and of the Missouri fall naturally within one district, although it becomes an extremely long district from east to west, because of the usual course of communication and business in that region, as indicated by the course of the three or four great railway systems that furnish ~~the~~ means of communication. The territory west of the Continental Divide will certainly at the present time be included within a single district, although its area is more than one-fourth that of the entire country, both because of its comparatively small population and because of its somewhat limited bank capital. With the very rapid growth in population in that region, however, it is but reasonable to expect that the Valley of the Columbia will be made a separate district in the not very distant future.

Upon two of the maps herewith submitted, the district including New York City is made to embrace a strip of Western New England, substantially all (possibly entirely all) of New York State, all of New Jersey, and all of Eastern Pennsylvania, in other words the valleys of the Hudson, Delaware and Susquehanna and adjacent territory. One very

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important reason for including such a district embracing some 30% of the entire capital (and surplus) of all the national banks of the country, approximately \$560,000,000, and some 17,000,000 of population, is the large banking interests here centered and the desirability that the reserve bank here located will on the basis of six per cent of the capital and surplus of the national banks of the district be substantially as large as any of the constituent banks. Moreover, as appears from tables 1 and 4 below, the area included within the district will even then be, next to New England, as small as any other district. For the same reason, the suggestion is made on map 1 that the Chicago district be made large enough to include \$230,000,000 of national bank capital, in accordance with which the capital of its reserve bank will be almost as great as the capital of the largest of its constituent banks. Moreover, in view of the usual course of business and the usual course of communication, there will perhaps much reason be found for including all this territory in the New York district and for including with Chicago the greater part of Iowa, as indicate on map 1. If it be thought undesirable that any one district should include so much as 30% of the entire national banking capital, the limitation of the New York district to only a part of New Jersey and its entire exclusion from Pennsylvania, as on maps 2 and 3, is suggested. The district would then include approximately \$380,000,000 of national banking capital, approximately 20% of the banking capital of the entire country. There seems no valid reason whatever for extending the New York district beyond the Appalachian Watershed, so as to include Western Pennsylvania, on the one hand, or to limit it substantially to New York City on the other. The latter suggestion would entirely

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sacrifice the advantage of bringing a certain amount of outside territory into immediate touch with the large banking capital centered in New York City, without any possible compensating advantage.

The region about the headwaters of the Ohio is a banking and business center of much importance; and reasons will undoubtedly be advanced for including it in a district with Philadelphia on the one side or with Chicago on the other, just as reasons have already been advanced for including a portion of it at least in the same district with New York City. There is however in that region about one-ninth of the entire national banking capital of the entire country, particularly if that portion of Kentucky adjacent to Cincinnati be included, and the banking capital and business interests there centered are almost as great as those which center about Chicago.

In other respects, the divisions indicated on the maps herewith submitted perhaps sufficiently explain themselves. In general, state boundaries have been followed, except where there seem to be a good deal of reason for suggesting a different line of division. The 37th parallel of latitude seems to serve as an excellent (or at least an approximately correct) dividing line for the southern part of the Mississippi Valley, inasmuch as it crosses Southern Kentucky, passes near the mouth of the Ohio, crosses the Ozark Mountains and follows the boundary line of Oklahoma and Kansas. Northern Kentucky is probably more closely connected in its business interests with Cincinnati, Louisville and the North, while Southern Kentucky is probably more closely connected with Nashville and the South. The railroad lines so indicate. Four tables and four maps are submitted herewith.

Yours very truly,

Herbert C Marshall

#9.

Table 1 corresponding to Map 1.

<u>District.</u>	<u>Area.</u> <u>sq. mi.</u>	<u>Population.</u>	<u>10 yr.</u> <u>inc.</u>	<u>Nat'l Bank</u> <u>Capital.</u>
1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 New York, New Jersey, Penna.	100,000	17,000,000	25%	\$560,000,000
3 Maryland, Virginia, Carolinas	125,000	7,500,000	23%	\$100,000,000
4 Headwaters of Ohio River.	90,000	8,500,000	18%	\$190,000,000
5 Mich., Ind., Ill., Iowa.	200,000	13,500,000	11%	\$230,000,000
6 Mo., Kan., Nebr., pt. Ark., Okl.	430,000	8,500,000	19%	\$135,000,000
7 Ky., Tenn., Ga., Fla., Ala., Miss.	310,000	12,000,000	15%	\$105,000,000
8 La., Tex., pt. Ark., Okl., N.M.	440,000	7,000,000	30%	\$100,000,000
9 Wis., Minn., Dakotas, Montana.	460,000	6,000,000	25%	\$90,000,000
10 Pacific Coast	810,000	6,000,000	75%	\$130,000,000

Table 2 corresponding to Map 2.

1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 New York and part New Jersey	60,000	11,000,000	27%	\$380,000,000
3 En. Penna, Md., Va., pt. N.J.	85,000	10,000,000	20%	\$250,000,000
4 Headwaters of Ohio River.	90,000	8,500,000	18%	\$190,000,000
5 Mich., Ind., Ill.	145,000	11,500,000	14%	\$205,000,000
6 Iowa, Mo., Kan., Nebr., pt. Col.	380,000	8,500,000	10%	\$140,000,000
7 Ky., Tenn., Carolinas and Gulf.	390,000	15,500,000	15%	\$125,000,000
8 La., Tex., Ark., Okl., pt. N.M.	545,000	9,000,000	35%	\$120,000,000
9 Wis., Minn., Dakotas, Montana.	460,000	6,000,000	25%	\$90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000

It is to be noted that the 10-year growth of population for the Western Gulf states in this and the following tables is somewhat excessive because of including Oklahoma, which was really opened up for settlement in large part in that decade. 30% would probably be a more accurate estimate of the 10 year increase of population.

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Table 3, corresponding to Map 3.

<u>District.</u>	<u>Area.</u> <u>sq. mi.</u>	<u>Population</u> <u>1910.</u>	<u>10 yr.</u> <u>inc.</u>	<u>Nat'l Bank</u> <u>Capital.</u>
1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 New York and part New Jersey.	60,000	11,000,000	27%	\$380,000,000
3 En.Penna., Md., Va., pt. N.J., N.C.	120,000	11,500,000	20%	\$260,000,000
4 Headwaters of Ohio (incl.Ky.)	110,000	9,300,000	17%	\$200,000,000
5 Mich., Ind., Ill., pt. Wis., Ky.	155,000	12,200,000	13%	\$215,000,000
6 Iowa, Mo., Kan., Nebr., pt. Col.	380,000	8,500,000	10%	\$140,000,000
7 En. Gulf, excl.pt.Ky., N.C.	335,000	13,000,000	15%	\$105,000,000
8 Wn. Gulf, excl.New Orleans.	535,000	8,500,000	35% ?	\$110,000,000
9 Wis., Minn., Dakotas, Montana.	460,000	6,000,000	25%	\$90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000

Table 4, corresponding to Map 4.

<u>District.</u>	<u>Area.</u> <u>sq. mi.</u>	<u>Population.</u> <u>1910</u>	<u>10 yr.</u> <u>inc.</u>	<u>Nat'l Bank</u> <u>Capital.</u>
1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 New York, New Jersey, En.Pa.	100,000	17,000,000	25%	\$560,000,000
3 Maryland, Virginia, Carolinas.	125,000	7,500,000	13%	\$100,000,000
4 Headwaters of Ohio (incl.Ky.)	110,000	9,300,000	17%	\$200,000,000
5 Mich., Ind., Ill., pt. Wis., Ky.	155,000	12,200,000	13%	\$215,000,000
6 Iowa, Mo., Kan., Nebr., pt. Col.	380,000	8,500,000	10%	\$140,000,000
7 Tenn., Ga., Fla., Ala., Miss. (pt.La., Ky.)	295,000	11,000,000	13%	\$90,000,000
8 Wn. Gulf, excl. New Orleans.	535,000	8,500,000	35% ?	\$110,000,000
9 Wis., Minn., Dakotas, Montana.	460,000	6,000,000	25%	\$90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000

OMC

Substitution

March 26th, 1914.

Sir :

As requested in your letter of March 24th, I have given instructions that pages 8 to 18 and the 4 additional tables enclosed, therewith, are to be substituted for pages 8, 9 and 10 of the brief previously submitted containing suggestions regarding the division of the country into Federal Reserve Districts.

Respectfully,

Secretary,
Reserve Bank Organization Committee.

Mr. Herbert C. Marshall,
27 Cedar Street,
New York City.

HERBERT C. MARSHALL,
COUNSELOR AT LAW,
27 CEDAR STREET,
NEW YORK.

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New York City, March 24, 1914.

Reserve Bank Organization Committee,
Treasury Department,
Washington, D.C.

Dear Sirs:-

Under date of January 10th, I wrote to your committee making certain suggestions regarding the division of the country into Federal Reserve Districts, and enclosing four maps showing the suggested divisions.

It has been my desire to present certain phases of the matter more fully than they were presented in that letter; but it was not possible to give sufficient attention to the matter until within the last few days. I have now however been able to add several pages to what was presented before; and I beg to present the same herewith.

If you will kindly cancel the last three pages of the former letter, pages 8, 9 and 10, and will substitute in their stead the enclosed pages 8 to 18 and the four additional tables of tabular matter, it will make a much more satisfactory presentation of the entire subject.

Yours very truly,

Herbert C. Marshall.

ANSWERED
MAR 26 1914

[Signature]

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sacrifice the advantage of bringing a certain amount of outside territory into immediate touch with the large banking capital centered in New York City, and would make the reserve bank altogether too small to serve as a real factor in the great banking activities, either foreign or domestic, centering in New York City.

The region about the headwaters of the Ohio River is a banking and business center of much importance, and this in combination with the adjacent Lake region seems fully entitled to recognition as a separate district. Reasons are being advanced for including this region with New York or Philadelphia on the east or with Chicago on the west. There is, however, in this region more than one-tenth of the entire national banking capital of the country, even when confined to the smallest dimensions indicated on the maps herewith submitted, approximately one-ninth of such capital, if that portion of Kentucky adjacent to Cincinnati is included, and more than one-eighth of such capital, if Toledo, Detroit and adjacent territory are included. Since this region is separated from the eastern cities by the mountain chains of central Pennsylvania, since it is not in any sense tributary to Chicago and its banking and business interests are substantially equal to those which center in Chicago, and since the country is to be divided into at least eight districts, it seems inevitable that this region should constitute one of them. As to whether Pittsburg or Cleveland shall be the location of the reserve bank will perhaps depend upon the extent of territory included in the district, the former being a more important banking center at the present time, but the latter being a more rapidly growing city and being more centrally located with reference to the Lake cities.

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Whether the New York district be made larger or smaller, it seems inevitable that there should be an additional district on the Atlantic seaboard to the southward of that district; and it seems equally inevitable that there should be two districts embracing the southern region bordering upon the Gulf of Mexico. The Atlantic seaboard district will ofcourse be located farther north or farther south, according to the greater or less extent of the New York district; but the Appalachian mountain ranges constitute a real barrier to communication with the interior as far south as northern Georgia, and render the coast states in a large measure a separate business community.

Twenty or thirty years ago, the Gulf states would hardly have been thought of other than a single business community centering in the predominant commercial city of New Orleans. Within the last generation, however, the Mississippi has ceased to be the principal highway of commerce to the northward, and the rapidly growing centers of population ^{in the interior,} are/at a distance from, rather than bordering upon, that river. Perhaps largely because of the uncontrollable floods of the river, it has become a boundary between two business districts, rather than the principal highway of commerce within a single district; and the industrial development of the interior to the eastward and the agricultural development of the interior to the westward have accentuated this division into two business communities.

In order that the Eastern Gulf district shall have^a/substantial amount of bank capital, say, approximately \$100,000,000 of national bank capital, between one-fifteenth and one-twentieth of the entire national bank capital of the country, as appears from the tables herewith submitted, it is essential that it extend as far north as the

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southern boundary of Kentucky, or perhaps the thirty-seventh parallel of latitude. If the reserve bank is to be located at Atlanta or at Birmingham, and particularly if it should be located at New Orleans, the business affiliations of Louisville, Newport and other cities in Northern Kentucky will certainly be rather with the districts to the northward. Moreover, the vicinity of the thirty-seventh parallel seems to be the most sparsely settled portion of that immediate region, as well as containing a rather important watershed, with little railway communication across it.

In order that the Western Gulf district shall have substantially an equal amount of banking capital, it is essential that it extend as far north as the thirty-fifth or thirty-seventh parallel. The thirty-seventh parallel is the boundary line between the states of Oklahoma and New Mexico on the south and Kansas and Colorado on the north, is substantially on a watershed line throughout and passes through the most sparsely settled part of that region. Obviously, it should constitute the boundary line, unless the business relations of central Oklahoma are found to be predominantly with the territory to the northward, or the district to the northward would be disproportionately small, because of the amount of territory in that region allotted to the Chicago district. Maps 2, 3 and 4 show the boundary at the thirty-seventh parallel, the State of Iowa being entirely included in the district to the northward; and Map 1 shows the boundary at the thirty-fifth parallel, the State of Iowa being transferred from the district to the northward to the Chicago district. The business affiliations of Oklahoma should however of course determine whether the boundary be located at the one parallel or at the other.

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The suggested district embracing the headwaters of the Mississippi and Missouri Rivers, including also the Upper Peninsula of Michigan, is perhaps the most clearly defined district of the Mississippi Valley. On the north the Canadian border, on the east Lakes Superior and Michigan and on the west the Continental Divide form clearly defined boundaries. There might perhaps be some question whether the western boundary of this district should not follow the Montana state line rather than the Continental Divide, particularly in view of the fact the City of Butte and the large copper mines and smelting works, the principal industries of that entire region, lie within five or ten miles of the Divide; but it will probably be found that the business relations of Butte and the adjacent district are ~~rather~~ with the Columbia Valley and the Puget Sound cities, rather than with Minneapolis and St. Paul, the nearest cities of importance to the eastward. The southern boundary of this district, for a distance of approximately 500 miles in the western part, falls naturally upon the forty-third ~~par~~ parallel of latitude, this parallel for substantially that distance following closely the important southern watershed of the Upper Missouri and being crossed by not more than three or four railroad lines, although throughout the greater part of that distance there are important parallel lines both to the northward and to the southward. Throughout the greater part of the distance, moreover, this parallel serves as the boundary between the States of Nebraska and South Dakota; and the region is one of very little present or prospective population. Continuing toward the eastward, the southern boundary as far as the Mississippi River might continue to follow the forty-third parallel or might follow the northern boundary of Iowa; and from the Mississippi

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to Lake Michigan it should either continue directly to the eastward or should trend to the northward, following such route that the entire population center immediately about Milwaukee shall fall within the Chicago district, with which its commercial relations are of course much closer than with Minneapolis and St. Paul, which will of course be the location of the reserve bank of the northern district.

The northern and southern boundaries of the Great Plains district, embracing Missouri, Kansas, Nebraska and adjacent territory, have already been discussed. The western boundary should of course be the Continental Divide, and the eastern boundary should be in the proximity of the Mississippi River, being determined somewhat by the greater or less extent of territory allotted to the Chicago District. The commercial relations of the greater part of Iowa are perhaps closer with Chicago than with any city to the westward; and it would seem that the greater part of that state should fall within the Chicago district. The choice of the Federal reserve city will perhaps lie between St. Louis and Kansas City, the former being a more important banking center at the present time, and the latter being more centrally located for the district and being a more rapidly growing city. Denver has been frequently suggested as a suitable location for a reserve bank; but it is difficult to find sufficient ground for such a selection. There is not another city of more than 50,000 inhabitants within a radius of 300 miles, and only one city of more than 30,000 inhabitants within that radius. The total population within such radius is not more than 2,000,000, and the entire national banking capital within the same region does not greatly, if at all, exceed \$20,000,000. The population and banking capital within a similar radius of Kansas City

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are certainly at least five times as great. The fact that, according to the last census, the Mountain group of states, comprising more than one-fourth of the total area of the entire country, has a population considerably less than three millions, is conclusive to the effect that these states should constitute merely the outlying portions of Federal reserve districts and that Federal reserve cities should be located to the eastward and to the westward of this sparsely-settled region.

As has been suggested above, it seems that there should be little doubt that the entire Pacific Coast region should at the present time constitute a single district. With a population of more than four millions in the three states of Washington, Oregon and California, and a national banking capital in these three states of more than \$115,000,000, there is here a sufficient nucleus for a single district, which may with propriety be extended as far eastward as the Continental Divide, thereby including substantially one-fifteenth of the population and considerably more than one-fifteenth of the national banking capital of the entire country.

There yet remains to be considered the question whether the proposed division into districts will provide a reasonable variety of business interests in each of the various districts, such as is essential to the smooth working of the system; and in this connection special regard must be had to the possibility of such division as to avoid the excessive preponderance in certain districts of production of farm crops and the consequent seasonal demand for banking accommodations in the autumn months. The four or five districts in the north-eastern part of the country, particularly the more easterly ones,

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must necessarily predominate in manufacturing and in concentration of banking capital. On the other hand, the cotton producing states of the South and the grain producing states of the Mississippi Valley regularly experience very great need of currency in the crop-moving season, which their inadequate banking capital is totally unable to meet; and it is of importance to consider whether the proposed division into districts is such as to combine these strictly agricultural communities with other regions and other interests and to bring them into relation with banking centers in the best manner possible under a strictly "regional" system.

Tables 1 to 4, herewith submitted, give the comparative area, population and national banking capital of the several proposed districts. It would be a very large task indeed to obtain figures showing the comparative strength of the various industries or business pursuits in each of these districts, since the census figures, the only source of such information, are principally by states and groups of states wherein the groups are based rather upon similarity of occupations than upon variety. However, some light can be thrown on the subject by resort to the data presented in the last census; and a calculation has been made, and the results are herewith submitted in Table 5, showing the per capita amount in each of the census groups of states of (a) product of manufacturing industries (value added to materials by process of manufacturing), (b) product of mines, quarries and mineral wells, (c) value of all farm crops, and (d) value of live stock products. From this table, it is possible to form some estimate of the comparative predominance of manufacturing in certain sections, of mineral production in others and of agricultural production in yet others.

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As appears from Table 5, manufacturing greatly predominates in census groups I and II, comprising substantially the same territory as proposed Federal reserve districts numbered 1 and 2, if the latter be made to include Eastern Pennsylvania, as shown on Maps 1 and 4. In census group III, comprising nearly all the territory included in proposed Federal districts numbered 4 and 5, manufacturing predominates in somewhat lesser degree, and yet in greater degree than the general average for the entire country. By including the agricultural states of Kentucky and Iowa within these two districts, as is proposed, the comparative importance of farming and other pursuits will probably not be greatly different from the general average for the entire country. In proposed Federal district numbered 3, whether it be made to include Eastern Pennsylvania or be located entirely to the southward of that state, there is a considerable distribution and a considerable growth of manufacturing in recent years, and because of the fact that the farming is on a small scale there is not the seasonal demand for banking accommodations in moving the crops that is experienced in the states farther west. Moreover, this proposed district, including the commercial city of Baltimore, with a national banking capital of \$20,000,000, and other cities of considerable commercial importance, could undoubtedly sustain a Federal reserve bank amply sufficient for the needs of the district, even though Philadelphia and adjacent territory be included within the New York district.

In district numbered 10, comprising the entire region west of the Continental Divide, there is very considerable variety of industrial pursuits. While the per capita production of farm crops is slightly greater than the average for the entire country, the manufacturing

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product per capita is almost as great as the general average, and the mineral product is very much above the average for the entire country. In this Pacific Coast region, moreover, some account should be taken of the production of raw, unmanufactured lumber, which as largely a product of the winter season counterbalances in a measure the farm crops of the summer, and the production of which in the coast states is so large as to bring up the average for the entire region to \$13.00 per capita, as compared with less than \$5.00 per capita for the entire country. If the manufacturing, mineral and raw lumber production be taken as representative of the non-seasonal production and the production of farm crops be taken as representative of seasonal production, it is found that in the region west of the Continental Divide there is proportionately less of seasonal production than the general average for the entire country. It may therefore reasonably be expected that a Federal reserve bank for this entire region, with the banking capital of San Francisco and other Coast cities as a basis, can meet the seasonal demands of its own district, without much resort to other banking centers of the country for assistance. The comparative independence of the Pacific Coast region as a banking community in the past is undoubtedly explained by this considerable variety of business pursuits.

It is in proposed Federal districts numbered 6, 7, 8, 9, comprising the strictly southern states and the western portion of the Mississippi Valley, that there may be expected to be the greatest demand for banking accommodations in the crop moving season, which demand must in part be met by the banking centers outside the immediate region. This is a difficulty which is not entirely avoidable, and which is perhaps as well met by the proposed scheme of division as by

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any "regional" system of division into districts that could be devised. While these four proposed districts include nearly all the states of census groups IV, VI and VII, the characteristic crop-producing groups of states, they also include a large amount of adjacent territory with greater proportion of non-seasonal manufacturing and mineral production. Proposed district numbered 6 includes the cotton manufacturing region of Georgia and the Carolinas, as well as the iron manufacturing region about Birmingham. Proposed district numbered 7 includes the greater part of the mining region of New Mexico, as well as a rapidly developing petroleum field, now producing (if all Oklahoma be included) more than one-third of the petroleum of the entire country. Proposed districts numbered 8 and 9, even if they included only the agricultural states embraced in census group IV, would show a mineral product substantially equal to the average of the entire country; but, in addition, district numbered 8 includes two-thirds of Colorado, by far the largest producer of precious metals and a large producer of coal, the total mineral product of the state being considerably more than \$50.00 per capita, and proposed district numbered 9 includes the iron and copper mines in the vicinity of Lake Superior, furnishing seven-eighths of the iron and nearly one-fourth of the copper product of the entire country. In fact, although proposed district numbered 9 would ordinarily be regarded as almost exclusively an agricultural region, its production of minerals according to the last census is considerably more than \$30.00 per capita, and is not far from \$40.00 per capita, if the copper producing region of Montana be included, while its production of raw lumber is approximately \$10.00 per capita, this being an industry peculiarly of the winter season.

R.B.O.C.

#13.

1/10/14.

From the foregoing discussion, it appears that there is ample justification for due regard to natural topographical lines in determining the division of the country into districts under the present Federal Reserve Act; and it is believed that the lines of division herein suggested will be found to be worthy of consideration. The principal centers of population and business centers are usually well within the particular districts, and the more sparsely settled regions serve as boundaries. Business convenience will be well served, because of the direction of the principal railway lines and the course of ordinary communication. Particularly in the western part of the country, the proposed lines of division will result in obtaining such variety of business pursuits in each district as will tend to equalize the seasonal demands for banking accommodations. While the details of the plan can be worked out only from information obtained by consultation of business interests of particular communities, the natural topographical features of river valleys and mountain chains certainly constitute a permanent and unchanging element in the situation that should control in all the larger problems involved.

Respectfully submitted,

Herbert C. Marshall

Four pages of tables are hereto appended.

Table 1, corresponding to Map 1.

<u>District.</u>	<u>Area.</u> <u>sq. mi.</u>	<u>Population</u> <u>1910.</u>	<u>10 yr.</u> <u>inc.</u>	<u>Nat'l Bank</u> <u>Capital.</u>
1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 N.Y., N.J., En. Pa., Wn. New Eng.	95,000	17,000,000	25%	\$555,000,000
3 Md., Del., Va., Carolinas.	125,000	7,500,000	13%	\$100,000,000
4 Headwaters of Ohio River.	90,000	8,500,000	18%	\$190,000,000
5 Ind., Ill., pt. Iowa, Wis., Mich., Ohio.	200,000	13,500,000	11%	\$230,000,000
6 Ky., Tenn., Ga., Fla., Ala., Miss.	310,000	12,000,000	15%	\$110,000,000
7 La., Tex., pt. Ark., Okl., N.M.	415,000	7,000,000	30%	\$100,000,000
8 Mo., Kan., Nebr., pt. Ark., Okl., Col., Wy., N.M.	460,000	8,500,000	19%	\$135,000,000
9 Minn., Dak., Mont., pt. Wis., Mich., Wy.	460,000	6,000,000	25%	\$ 90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000

Table 2, corresponding to Map 2.

<u>District.</u>	<u>Area.</u> <u>sq. mi.</u>	<u>Population</u> <u>1910.</u>	<u>10 yr.</u> <u>inc.</u>	<u>Nat'l Bank</u> <u>Capital.</u>
1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 New York and part New Jersey, Wn. New Eng.	60,000	11,000,000	27%	\$380,000,000
3 En. Penna., Md., Va., pt. N.J.	85,000	10,000,000	20%	\$250,000,000
4 Headwaters of Ohio River.	90,000	8,500,000	18%	\$190,000,000
5 Ind., Ill., pt. Mich., Wis., Ohio.	145,000	11,500,000	14%	\$205,000,000
6 Ky., Tenn., Carolinas, En. Gulf.	390,000	15,500,000	15%	\$125,000,000
7 La., Tex., Ark., Okl., pt. N.M.	545,000	9,000,000	35%?	\$120,000,000
8 Iowa, Mo., Kan., Nebr., pt. Col., Wy.	380,000	8,500,000	10%	\$140,000,000
9 Minn., Dak., Mont., pt. Wis., Mich., Wy.	460,000	6,000,000	25%	\$ 90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000

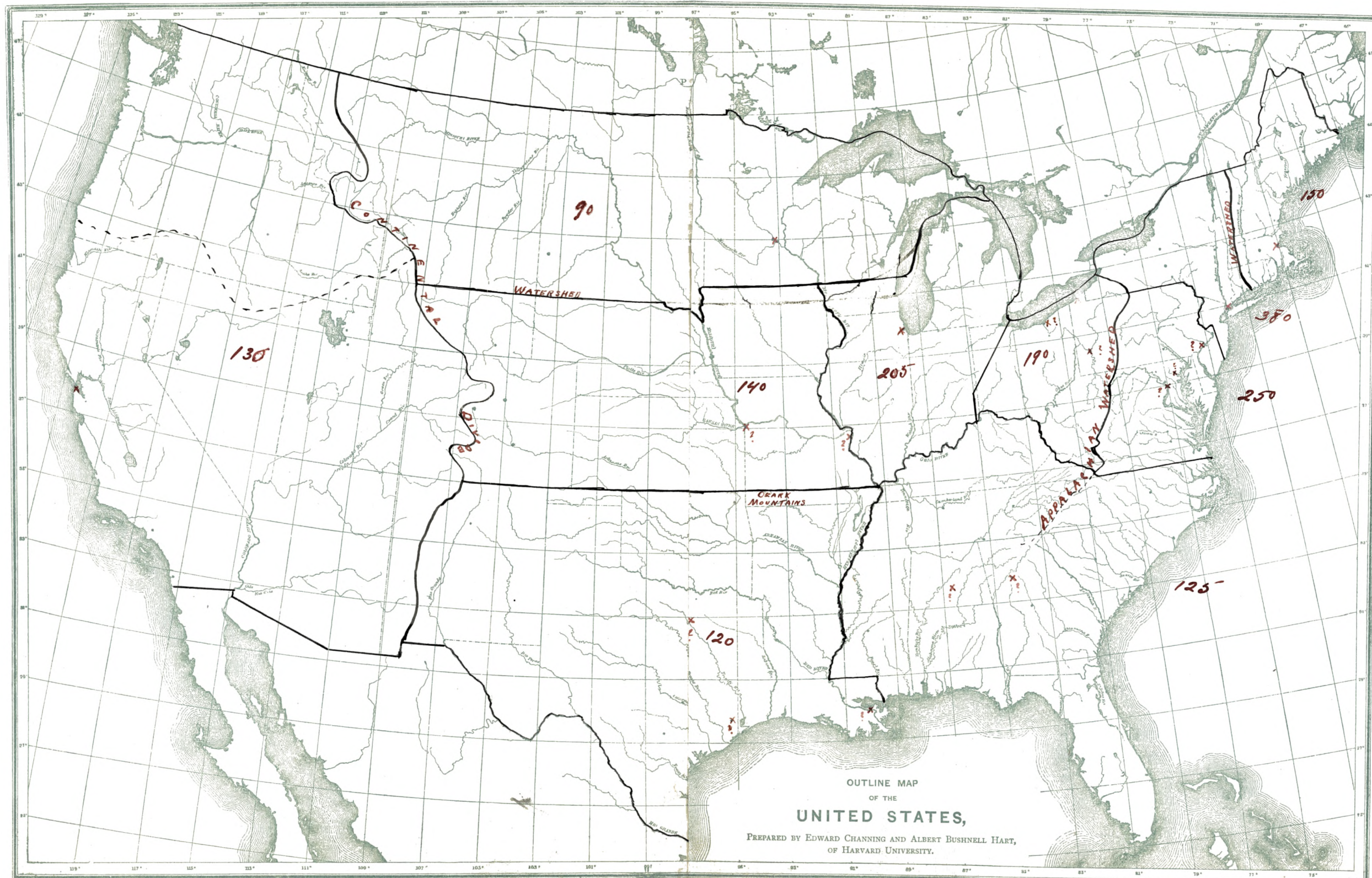
The 10-year growth of population for the Western Gulf states is somewhat excessive, because Oklahoma was really opened up for settlement in large part in that decade. 30% would probably be a more accurate estimate.

Table 3, corresponding to Map 3.

<u>District.</u>	<u>Area</u> <u>sq. mi.</u>	<u>Population</u> <u>1910.</u>	<u>10 yr.</u> <u>inc.</u>	<u>Nat'l Bank</u> <u>Capital.</u>
1 New England (exc.wn.part)	60,000	6,000,000	17%	\$150,000,000
2 New York and part New Jersey, Wn. New Eng.	60,000	11,000,000	27%	\$380,000,000
3 En.Pa., Md., Va., pt.N.J., N.C.	120,000	11,500,000	20%	\$260,000,000
4 Headwaters Ohio (incl.pt.Ky.)	110,000	9,300,000	17%	\$200,000,000
5 Ind., Ill., pt.Mich., Wis., Ky., Ohio.	155,000	12,200,000	13%	\$215,000,000
6 Tenn., S.C., En.Gulf, pt.La., Ky.	335,000	13,000,000	15%	\$105,000,000
7 Wn. Gulf, (excl. New Orleans.)	535,000	8,500,000	35%	\$110,000,000
8 Iowa, Mo., Kan., Nebr., pt.Col., Wy.	380,000	8,500,000	10%	\$140,000,000
9 Minn., Dak., Mont., pt.Wis., Mich., Wy.	460,000	6,000,000	25%	\$ 90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000

Table 4, corresponding to Map 4.

<u>District</u>	<u>Area</u> <u>sq. mi.</u>	<u>Population</u> <u>1910</u>	<u>10 yr.</u> <u>inc.</u>	<u>Nat'l Bank</u> <u>Capital.</u>
1 New England (exc. wn. part)	60,000	6,900,000	17%	\$150,000,000
2 N.Y., N.J., En.Pa., Wn. New Eng.	95,000	17,000,000	25%	\$555,000,000
3 Md., Del., Va., Carolinas	125,000	7,500,000	13%	\$100,000,000
4 Headwaters Ohio (incl. pt. Ky.)	110,000	9,300,000	17%	\$200,000,000
5 Ind., Ill., pt.Mich., Wis., Ky. Ohio.	155,000	12,200,000	13%	\$215,000,000
6 Tenn., Ga., Fla., Ala., Miss. (pt. La., Ky.)	295,000	11,000,000	15%	\$ 90,000,000
7 Wn. Gulf (excl. New Orleans)	535,000	8,500,000	35%?	\$110,000,000
8 Iowa., Mo., Kan., Nebr., pt.Col., Wy.	380,000	8,500,000	10%	\$140,000,000
9 Minn., Dak., Mont., pt.Wis., Mich. Wy.	460,000	6,000,000	25%	\$ 90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000

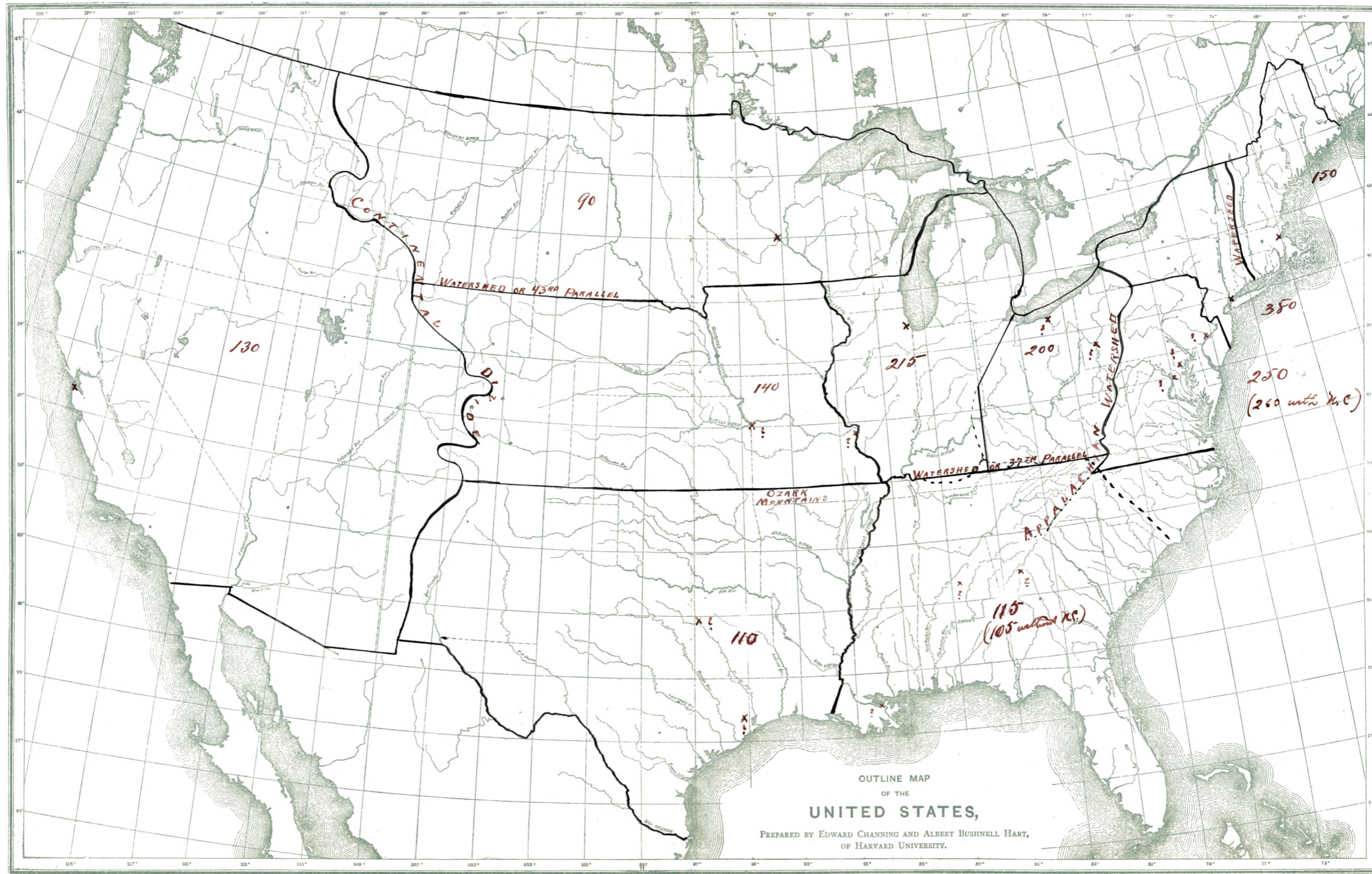


D. C. HEATH & CO., Publishers,
BOSTON, NEW YORK, AND CHICAGO.

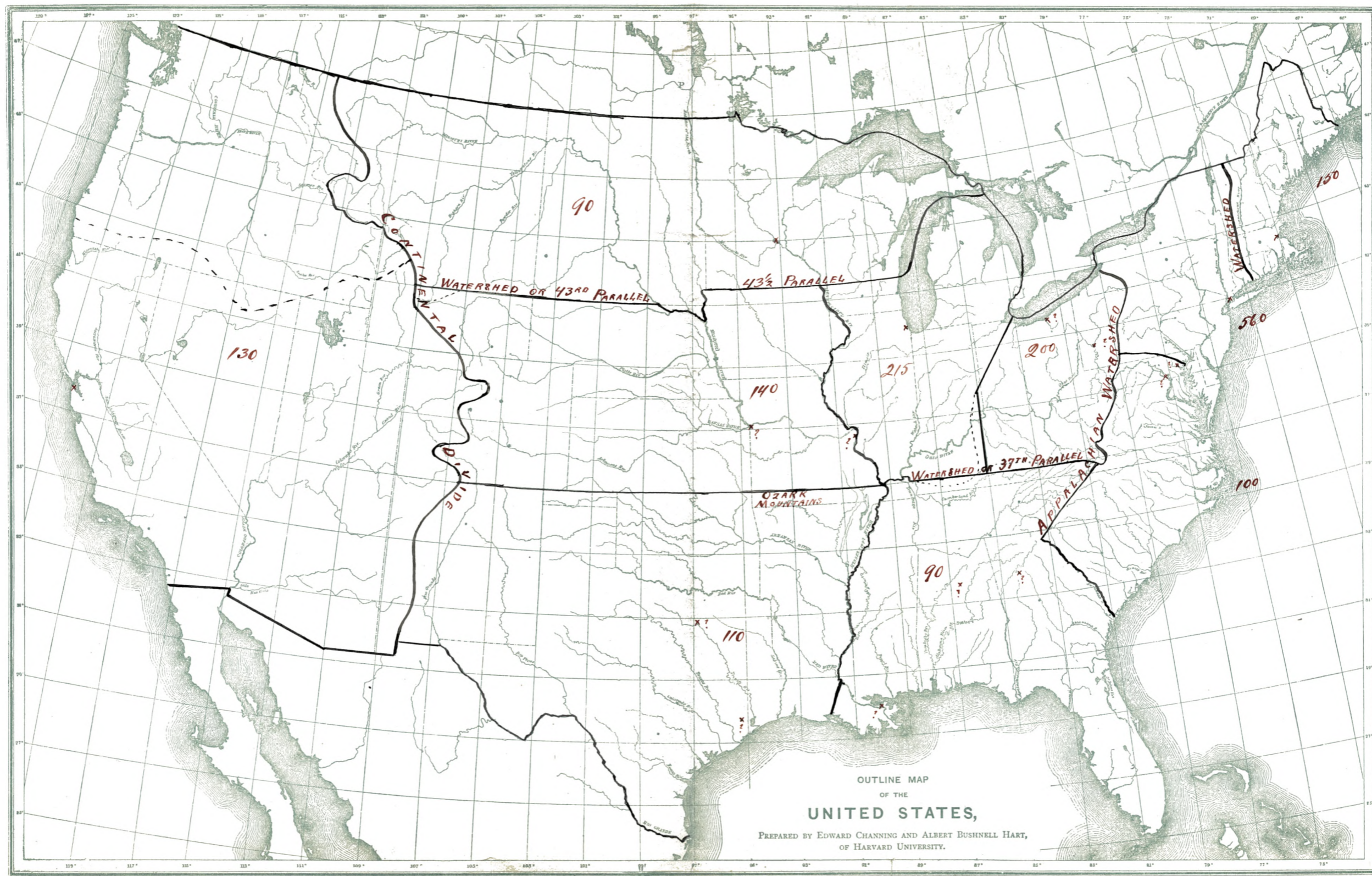
Scale.
0 100 200 300 400 500 600 Miles.

Copyright, 1886,
By EDWARD CHANNING AND ALBERT B. HART

Map 3.



Map 4.



D. C. HEATH & CO., Publishers,
BOSTON, NEW YORK, AND CHICAGO.

Copyright, 1880,
BY EDWARD CHANNING AND ALBERT B. HART

Table 5.

Population and Money Value of Per Capita Product in Certain
Pursuits by Groups of States, according to Data from Census of 1910.

Group.	Population.	Manufacturing Product. Value added to materials by process of manufacturing.	Mines Quarries and Wells.	All Farm Crops.	Farm Live Stock Products.
U.S.	91,972,266	93	13	60	33
I	6,552,681	182	3	22	17
II	19,315,892	154	18	22	17
III	18,250,621	119	13	61	40
IV	11,637,921	48	11	124	83
V	12,194,895	48	8	61	16
VI	8,409,901	35	6	66	25
VII	8,784,534	28	3	72	30
VIII	2,633,517	51	65	62	62
IX	4,192,304	83	17	67	34
West of Continental Divide		80	36	66	Est. 40

Group I, New England Division, includes Maine, New Hampshire, Massachusetts, Rhode Island and Connecticut.

Group II, Middle Atlantic Division, includes New York, New Jersey and Pennsylvania.

Group III, East North Central Division, includes Ohio, Indiana, Illinois, Michigan and Wisconsin.

Group IV, West North Central Division, includes Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska and Kansas.

Group V, South Atlantic Division, includes Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia and Florida.

Group VI, East South Central Division, includes Kentucky, Tennessee, Alabama and Mississippi.

Group VII, West South Central Division, includes Arkansas, Louisiana, Oklahoma and Texas.

Group VIII, Mountain Division, includes Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah and Nevada.

Group IX, Pacific Division, includes Washington, Oregon and California.

The last column in the above table, "Farm Live Stock Products", includes animals sold or slaughtered, eggs produced, fowls raised, wool produced and dairy products. This column is not to be taken in addition to the preceding column, "All Farm Crops", since by far the greater part of the crops are consumed in producing the live stock products. The column "All Farm Crops" ordinarily furnishes the most accurate estimate of comparative agricultural production; and the column "Farm Live Stock Products" is added merely as a sort of corrective, in view of the fact that in the southern states the crops, particularly cotton, constitute nearly the total of the farm produce sold, while in other sections, as New England and the grazing sections of the West, the live stock products constitute a very important part of the total farm produce sold.

Exhibit 21

ROBERT M. GALLAWAY,
JOSEPH W. HARRIMAN,
JOSEPH BYRNE,

PRESIDENT.
VICE PRESIDENT.
VICE PRES. & CASHIER.

FOUNDED
1803

ALBERT S. COX,
OWEN E. PAYNTER,
FRANK L. HILTON,

ASSISTANT CASHIER.
ASSISTANT CASHIER.
ASSISTANT CASHIER.

The Merchants National Bank

OF THE CITY OF NEW YORK.

42 WALL STREET,

New York

January 5, 1914

Sir:

We learn from the public print that your Committee is having hearings in this city with regard to the organization of federal reserve banks, and we have been requested by one of our correspondents located in Sayre, Pa., to recommend that, in the event of your establishing a federal reserve bank in New York, Sayre, Pa., be included in the New York district.

Our Sayre correspondent points out that there are many reasons why this is desirable, perhaps the most important being that their mail facilities with this city are excellent.

Respectfully,

President.

ANSWERED

JAN 23 1914

Hon. William C. McAdoo, Chairman,
Federal Reserve Organization Committee,
Chamber of Commerce,
New York City.

DLR.

January 23, 1914.

New York

S i r :

I beg to acknowledge the receipt of your letter of the 5th, notifying the Organization Committee that Sayre, Pa., desires to be included in the district to be served by New York if a Federal Reserve Bank is established at that point. Your communication will be called to the attention of the Committee and considered by it in determining this question.

Respectfully,

Secretary,
Reserve Bank Organization Committee.

Mr. Robert M. Galloway, President,
The Merchants National Bank,
New York, N. Y.

Exhibit 23
Cable Address "TERBRIDGE"
New York.

14

23

OFFICE OF
HARVEY & OUTERBRIDGE,
MERCHANTS.

11 Broadway,

New York.

January 7, 1914.

Hon. Wm. G. McAdoo, }
Secretary of the Treasury, } Organization Committee on
Hon. David F. Houston, } Federal Reserve Districts
Secretary of the Interior, } and Banks.

Washington, D.C.

Gentlemen,-

Confirming and supplementing my remarks at the opening of your Hearings on Monday morning last, and in accordance with your verbal request, I am submitting herewith in writing certain observations on the question of Federal Reserve Districts and Banks.

I again desire to lay emphasis on certain considerations which appear to me of fundamental importance as conditions precedent to defining exact districts, and if in your judgment such considerations are as important as I think they are, and as apparently from the reported testimony of a number who followed me they also think, the adoption of these considerations as a basic formula would have an important bearing and I think materially assist in defining the districts.

The first suggestion refers to the Districts in general and was that they should be plotted so as to embrace in each as wide a diversity of agricultural, industrial and commercial interests as practicable.

The reason for this seems to me so obvious as scarcely to need explanation. However, briefly to point out its importance I would state, that while some may hold the view that the Federal Reserve Banks will be regarded all together as one cohesive unit, for practical business purposes they will undoubtedly be regarded in a more individual capacity by the communities which they each directly serve.

There is, therefore, a psychological as well as a business consideration, and it is a matter of great importance that each district should come to look upon its Reserve Bank with the greatest confidence in its strength and ability to serve the district at all times largely, if not exclusively,

#2.

on its own strength and resources. If, therefore, a district should be created within which the great preponderating volume of business was of one class or character, known to have large seasonal requirements, the result would inevitably be that at an annually recurring period the member banks would be extended to the full limit of their capacity and still unable to finance the needs of the district, and that there would thereupon ensue a large call for re-discounts, credits and currency from the Regional bank of that district, which, in turn, would be unable to supply the full calls for the territory.

To have a Regional Bank annually in the position of having voluntarily to seek, or compulsorily through the action of the Reserve Board, to command assistance from another Regional Reserve Bank would certainly lessen the opinion of the people in that district of its ability to serve their interests, and lessen their confidence in its strength in times of stress or abnormal conditions.

On the other hand, if the districts are so arranged as to embrace diversified interests the requirements for seasonal or extended credit will not all fall at the same time and produce this annual recurring embarrassment, thereby each Reserve Bank individually, irrespective of the consideration of them as a group, will attain a position for strength and serviceability, re-assuring alike to the business interests in the communities and to public opinion of the system as a whole.

The second suggestion is that the Federal Reserve Bank of the Eastern District, and by that I mean especially to suggest that it should be situated in New York City, should embrace a territory sufficiently large to give it both capitalization and resources to enable it to have a very important influence in the Foreign Exchange Market, and in the protection of our gold reserves.

It is of prime importance that in revising the Banking and Currency Systems of our country we should not be so concentrated upon purely domestic considerations as to overlook the importance and bearing of the International influences upon our money market and credits. We are apt to be lulled into a false sense of security and into believing that we hold a position of independence and power greater than we really do, because under all conditions of business in the past our trade statistics generally show what is called a large balance of trade in our favor through the excess of exports over and above imports. Great publicity is given to these figures by the Press of the country and it is continually spoken of in news articles and editorials, and undoubtedly believed by the masses of the people that this statistical

#3.

balance constitutes substantially a credit abroad always available upon which we can draw in case of need, whereas a limited number of more experienced bankers and merchants know that there is an invisible offset to such trade balance, of which no accurate statistics can be obtained, but which often equals or exceeds in amount the apparent balance from trade statistics. This offset is composed in part of the interest and dividends due upon our securities held abroad, to freights and passage monies paid to Foreign transportation Lines which have to be remitted abroad, and to the volume of expenditures of Americans while travelling in foreign countries.

Furthermore Europe always holds at its command a tremendous power over our Exchange market and our gold supply in the enormous volume of its investment in American securities which, in times of stress or urgent need, can be thrown upon our market for realization in such quantities as their needs require, dominating at such times our Exchange market, and commanding, if they so desire, the export of gold.

Further, as the population of our country increases and its industrial operations expand, we are consuming annually a larger proportion of our agricultural products, and therefore annually have a smaller proportion of the whole to export, and while the export of manufactures has grown amazingly, there is no certainty that our statistical balance of trade is going to be maintained in the future at such permanently large figures as have prevailed in the past.

If a favorable balance of trade as shown by statistics really meant what the mass of people generally assume in this country, England must long ago have become either bankrupt or the greatest debtor Nation in the world, because diametrically opposite to the United States her trade statistics annually show enormously greater imports than exports, which, by the customary method of interpretation of such figures in this country, would mean that she was either running enormously into debt for such surplus imports or would have to export enormous quantities of gold to pay for them, but as we all know it simply means that England, being such an enormous creditor Nation of the world is receiving tribute from all in products and commodities as well as in money.

If we are going to have fluid and liquid credit under the new System my interpretation of those terms is that it must be fluid in that credit will flow freely to the points and at the times when needed and justified, and that by liquid should be meant that those institutions issuing or giving such credit should in turn, in case of need, be able to realize upon it themselves, and that means that the open discount market must be an International as well as a National one.

The Federal Reserve Bank of the Eastern District,

#4.

therefore, in my judgment, must be of sufficient strength and banking power to enable it to do as the great Central banks of the different European countries do - carry always a large portfolio of foreign bills by which it can regulate the Exchange market and protect the gold reserve.

Also it must stand in the opinion of the great European financial centers so strong that if to relieve domestic needs it desires itself to re-discount in foreign markets American bills in its portfolio, the European financial markets may hold it so high in strength and credit as to deal freely with it under those conditions.

We have in this country the greatest volume of gold of any country in the world, but under the Banking conditions existing in the past but a fraction of it has been effective in banking reserves, and any system for increasing paper circulation, lowering interest rates or creating what in Bank parlance is called "Cheap money", has in itself a tendency to drive out gold, and unless there is given a coincident power sufficient to protect our supply, it will gradually filter away to other countries.

In this connection I desire to offer a suggestion which is perhaps more administrative than fundamental, but which I believe will have an important bearing on the security and protection of our stock of gold.

There is at present in circulation in the hands of the people a large amount of gold certificates issued in low denominations, such as 10s, 20s, 50s and 100s. This is carried as pocket money by the people but in that capacity serves no more useful function than an equal amount of greenbacks, silver certificates, National Bank or Federal Reserve notes would do. I believe it would be wise supplementary legislation to the present Banking Act if Congress were to provide that Gold Certificates should not in the future be issued in denominations of less than \$500 or \$1000.

I assume that gradually there will be a tendency on the part of both member and Federal Reserve Banks when gold certificates come into their possession, to hold them in their Reserves and pay out Federal Reserve notes, so far as possible, to meet demands for currency, and that therefore in a period of years a large proportion of these smaller denominations of gold certificates may have been accumulated from the public and their place taken by Federal Reserve notes. This process would be accelerated if, in the future, the issue of gold certificates were limited to a higher amount than people normally desire to carry as pocket money or in their tills, and so the gold or its equivalent would become more largely accumulated in the Reserve stores of the banks.

My suggestion, therefore, for arranging the districts

#5.

would be to draw the lines, generally speaking, north and south instead of east and west, as by that means a greater diversity of trade interests could be embraced in each district, while the location of the Federal Reserve Bank in each district should be in such City as would not only give reasonably prompt communication by mail between itself and its branches, but also ready and quick communication between the Federal Reserve Banks themselves, which would mean that they should be situated, so far as possible, in Cities where the great arteries of transportation east and west, as well as North and south, converge.

I call your attention to the fact that the reported testimony of Mr. Vanderlip, which I did not hear, emphasized very strongly my first contention, and that the testimony of practically all of those up to this writing, which covers the first two days of your Hearings, endorsed the second of my contentions, and I further point out that the testimony of Mr. Ed. D. Page, merchant, who had a very wide distributing business throughout the country and is very familiar with the business conditions in different localities, though approaching the matter of districts and location for Federal Reserve Banks from a somewhat different angle from my own, nevertheless exemplified in his discourse on the question of the paper created in different districts, the very same principles which I refer to in my first contention.

You will remember that he strongly excluded Pittsburg and Philadelphia, the first on the ground that it was almost exclusively an iron and steel industry, and being therefore of one class, would be a seasonal demand, and also not a particularly liquid one, and that Philadelphia, being almost exclusively a manufacturing center, while somewhat diversified in interests, would still not possess liquid qualities of a more diversified territory.

This paralleled and was in line with the example I quoted of a district embracing almost exclusively a cotton growing territory and where the seasonal demand would be an annually recurring event of great magnitude.

Following this communication I shall take pleasure in mailing to you a Map properly marked to indicate suggested districts and the location of Regional Banks within each district for your consideration.

I remain,

Yours very truly,



Merchant, Manufacturer, and
member of the Special Committee
of the Chamber of Commerce
to consider the Glass-Owen Bill.

PMAC

January 20th, 1914.

Dear Mr. Secretary:-

I am enclosing, herewith, letter from Mr. E. H. Outerbridge with attached statement tendered as an exhibit filed with his testimony at New York hearing. This was received from your office with instructions to acknowledge and return. I have acknowledged receipt of same to Mr. Outerbridge.

Respectfully,

Secretary, Reserve Bank Organisation Committee

Honorable William G. Mc Adoo,
Secretary of the Treasury,
The Jefferson Hotel,
St. Louis,
Missouri.

Enc.

*Exhibit
New York*

File

New York, N.Y.,

January 8, 1914.

My Dear Sir:

I beg to acknowledge receipt of and thank you for your letter of January 7th, supplementing your remarks at the hearing of the Reserve Bank Organization Committee on January 5th, and assure you that it will receive the due consideration of the Committee.

Very truly yours,

Mr. E.H. Outerbridge,
11 Broadway,
New York City.

OMC

ADDRESS REPLY TO
RESERVE BANK ORGANIZATION COMMITTEE
TREASURY DEPARTMENT
WASHINGTON, D. C.

RESERVE BANK ORGANIZATION COMMITTEE

WASHINGTON, D. C.

January 20th, 1914.

Dear Mr. Secretary:-

I am enclosing, herewith, letter from Mr. E. H. Outerbridge with attached statement tendered as an exhibit filed with his testimony at New York hearing. This was received from your office with instructions to acknowledge and return. I have acknowledged receipt of same to Mr. Outerbridge.

Respectfully,



Secretary, Reserve Bank Organization Committee

Honorable William G. Mc Adoo,
Secretary of the Treasury,
The Jefferson Hotel,
St. Louis,
Missouri.

Enc.

Cable Address "TERBRIDGE"
New York.

OFFICE OF
HARVEY & OUTERBRIDGE,
MERCHANTS.

11 Broadway,
New York. January 10, 1914.

THE RESERVE BANK ORGANIZATION COMMITTEE,
Treasury Department,
Washington, D.C.

Gentlemen,-

Following my letter of the 7th inst. handed to you in New York in reference to suggested fundamental principles to govern the creation of districts and location of Federal Reserve Banks therein, and in conformance with my concluding statement that I would forward to you a chart of specific suggestions relating to said districts and Reserve Banks therein, I now have pleasure in handing you attached hereto the proposed specification.

While undoubtedly it may be found convenient or desirable in a few instances, to not follow strictly State lines in creating districts, nevertheless I believe that few such cases will be found necessary and for the convenience and availability of statistics for my suggestions I have substantially dealt with State Lines.

In each district I have indicated the principal diversity of productive and trade interests, for the purpose of indicating the avoidance of purely seasonal demands all maturing at one time in any given district.

I would point out that the proposed locations of the head Reserve Bank in each District are at important centers of mail and transportation lines, so as to permit of the easiest and promptest communication between each Bank and the locations where it may be expected that it would have branches, and what is perhaps equally as important, between the Reserve Banks themselves for facilitating the prompt movement of Exchanges.

I believe this statement will be sufficiently clear without drawing a diagram upon the form of map of the United States which you furnished at the Hearing in New York.

Yours very truly,

H. K. Outerbridge.

January 10, 1914.

Suggested Organization of Districts and Location of
Federal Reserve Banks therein.

.....

The figures of National Bank Capital and Surplus within these districts used for the purpose of this illustration are those contained in the report of the Comptroller of the Currency, Volume of 1912, and represent the figures of capitalization and Surplus as of June 1912, in round millions.

.....

Statistics showing the diversity of productive interests of the States in each District, by giving the three most important industries in each State in values taken from the Census of 1910, except where otherwise stated.

.....

Capital and Surplus of National Banks in this District.	Subscribed capital for Reserve Bank	Paid in on First Call to Reserve Bank
---	---	---

District #1 embracingMaine, New Hampshire, Vermont,
(east of the Green Mountains)

Massachusetts, Rhode Island,

Reserve Bank at Boston \$131,000,000 at 6% \$7,800,000 \$3,900,000

DIVERSITY OF INTERESTS IN DISTRICT #1

Maine.	New Hampshire.	Vermont
Manufactures \$176,029,000	Manufactures \$164,581,000	Manufactures \$68,310,000
Hay \$15,115,821	Hay \$7,846,000	All crops \$27,446,000
Potatoes \$10,224,714	Dairy Products \$5,589,711	Mining \$8,221,323
Massachusetts	Rhode Island	
Manufactures \$1,490,529,000	Manufactures \$280,344,000	
All crops \$31,948,095	All crops \$3,937,077	
Fishery \$7,095,229		
Foreign Commerce Boston 1912 \$199,000,000		

District #2 embracingVermont (west of the Green
Mountains), New York, Conn-
ecticut, New Jersey,
Pennsylvania.

Reserve Bank at New York City \$660,000,000 at 6% \$40,000,000 \$20,000,000

DIVERSITY OF INTERESTS IN DISTRICT #2

New York.	Connecticut
Manufactures \$3,369,490,000	Manufactures \$529,761,000
All crops (hay \$77,360,645) \$209,168,236	Dairy Products \$7,669,183
Foreign commerce (N.Y. City 1913) \$2,139,265,622	Tobacco \$4,415,948
New Jersey	Pennsylvania
Manufactures \$1,145,529,000	Manufactures \$2,626,742,000 (largely iron & steel)
All crops \$40,340,491	Mining 349,059,782
Mining \$8,347,501	Foreign Commerce (Philadelphia 1912) \$155,000,000

page 2

<u>Capital & Surplus of National Banks in this District.</u>	<u>Subscribed capital for Reserve Bank</u>	<u>Paid in on First Call to Reserve Bank</u>
--	--	--

District #3 embracing
Delaware, Maryland,
District of Columbia,
Virginia, West Virginia,
Kentucky.

Reserve Bank at Baltimore \$115,000,000 at 6% \$7,000,000 \$3,500,000

DIVERSITY OF INTERESTS IN DISTRICT #3.

Delaware	Maryland	
Manufactures \$52,840,000	Manufactures \$315,069,000	
All crops \$ 9,121,809	All crops \$ 43,920,149	
	Mining \$ 5,782,045	
	Foreign Commerce (Baltimore 1912)	\$190,000,000
Virginia	West Virginia	Kentucky
Manufactures \$219,794,000	Manufactures \$161,950,000	Manufactures \$223,754,000
Corn \$ 28,885,944	Mining \$ 76,287,889	Tobacco 39,868,75
Tobacco \$ 12,169,086	All crops \$ 44,374,776	Distilled spirits
Mining \$ 8,795,646	Petroleum gal \$ 9,795,464	gallons....\$43,749,193

District #4 embracing
North Carolina, South Carolina,
Georgia, Florida, Alabama,
Mississippi, Tennessee,

Reserve Bank at Atlanta, Ga. \$90,000,000 at 6% \$5,400,000 \$2,700,000

DIVERSITY OF INTERESTS IN DISTRICT #4.

North Carolina	South Carolina	Georgia
Manufactures \$216,656,000	Manufactures \$113,236,000	Manufactures \$202,863,000
Cotton \$ 42,066,099	Cotton \$ 80,337,945	Cotton \$126,695,612
Corn \$ 31,286,102	Corn \$ 20,682,632	Corn \$ 37,079,981
Tobacco \$ 13,847,559		
Florida	Alabama	Mississippi
Manufactures \$72,890,000	Manufactures \$145,962,000	Cotton \$83,148,805
Turpentine & rosin \$19,168,000	Cotton \$ 74,205,236	Manufactures \$80,555,0
Fishery \$ 3,388,690	Mining \$ 24,350,667	Corn \$26,030,376
Tennessee		
Manufactures \$180,217,000		
Corn \$ 45,819,093		
Cotton \$ 17,966,517		
Mining \$ 12,692,547		

District #5 embracing
Louisiana, Texas, Arkansas,
Oklahoma, Kansas, Missouri,

Reserve Bank at St. Louis, Mo. \$180,000,000 at 6% \$10,800,000 \$5,400,000

DIVERSITY OF INTERESTS IN DISTRICT #5.

Louisiana	Texas
Manufactures \$223,949,000	Manufactures \$272,896,000
Cotton \$ 17,324,804	Cotton \$162,735,041
S ar \$ 17,752,537	Livestock \$ 78,647,800
Foreign Commerce (New Orleans) 1912, \$224,000,000	Corn \$ 50,564,618

page 3

District #5 (continued)

	Capital & Surplus of National Banks in this District.	Subscribed capital for Reserve Bank	Paid in on First Call to Reserve Bank
Arkansas			
Manufactures	\$74,916,000		
Cotton	\$54,559,503		
Corn	\$27,910,044		
Oklahoma			
Manufactures	\$53,682,000		
Corn	\$48,080,554		
Mining	\$25,637,892		
Kansas			
Manufactures	\$325,104,000		
Livestock	\$130,736,764		
Corn	\$154,802,000		
Missouri			
Manufactures	\$574,100,000		
Corn and wheat	\$137,273,000		
Livestock	\$143,967,066		

District #6 embracing

Ohio, Indiana, Michigan,
Illinois, Wisconsin,Reserve Bank at Chicago. \$300,000,000 at 6% \$18,000,000 \$9,000,000DIVERSITY OF INTERESTS IN DISTRICT #6.

Ohio		Indiana		Michigan	
Manufactures	\$1,437,936,000	Manufactures	\$579,075,000	Manufactures	\$685,109,000
All crops	\$230,337,981	All crops	\$202,209,812	All crops	\$162,004,681
Mining	\$63,767,112	Mining	\$21,934,201	Mining	\$67,714,479
Illinois		Wisconsin			
Manufactures	\$1,919,277,000	Manufactures	\$590,306,000		
All crops (corn \$198,350,496)	\$372,270,470	Dairy Products	\$53,868,028		
Mining	\$76,658,974	Hay	\$40,866,396		

District #7 embracing

Minnesota, North Dakota,
South Dakota, Nebraska, Montana,
Wyoming, Colorado, IowaReserve Bank at Omaha, Neb. \$135,000,000 at 6% \$8,000,000 \$4,000,000DIVERSITY OF INTERESTS IN DISTRICT #7.

Minnesota		North Dakota		South Dakota	
Manufactures	\$409,420,000	Manufactures	\$19,138,000	Wheat	\$42,878,223
Mining	\$58,664,852	Wheat	\$109,124,869	Oats	\$24,114,345
Wheat	\$56,007,435			Manufactures	\$17,870,000
Nebraska		Montana		Wyoming	
Manufactures	\$199,019,000	Manufactures	\$73,272,000	Livestock	\$13,573,935
Corn	\$88,234,846	Mining	\$54,991,961	Mining	\$10,572,188
Wheat	\$44,225,930	Livestock	\$20,346,948	Wool	\$8,912,608
Hay	\$31,729,691	Wool	\$8,223,754		
Colorado		Iowa			
Manufactures	\$130,044,000	All crops (corn \$167,622,834)	\$314,666,298		
Mining	\$45,680,135	Manufactures	\$259,238,000		
Livestock	\$22,453,959				
Hay	\$17,282,276				

District #8 embracing

California, Oregon,
Washington, Nevada,
Arizona, Utah, Idaho,
New Mexico?Reserve Bank at San Francisco \$125,000,000 at 6% \$7,500,000 \$3,750,000

page 4

District #8 (continued)

Capital & Surplus
of National Banks
in this DistrictSubscribed
capital for
Reserve BankPaid in on
First call to
Reserve BankDIVERSITY OF INTERESTS IN DISTRICT #8California

Manufactures \$529,761,000

Mining \$ 63,382,454

All crops (orchard fruits \$18,358,897) \$100,409,039

Foreign commerce San Francisco 1912 \$108,000,000

Oregon

All crops (wheat \$10,849,036) \$49,040,725

Livestock \$14,972,615

Washington

Manufactures \$93,005,000

All crops (wheat \$35,102,370) \$49,040,725

Arizona

Manufactures \$50,257,000

Mining \$34,217,651

Utah

Manufactures \$61,989,000

Mining \$22,083,280

All crops \$18,484,615

Nevada

Mining

\$23,271,597

Idaho

Livestock \$11,791,655

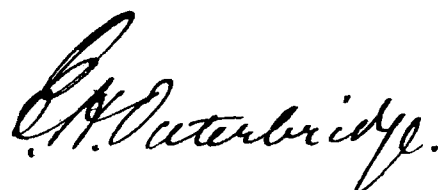
Mining \$ 8,649,342

New Mexico

Livestock \$10,099,489

Mining \$ 5,587,744

Alfalfa \$ 4,469,709



Port Morning Herald.

NEWBURYPORT, MASSACHUSETTS. MONDAY, JANUARY 12, 1914

VOLUME CXXII, NUMBER TEN
PRICE ONE CENT; THREE DOLLARS YEAR

ENGLAND ACTS QUICKLY

REBELS CUT BRITISH RAILWAY NEAR MEXICO CITY

Sir Lionel Carden Warns Huerta That Road Must Be Better Policed—Charge O'Shaughnessy Isolated By Break—Diotator, Not Worried, Attends Bull Fight.

(Associated Press Dispatch)
MEXICO CITY, Mex., Jan. 11.—The interruption of traffic between the Mexican capital and Vera Cruz by the cutting of the Mexican railway last night by rebels and the attack on a freight train with the consequent isolation of the American charge de affairs, Nelson O'Shaughnessy at a wayside station, caused the British minister Sir Lionel Carden to make personal representations to President Huerta today regarding better policing of that line which is British property, and revived speculation in the capital as to how far the British government would go in protecting the property of its nationals.

Charge O'Shaughnessy and his wife were on the train which left Vera Cruz this morning. The train was stopped at Orizabba where it remained all day while the work of clearing the track of the burnt cars was in progress.

In the concessions granted to the English builders of the Mexican railway more than 40 years ago, it was provided that they should have at any time the right to police the property with British troops.

The incident of the train interruption scarcely had been reported in the capital when the British minister called on President Huerta and insisted that better protection be afforded immediately.

President Huerta apparently did not seem to be worried by the incident. He said that he had this morning sent a small force of eight hundred Mexican Federal soldiers to the scene of the interruption.

TODAY'S FEATURES

LOCAL HAPPENINGS

Evangelist Call Holds Forth at Methodist Church
Funeral of Herbert A. Gillett
Parent-Teachers' to Discuss Manual Training
Local W. C. T. U. to Observe Day of Prayer
High and Kelley Parent-Teachers' Meet Tonight
Home Nursing Club to Meet at Y. W. C. A.

GENERAL NEWS

Thaw Not a Menace if Allowed Liberty on Ball
Congress Opens Today
Freezing Weather for the Week
Portland Man Burned to Death
Labor Troubles in So. Africa
England Acts Quickly When Mexican Rebels Cut Railway Service

SPORTING NEWS

Karl Lenné, the Perfect Man
Twomey's Colts Win
Those \$30,000 Offers
Penn Not to Meet Brown
Unique Tennis Match
Dalton Bowling Averages
Jackson School Team Trims High School Boys

EDITORIAL FEATURES

The Case for a Large Reserve Bank in New York
Editorial Notes
Pot Pourri
Looking Backward in the Herald

CONGRESS OPENS TODAY

CALENDARS OF BOTH HOUSES CROWDED WITH WORK

Regulations of Trusts Will Hold Attention From Time Sessions Begin—Rural Credits Legislation to Receive Attention—Some of the Problems to Be Handled.

(Associated Press Dispatch)
WASHINGTON, Jan. 11.—Congress will start tomorrow upon the second stage of the long regular session, with the calendars of both houses crowded with legislation of varied and far-reaching character. Refreshed by nearly three weeks of vacation, the first complete relaxation since President Wilson convened the special tariff-currency session last April, Senators and Representatives returned to Washington today keenly interested in the prospective developments of the next few months.

Regulation of the trusts, through farther corrective and prohibitory legislation, will hold much of the attention of both houses from the time work begins tomorrow. The first of the trust bills to bear any official status are expected to appear during the present week with endorsement of the Democratic membership of the House Judiciary committee.

PRESIDENT'S MESSAGE

The President will reach Washington Tuesday. He will bring with him a draft, if not the complete copy of his message to Congress upon trust legislation, and this will be gone over at conferences between the President and trust-bill framers of House and Senate before it is submitted to Congress.

Rural credits legislation also will receive attention when the President returns from Pass Christian. He has had with him the report of the Rural Credits Commission and an outline of the bill that is to be introduced.

AN INFORMAL DISCUSSION

Parents to Discuss Benefits of Manual Training and Domestic Science

In order to hold an informal discussion of the benefits of the present manual training course and the High school domestic science course, all parents who now have or have had children in the 7th, 8th and 9th grades and those whose girls are taking the domestic science course, will hold a special meeting tomorrow evening in the Albert Currier school hall. It is hoped that a large number will be in attendance as it is desirable to obtain an expression of opinion from the parents of the courses.

GIFT OF \$100,000

Amherst College Benefited by Anonymous Donor

(Associated Press Dispatch)

AMHERST, Mass., Jan. 11.—A gift of \$100,000 from an anonymous donor was announced by President Melick, John of Amherst college tonight. It is to be used for founding the George Daniel Olds professorship of economic in honor of the dean of the college who is now abroad on leave of absence. It is the wish of the donor that the holder of the new chair be provided with all proper equipment for study and teaching, and if additional funds are required for this purpose, he will contribute them.

FREEZING WEATHER PREDICTED

(Associated Press Dispatch)

WASHINGTON, Jan. 11.—Freezing weather extending to southern Florida was predicted today by the weather bureau experts for the first few days of the coming week.

"The week will open," said the bulletin "with cold weather in the north west; that will extend through the upper Lake region during Monday, and by Tuesday night or Wednesday morning will reach the north Atlantic states but will probably not extend very far south of the lake region owing to the prevailing high pressure over the Ohio and the Gulf states. There will also be heavy frosts and freezing temperatures Monday and Tuesday over the South Atlantic and Gulf states, and by Tuesday morning the frosts will be over the entire region."

There will be a recovery to more moderate temperatures that will reach the north Atlantic states about Thursday.

A disturbance now near southern Alaska is already causing rains on the Washington coast, and this disturbance will probably move eastward and southeastward over the plateau and Rocky mountain region. This will cause rains and snows west of the mountains and over the extreme north west, but not much to the eastward until after the middle of the week when snows and rains may be expected from the Missouri and upper Mississippi valleys eastward, reaching the Atlantic states Thursday or Friday. It is not now probable that any severely cold weather will follow toward the end of the week.

"Over the South and southwest the weather will be generally fair during the week, and in the northwest there will be no precipitation of consequence until after the middle of the week."

RETURNS HOME

Deputy Marshal Murphy returned yesterday from Brattleboro, Vermont.

The Weather

Probabilities

Monday unsettled, generally fair, somewhat warmer; Tuesday fair and colder, increasing west winds.

Midnight Conditions

The thermometer at the Herald office at midnight registered 17 degrees, wind northwest and cloudy.

Miniature Almanac.

Sun rises 7:12
Sun sets 4:34
Length of day 9:22
Day's increase 16
High tide 11:15 a. m.; 11:46 p. m.
Light auto lamps

Newburyport Five Cents Savings Bank

The annual meeting of the members of this corporation will be held at its banking rooms on Monday, January 19th, at nine o'clock a. m., for the election of officers and the transaction of any other business that may properly come before them.
J. WILLIS CURRIER, Clerk.
Newburyport, Jan. 12, 1914.

MARCH TO THE CHURCH

METHODISTS SING GOSPEL SONGS ENROUTE

Evangelist Call Beseeches Members to Seek Power of God—Preacher Has No Use For "Lantern-Jawed Christians Who Stand Back and Criticize."

Evangelist P. E. Call conducted revival services to big congregations, both afternoon and evening, in the auditorium of the Washington Street M. E. Church, Sunday.

In the afternoon members of the church met a contingent of nearly 70 people from Salisbury at Balch's corner, and escorted them to the church, gospel songs being sung en route.

Mr. Call was as ardent in his plea to his congregation, as upon the occasion of his first visit to the city, but as he was compelled to take the 8.21 train to Boston, was unable to see the result of his exhortations. Before leaving he asked any persons present who desired prayers said for them to raise their hands. None responded.

The revivalist besought the members of the congregation to seek the power of God without delay, and interspersed his pleadings with many an anecdote which graphically illustrated the point he wished to convey. A few extracts taken at random follow:

"The church should be an institution for the saving and healing of souls. I have been in churches where it was so much like a refrigerator that the icicles seemed to hang down my back. Whatever such edifices are, they are not for reaching sinners. What a waste of money!"

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Exhibit 24
EDWARD D. PAGE

24

ROOM 700
31 NASSAU STREET
NEW YORK

OAKLAND, N. J.

Jan. 10, 1914.

Hon. William G. McAdoo, :
Secretary of the Treasury: :
Hon. David F. Houston, : Federal Reserve Organization
Secretary of Agriculture: Committee.
Washington, D.C.

Gentlemen;-

I am enclosing herewith a map
and memorandum of a proposed distribution of
Federal Reserve Districts, with my comments
thereon as requested by you at the hearing
on Tuesday last.

Yours truly,

Edward D. Page

EDWARD D. PAGE

ROOM 700
31 NASSAU STREET
NEW YORK

OAKLAND, N. J.

MEMORANDUM RELATIVE TO THE CREATION OF
FEDERAL RESERVE DISTRICTS.

Inasmuch as the three functions to be performed by the Federal Reserve Banks are:

First- the massing of reserves from their member banks, and their mobilization

second- to afford a primary market for the commercial paper which is to be the chief asset of these banks, and

third- the creation of facilities whereby from operations of the foreign exchange market the flow, inward and outward, of gold and credits may be controlled in the interest of our people.

Therefore, in my judgment, the location of these banks should be determined, as far as possible, in the interest of these three factors by three considerations.

First; accessibility to member banks. The reserve cities to be so located if possible, that they will not be more than eighteen or twenty hours away from each of their member banks.

Second- liquidity of assets. Each bank should have the opportunity within its district to obtain diversified commercial paper of good character. This

EDWARD D. PAGE

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NEW YORK

OAKLAND, N. J.

paper should come to them along the natural channels of trade and credit, so that it will come to them by its own motion rather than by dragging it upstream.

Third- ~~some~~ of the banks should be especially organized for the control of the foreign exchanges and gold movements.

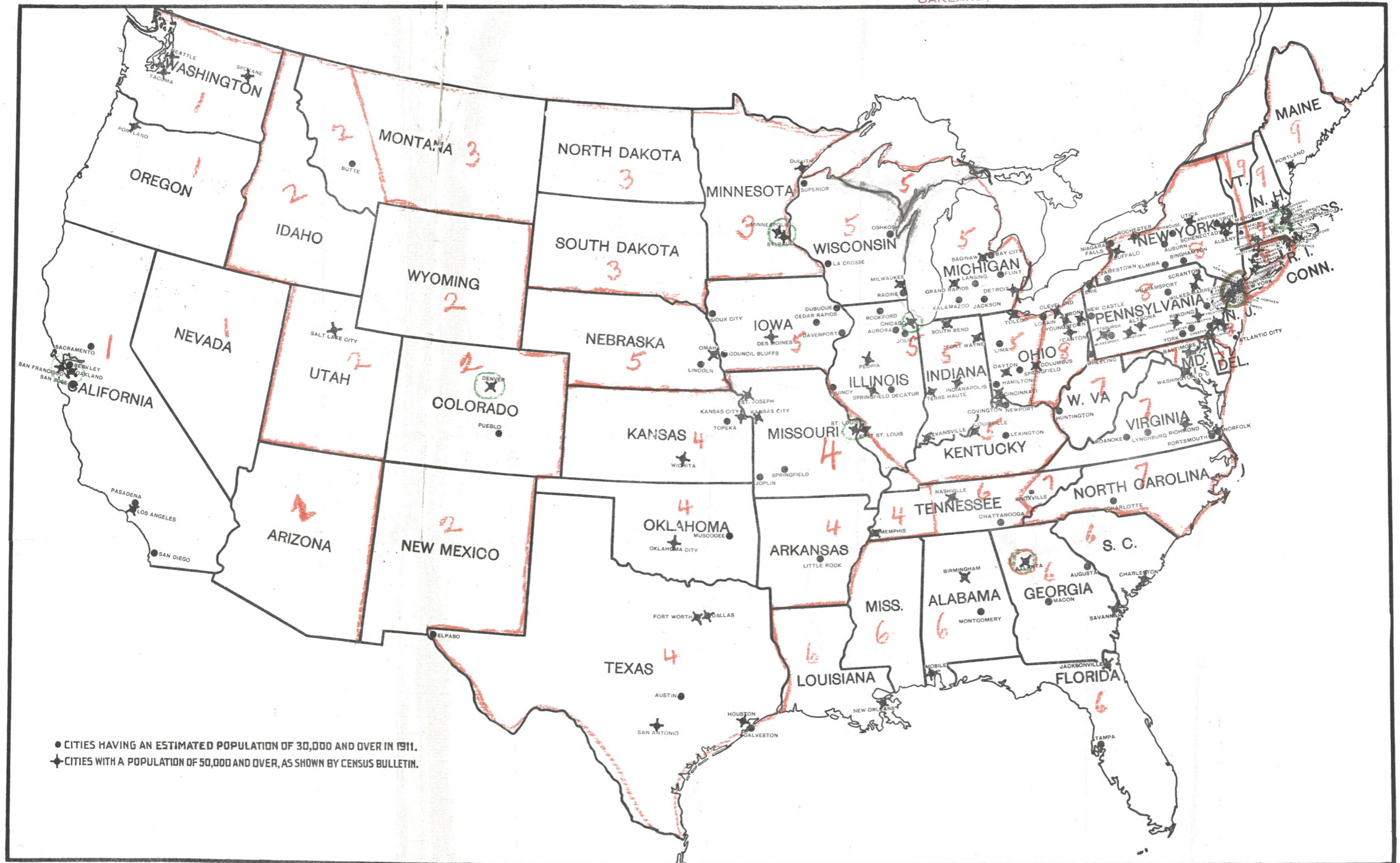
With these principles in mind I have as requested divided the map into districts whose outlines are indicated in red. A table of the districts with information as to their area, banking power, and the capital of the Federal Reserve Bank at 6% of the total capital follows:

Bank of	Banks St.	Natl.	Capital & Surplus	Net Deposits	Population	Area	6% of Cap. & Sur.
	No.	No.	mln.	mln.	--M--	-M- Sq. Miles	-M-
1-San Francisco	771	416	108	460	4,479	542	6,496
2-Denver	423	280	39	167	2,064	528	2,358
3-Minneapolis	1903	585	57	286	3,717	351	3,399
4-St. Louis	3717	1252	174	605	12,938	550	10,474
5-Chicago	3272	1810	336	1560	21,360	380	20,156
6-Atlanta	1776	390	78	206	11,195	301	4,692
7-Baltimore	862	496	112	343	8,044	139	7,749
8-New York	560	1801	717	3027	23,318	128	42,996
9-Boston	14	329	107	446	4,932	53	7,085

SUMMARY OF AREA OF REGIONS.

1. States- Washington, Oregon, California, Nevada and Arizona. Area more than twice that of the Austrian-Hungarian Empire.
2. States- New Mexico, Colorado, Utah, Wyoming, Idaho and western Montana. Area two and a half times that of the German Empire.
3. States- Minnesota, South Dakota, North Dakota and eastern Montana. Area more than three times that of Great Britain and Ireland.
4. States- Missouri, Kansas, Oklahoma, Texas, Arkansas, western Tennessee and a corner of Kentucky and Illinois. Area greater than that of France, Germany and Great Britain taken together.
5. States- Nebraska, Iowa, Wisconsin, Illinois, Michigan, Indiana Kentucky and western Ohio. Area as much as that of the German Empire, one half of France and all of the Netherlands, Switzerland, Belgium and Denmark.
6. States- Louisiana, Mississippi, Alabama, Florida, Georgia South Carolina and Tennessee. Area once and a half times that of France.
7. States- Delaware, Maryland, Virginia, North Carolina and western Virginia and eastern Tennessee. Area that of Great Britain and Ireland with the Netherlands and something to spare.
8. States- Connecticut, New York, New Jersey, Pennsylvania, eastern Ohio and a strip along the western boundaries of Massachusetts and Vermont. Area a little more than that of Great Britain and Ireland.
9. States- Maine, New Hampshire, Rhode Island and all but the western strip referred to of Massachusetts and Vermont. Area a trifle more than that of England and Wales.

EDWARD D. PAGE, JAN 12 1914
OAKLAND, N. J.



EDWARD D. PAGE

ROOM 700
31 NASSAU STREET
NEW YORK

OAKLAND, N. J.

1. 1- San Francisco. It would be impossible to have a system without a Federal Reserve Bank on the Pacific Coast. As the principal export market San Francisco is indicated. It is also more or less midway between the northern and the southern extremities of the coast line. It has a large export business and facilities for attracting or shipping gold to the far East. The railroad systems of Arizona and Nevada trend toward the Pacific Coast and communication with that section is easier than with others. Coast industries are fairly well diversified and will produce sound investment in commercial paper, though perhaps not of the most liquid class.

2- Denver. The mountain states are too far West of the Mississippi River to couple them up with any of the large cities in that region. The railroads have a northwest and southwest trend which fits Denver for the location of a reserve center. The district is however deficient in capital, and it is difficult to see how the establishment of a reserve bank in that district can be accomplished, except with ^{the} cooperation ^{and the public} of the state banks. There is not a very well diversified supply of commercial paper in this district, and at certain times of the year it probably will need considerable assistance from the Federal Reserve Board

EDWARD D. PAGE

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NEW YORK

OAKLAND, N. J.

3- Upon Minneapolis concentrates the railway system of the Northwest; it is likewise their commercial center. The class of paper made by this section is fairly diversified, and as Minneapolis is a very quick market for the products within its territory, it has generally been able to finance itself without much trouble.

4- St. Louis is the distributing center of the great Southwest. It is well connected by railways with its territory, which in area is the most important of all of the proposed districts. I endeavored to find capital enough south of St. Louis to organize a district but it seemed impossible. An excellent class of paper originates in the St. Louis territory, a part of which it handles, and a part of which it passes to the East. The corners of ^{Illinois} Kentucky and Tennessee added to this territory is distinctly tributary to St. Louis.

5- The Chicago Bank will of course be the most important of all outside of New York. Not only does a large amount of commercial paper originate in this territory, but Chicago can aid materially in influencing the movements of foreign exchange. If I am not mistaken, the flow of capital and credit is distinctly eastward in the eastern part of Ohio and as distinctly westward in the western part.

EDWARD D. PAGE

ROOM 700
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NEW YORK

OAKLAND, N. J.

6-Atlanta. This district, though comparative-ly large, suffers from lack of capital and lack of liquid investment. Most of the paper made in this country is crop paper or mill paper, which does not possess as much liquidity as paper based on completed sales. It is improving however every year in this respect. As to New Orleans it is a weak banking center, and in general trade outside of cotton lives upon its history and its hopes. Some day it may qualify as a reserve center if it and not Mobile gets the isthmus trade.

7- Baltimore. Baltimore is the business and financial center for the district apportioned to it. Its influence extends down the Shenandoah Valley to Knoxville, and along the westward to Charleston. It has a pretty well diversified line of commercial paper and in large measure based upon completed sales. It understands Southern credits and handles them successfully. Its merchants have good credit and are able to sell their notes in Chicago and New York, to which they will for the present be obliged to resort to on account of the comparatively small accumulation of capital in the states with which it deals. Baltimore is a very old exchange market and can be relied upon for ^acertain influence in *that* business.

8- New York. While the territory apportioned to New York is smaller than to most of the others it has a larger population. Its population is only approached by *that*

EDWARD D. PAGE

ROOM 700
31 NASSAU STREET
NEW YORK

OAKLAND, N. J.

of the Chicago territory and it has the largest accumulation of capital. Upon New York will be thrown the chief burden of the foreign exchange operations of the United States, probably for a good many years to come. The territory apportioned to it is one which is distinctly linked with it by trade custom and banking connections. The two largest cities within this territory are not suitable as reserve centers for the reason that they do not have a diversified line of commercial paper. Pittsburgh's supply is mostly made by ~~the~~ iron and steel, and Philadelphia has lost the place which it formerly held as a distributing center. It is a great manufacturing town but ^{its} ~~manufacture~~s, like iron and steel, do not give the most liquid type of paper. Both these cities are therefore always weak sisters when there is much liquidation.

9- Boston is the proper center for a New England regional bank if you decide to have one. For seventy five years it has been the center of the Eastern banking system. But it is no longer anything but a local distributing market. Its banks have lost touch therefore with a general line of credits and it has lost prestige as a money market. It has some power in the foreign exchanges. The western side of Vermont and the western end of Massachusetts are in business and finance like Connecticut, more closely linked with New York than with Boston, and therefore have been included in section eight.

EDWARD D. PAGE

ROOM 706
31 NASSAU STREET
NEW YORK

OAKLAND, N. J.

I think we will all agree that it will be more desirable at first to establish eight centers than nine, and my suggestion of nine is so that it may be easier to decide what to omit or use for a branch; and it is easier to choose when the natural centers have been considered.

Minneapolis therefore might be made an appendage to Chicago which understands its credits, but not to St. Louis which does not. The flow of credit this side of the Sierras, I think, is all eastward. Denver might therefore be attached to St. Louis, but more efficiently to Chicago. In the same way Boston might easily be attached to New York where its credits are pretty well understood. The same is not so true of Baltimore.

Edward D. Page.

ADDRESS REPLY TO
RESERVE BANK ORGANIZATION COMMITTEE
TREASURY DEPARTMENT
WASHINGTON, D. C.

RESERVE BANK ORGANIZATION COMMITTEE
WASHINGTON, D. C.

Exhibit 25
No. 509
The Rockville National Bank
Rockville, Conn.

A. PARK HAMMOND, PRESIDENT
C. E. HARWOOD, CASHIER

FRANK GRANT, VICE PRESIDENT
F. H. HOLT, ASST. CASHIER

FRANK GRANT, PRES.
FRANCIS T. MAXWELL, VICE-PRES.
FREDK. H. HOLT, CASHIER.

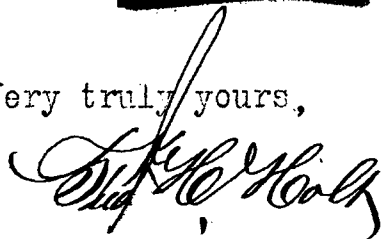
Jan. 13, 1914.

Reserve Bank Organization Committee,
Washington, D. C.

Gentlemen:

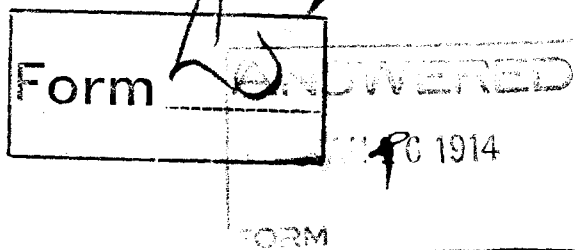
We wish to express our decided preference
for the Federal Reserve Bank for this district
being located in New York City in preference
to Boston.

Very truly yours,



Cashier

H/H



LMX.

Exhibit 26

(initials)

26

January 21, 1914.

Sir:

In behalf of the Organization Committee, I beg to acknowledge receipt of yours of the 11th inclosing clipping from the New York Times which you desire to be treated as an exhibit and filed with your statement to the committee at the New York hearing.

Respectfully,

Secretary,
Reserve Bank Organization Committee.

Mr. V. Sydney Rothschild,
25 Broad Street,
New York, N. Y.

ANSWERED

JAN 21 1914

SM

NEW YORK'S RESERVE BANK.

Good Reasons Why It Should Be Larger and Stronger Than Others.

To the Editor of The New York Times:

It is only fair to the Organization Committee of the Federal reserve system to challenge the assumption that is made hereabout that the Secretaries have already made up their minds to limit the territory of the New York regional bank—that it is their decision to keep the New York bank as small as it can be kept for fear of its preponderance over the other seven to eleven reserve banks.

The writer was present during most of the session here, and did not overhear the remark attributed to Secretary McAdoo on this score, namely, that he "was not as green" as the New York bankers thought him. I cannot reconcile any such expression with the Secretary of the Treasury's marked ability and tact.

New York as to-day's financial centre of the New World is no accident, any more than London, Paris, Amsterdam, and Berlin are accidents in their prominence; and New York is going to remain a central sphere of influence, despite any artificial laws or limitations that may be set upon it.

Political expediency may have made the central bank idea impossible in the passage of a banking and currency measure for the United States; but the natural laws of banking as advocated by virtually all the great practical bankers of the world bespeak a central bank for any perfect modern banking system. I think it may be prophesied that in the orderly working out of the Glass-Owen measure the New York reserve bank will assume the leadership, with most of the other regional banks subsidiaries or branches all but in name, and with this in view, the number of reserve banks may be legion, dependent upon capital requirements. The Federal Reserve act offers no objection to this leadership, and rightfully there should be none.

On the contrary, in my judgment, the making of the New York bank large and powerful should profitably, to all the country, be pursued. The New York bank will present a different front to the rest of the world than any other of our city reserve banks. The work it will have cut out for it will be on a larger scale, and it must be prepared to face it with large resources and unquestioned credit and stability. Bigness can only be an advantage to it and to the whole system. Surely the Administration has expressed itself not against bigness per se—big industries—big men. The whole system is under Federal control. The chain of banks will co-ordinate; the greatness of one will add strength to the weaker members; no danger lurks—rather there are danger and useless loss of prestige involved by using effort to hold New York as small as possible. For holding New York small will be a loss to the whole Federal reserve system, inasmuch as it will build up at its expense the New York trust companies and the New York banks outside of the Federal reserve system; so by all means make New York's territory as large as possible under the system.

Why try to build a dam of Assuan to insure against drought and flood, when here you have already built and available a natural reservoir to receive and distribute naturally the waters of plenty throughout the country, at the direction of the Federal Reserve Board in Washington?

V. SYDNEY ROTHSCHILD.

New York, Jan. 10, 1914.

(4)

I. 14. '14

V. SYDNEY ROTHSCHILD
25 BROAD STREET
NEW YORK

The Secretary of the Treasury,
United States.

Chairman of the
Organization Committee of
Federal Reserve Banks.

Dear Sir:-

In further reference to
what I had to say before your
honorable Committee in New York
on the 8th inst. may I take the
liberty of filing the enclosed
clipping from the New York
Times of this date as a
memorandum favoring New
York as a large regional
bank.

Very Respectfully

James
ANSWERED
JAN 21 14974
S.M.

*See # 20 under
New York Exhibit
Duplicates*

March 25, 1914.

Mr. Herbert C. Marshall,
27 Cedar Street,
New York City.

My dear Mr. Marshall:

I appreciate your courtesy in forwarding me the additional data in regard to the division of the country into Federal Reserve Districts. The Committee will be very glad to give this data consideration.

Very truly yours,

Secretary.

*Change made
in Exhibits*

Memorandum for the
RESERVE BANK ORGANIZATION COMMITTEE.

In relation to the hearings held in New York
January 5, 6, 7 and 8th.

PLACE OF MEETING.

The Assembly Hall of the Chamber of Commerce was tendered the Committee by the Secretary and Chairman of the Chamber, and the rooms in the Custom House which the Committee contemplated using were so totally inadequate and unsatisfactory that the invitation was accepted after communication with Secretary Houston.

This is, perhaps, the most conveniently located place for the meeting.

TIME OF HEARING.

In accordance with understanding, have announced that hearings will begin at 10:00 o'clock of each day and be concluded at 4:00 or 4:30, with an intermission of a half hour for lunch.

NOTE: On Thursday the Chamber of Commerce holds its regular meeting at 12:00 or 12:30, which continues for probably an hour or an hour and a half, so that on this day it will be necessary to make arrangements either to adjourn the meeting to some other place or to have an adjournment that will permit the Chambers meeting to be held.

I have not attempted to definitely arrange the hour at which those who were invited to appear shall be heard, not knowing definitely the Committee's preference as to the order in which such appearances should be made. I have assumed, however, that the Committee will desire to hear in the early stages such organizations as the Clearing House Association, the Chamber of Commerce, the Merchants' Association, and the Credit Men's Association; and so have invited their representatives to be present at the opening on Monday.

Mr. Hine, representing the Clearing House Association will be present at 10:00 o'clock, and representatives of the Chamber of Commerce will also be present. Mr. Trego, representing the Credit Men's Association, will be present at 2:30 on Monday. The Merchants' Association, however, does not hold its regular meeting until Monday, so will select representatives to appear on Tuesday.

Arrangements were not completed for the place of hearing until very nearly 12:00 o'clock, so it was impossible to get in communication by 'phone with the bankers who were invited to appear. Accordingly I arranged to 'phone those that could be reached, and sent notices of the time and place of meeting to the others.

From what talk I have had with bankers, it seems manifest that they are somewhat in doubt as to the nature of facts to be presented, and would therefore suggest that among the first to be heard should be included Mr. Warburg, Mr. Conant,

and Mr. Willis, who are familiar with the provisions of the Bill and the purpose of these hearings. Mr. Conant will be on hand shortly after 10:00 o'clock, and Mr. Warburg will also appear about this time.

Those with whom I have talked and who will be prepared to definitely appear on Monday are as follows:

1. ✓ F. L. Hines, Chairman Clearing House Association, and President of the 1st Nat'l Bank.
2. ✓ Representatives of the Chamber of Commerce.
3. ✓ Mr. Hepburn or ✓ Mr. Wiggins of the Chase Nat'l Bank.
4. ✓ Mr. Conant.
5. Mr. Trego, representing the Credit Men's Ass'n.
6. ✓ Mr. James G. Cannon, President 4th Nat'l and Chairman of the Chamber of Commerce.
7. ✓ Mr. Paul M. Warburg.

Mr. Martindale of the Chemical will be present at 3:45 on Tuesday.

I have sent formal notices of the time and place of hearing to the following:

J. S. Alexander, President Nat'l Bank of Commerce.

E. C. Converse, President Bankers Trust Co.

✓ A. W. Krech, President Equitable Trust Co.

Edward Townsend, President Importers and Traders Nat'l.

F. A. Vanderlip, President National City Bank.

✓ J. N. Wallace, President Central Trust Co.

✓ Edward S. Marston, President Farmers Loan & Trust Co.

✓ A. J. Hemphill, President Guaranty Trust Co.

J. P. Morgan of J. P. Morgan and Company.

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Gates W. McGarrah, President Mechanics and Metals
National Bank.

Richard Delafield, President Nat'l Park Bank.

S. G. Bain, President Seaboard National.

E. G. Merrill, President Union Trust Company.

E. W. Sheldon, President United States Trust Co.
Speyer and Company.

The Chamber of Commerce has also tendered the use of one of the Committee Rooms during the hearing, and would therefore suggest that at the opening of the meeting the Chairman's announcement might include a suggestion to the effect that those who cannot conveniently remain in attendance during the hearing, but who will appear before the Committee, can make an arrangement for an approximately definite time to appear and have the Secretary to 'phone them in advance.

Respectfully,

Secretary Pro Tem.

HERBERT C. MARSHALL,
COUNSELOR AT LAW,
27 CEDAR STREET,
NEW YORK.

Treasury

New York City, March 24, 1914.

Hon. David F. Houston,
Secretary of Agriculture,
Washington, D.C.

Dear Sir:-

Under date of January 10th, I prepared a letter making certain suggestions regarding the division of the country into Federal Reserve Districts; and under date of January 15th I wrote to you and Secretary McAdoo, sending to each a copy of the former letter.

I have recently been able to make a somewhat more complete discussion of certain phases of the problem; and I am sending several pages of additional matter by this mail to the Reserve Bank Organization Committee. Inasmuch as I sent two copies on the former occasion, and inasmuch as I had some brief discussion of the matter with you personally here in New York, I beg to send you herewith an additional copy of the additional pages.

The pages herewith enclosed of course take the place of pages 8, 9 and 10 of the former letter. I am also enclosing herewith an additional set of the maps.

I was somewhat inclined to make still a fifth map, with the division east of the Mississippi River the same as in Map 3, and with the division west of the Mississippi River the same as in Map 1, placing New Orleans also with the territory west of the Mississippi; but the four maps of course present all the possibilities of combination sufficiently well.

Yours very truly,

Herbert C. Marshall.

C. J. ...

New York City, March 24, 1914.

Reserve Bank Organization Committee,
Treasury Department,
Washington, D.C.

Dear Sirs:-

Under date of January 10th, I wrote to your committee making certain suggestions regarding the division of the country into Federal Reserve Districts, and enclosing four maps showing the suggested divisions.

It has been my desire to present certain phases of the matter more fully than they were presented in that letter; but it was not possible to give sufficient attention to the matter until within the last few days. I have now however been able to add several pages to what was presented before; and I beg to present the same herewith.

If you will kindly cancel the last three pages of the former letter, pages 8, 9 and 10, and will substitute in their stead the enclosed pages 8 to 18 and the four additional tables of tabular matter, it will make a much more satisfactory presentation of the entire subject.

Yours very truly,

January 20th, 1914.

Sir:-

I beg to acknowledge receipt of your letter of the 10th addressed to the Reserve Bank Organization Committee and submitting your suggestion relating to the establishment of a Federal Reserve District and the organization of a bank therein. Your suggestions have been forwarded the Committee for their consideration.

Respectfully,

Secretary, Reserve Bank Organization Committee

E. H. Outerbridge, Esq.,
11 Broadway,
New York City.

Judge Elliott

Please acknowl.

Receipt

Edgeⁿ and Return.

⑤

YTC

ANSWERED

JAN 20 1914

pmc

Not to be
listed

DIR.

January 23, 1914.

S i r :

In going over my file I am not entirely sure whether I have heretofore acknowledged your favor of January 28, submitting a brief on the question of the necessity for the establishment of as large a regional bank as possible at some point in the country where the local conditions are such as to embody all the essential requirements.

I beg to advise that your brief has been filed and will be submitted to and considered by the Committee in determining this question.

Respectfully,

Secretary,
Reserve Bank Organization Committee.
Mr. H. A. de Lima, President,
The Battery Park National Bank,
New York, N. Y.

ADDRESS REPLY TO
RESERVE BANK ORGANIZATION COMMITTEE
TREASURY DEPARTMENT
WASHINGTON, D. C.

BCW.

RESERVE BANK ORGANIZATION COMMITTEE
WASHINGTON, D. C.

78977
January 20, 1914.

Dear Mr. Callander:

The inclosed letter from Mr. Dunn was with others referred to this office. It occurs to me the secretary may desire it as an exhibit of the New York hearing.

respectfully,



Secretary,
Reserve Bank Organization Committee.

Mr. W. F. Callander,
Assistant Secretary,
Reserve Bank Organization Committee,
Jefferson Hotel,
St. Louis, Missouri.

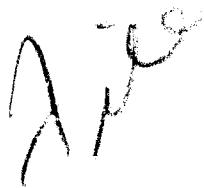
My dear Elliott:

This was referred to your office for acknowledgment and filing. All exhibits including those presented at the hearings are being sent to you (either direct or through Mr. Williams)
BCW

for filing. In cases where these exhibits
are received after the hearings, the
Secy desires them acknowledged.

George R Cooksey

Jan 22/14.



January 12, 1914.

Dear Sir:

I have your favor of the 5th instant, containing copy of the resolution adopted by the New Haven Clearing House Association, expressing a preference for membership in the New York Federal Reserve Bank, if one should be established there, rather than in a Boston Federal Reserve Bank. It shall have consideration by the Committee.

Very truly yours,

C. C. Barlow, Esq.,
Secretary, New Haven Clearing House Association,
New Haven, Connecticut.

OK

Boston, Mass.,
January 9, 1914.

My dear Sir:

I am directed by the Reserve Bank Organization Committee to acknowledge receipt of and thank you for the map and data you submitted for use in connection with the inauguration of the new currency system. It will receive the due consideration of the Committee.

Very truly yours,

Private Secretary to the
Secretary of the Treasury.

Mr. George E. Kones,
145 East 35th Street,
New York, N. Y.

HERBERT C. MARSHALL,
COUNSELOR AT LAW,
27 CEDAR STREET,
NEW YORK.

7851017

New York City, January 15, 1914.

*This has been
revised
file*

Hon. William G. McAdoo,
Secretary of the Treasury,
Washington, D.C.

-and-

Hon. David F. Houston,
Secretary of Agriculture,
Washington, D.C.

Dear Sirs:-

*This letter
I enclose
supercedes and
cancels the
letter of
January 2-*

I beg to send herewith four copies of an outline map of the United States, each with a different division of the country into districts, but with most of the districts substantially the same in all. Accompanying these maps, there is a long letter directed to The Reserve Bank Organization Committee, giving reasons for the suggested divisions, and four tables giving figures as to population, area and banking capital of the various suggested districts.

I should like to have gone farther and made some estimate of bank capital other than that of National Banks and also to have made some discussion of the the variety of industry shown in these various districts, such as is of course in a measure desirable for smooth working of the system being installed. But such an extended discussion would have required a good deal of time, and the locating of centers of industry, mining etc., on the maps would have greatly encumbered them. As the maps stand, they are sufficient to support the argument in favor of following "natural boundaries", and that was the chief point in view in preparing the maps and the accompanying letter.

A full set of the maps is enclosed in the large envelope addressed to Secretary McAdoo.

Yours very truly,

Herbert C. Marshall

HERBERT C. MARSHALL,
COUNSELOR AT LAW,
27 CEDAR STREET,
NEW YORK.

New York City, January 10, 1914.

To The Reserve Bank Organization Committee,

Washington, D. C.

Dear Sirs:-

In connection with the task undertaken by you, in accordance with the requirements of Section 2 of the "Federal Reserve Act", to "designate not less than eight nor more than twelve cities to be known as Federal reserve cities, and divide the continental United States, excluding Alaska, into districts, each district to contain only one of such Federal reserve cities", with the special proviso, "that the districts shall be apportioned with due regard to the convenience of business and shall not necessarily be coterminous with any State or States", it may not be amiss to urge the importance of giving much consideration to certain natural lines of division between different sections of the country.

In establishing the political bodies that have ultimately become states, both under old colonial grants and under acts of Congress since the adoption of the Constitution, the general outline of each of these political communities has regularly been determined before any considerable number of inhabitants has moved into the district, it being necessary that there should be some definite division of land and security of tenure to attract settlers; and in consequence boundaries have usually been determined by the purely mechanical method of following meridians of longitude and parallels of latitude, rather than by the ultimately more desirable method of including within each of the prospective states some economic and social community, such as

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the easiest and most direct routes of travel and the later agricultural, industrial and commercial development of the district should determine. Even if there had been full appreciation of the importance of making the political communities, subsequently to become states, conform approximately to future social and economic communities, it would not have been possible at that time, with the existing inadequate knowledge of the resources of the various sections, to foresee the location of centers of industry, trade and population; and it was perhaps inevitable that the state divisions as originally laid out should with the development of the country fail to conform to any sort of ultimate real division of the people and their interests. With the latitude allowed by the "Federal Reserve Act", however, it will be possible to make the proposed reserve districts conform much more closely to natural lines and divisions than do the existing states, thereby making them "regional", not merely in extent of territory, but also in conforming to "natural boundaries" and in serving "the convenience and customary course of business".

In designating the cities in which Federal reserve banks shall be organized and in fixing the geographical limits of the Federal reserve districts, the committee will of course endeavor to select large centers of population with important banking interests as such cities and will no doubt include with each city as its particular district such adjacent territory as is in an especial degree commercially tributary to that city. In the division of counsel as to what cities are of importance and may be expected to be of importance in the future in the banking and commercial world and as to what outlying districts now are and may in the future be expected to be tributary to

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each particular city, it will perhaps be of assistance to recall certain well recognized principles which could not fail to receive the approval of all. Briefly stated, some of the more important of these principles are the following:-

(1) Large centers of population should be as nearly as possible the centers of the various districts, and boundaries should follow the lines of the more sparsely settled regions.

(2) Water-sheds and boundaries of river systems are usually sparsely inhabited, and transportation across them is usually difficult. Water-sheds should therefore ordinarily be boundaries. This is particularly true of the great Continental Divide between the Mississippi Valley and the Pacific Coast and of the Appalachian Water-shed. It is true in lesser degree of the water-shed bounding the Connecticut Valley on the west and of that between the Valley of the Columbia on the north and the territory lying to the southward. It is only in a measure true of the water-sheds between the rivers of the Atlantic Coast Plain and between various branches of the Mississippi System.

(3) River valleys usually constitute economic communities and should either alone or in combination with others constitute such districts or divisions. Good examples are the Columbia, the Sacramento and San Joaquin, the Upper Mississippi, the Upper Missouri, the Upper Ohio, the Tennessee and Cumberland, the Hudson, Delaware and Susquehanna.

(4) In some instances, rivers are so large or so difficult of passage as to serve better as boundaries, particularly where the entire river valley cannot be included in the same division. Examples are the Lower Mississippi, the impassable Grand Canon of the Colorado,

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possibly the Lower Ohio. Even in such instances, however, the mouth of any such river is apt to be such a center of population and trade as to make it desirable that both sides of the river at that point should be included within the same political division, and particularly within the same banking district. New York City and the near by cities of New Jersey suffer much business and other inconvenience from their division into separate political and legal jurisdictions, and other centers of population similarly situated suffer from similar inconvenience only in lesser degree. New Orleans and the adjacent region about the mouth of the Mississippi escape this inconvenience by being included entirely within the same State of Louisiana. In defining the boundaries of the Federal reserve districts, state boundaries will no doubt be ignored, where they pass through large centers of population, as at several points on the Atlantic Sea Board.

(5) The location and direction of great railway systems, as one of the principal indications of the "convenience and customary course of business", will of course be an element of very great importance in designating Federal reserve cities and in limiting the boundaries of districts. These however usually follow the course of large rivers, do not often cross water-sheds of even minor importance, and usually radiate from large centers of population and connect them with more sparsely settled regions in the vicinity. Railway traffic and communication generally are therefore in large measure determined by "natural boundaries", particularly the more important water-sheds; and these same boundaries will undoubtedly control in the future. Such boundaries are the real element in controlling communication, rather than meridians of longitude and parallels of latitude.

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(6) In order that each reserve district may as far as possible within itself be capable of meeting its own local demands for banking accommodations, particularly seasonal demands, it is desirable that each district should include a considerable variety of business interests, at least to such extent as is consistent with reasonable compactness of territory and convenience in other respects.

In accordance with the foregoing considerations or principles, I have attempted a division of the country into districts, and I beg to submit the results on four separate outline maps of the country, with the lines of division indicated thereon. Four separate maps are submitted, because, while the general division is the same in all, there are some very considerable differences of detail that can better be presented on separate maps.

In general, all New England as far west as the water-shed of the Connecticut River, substantially the line of the Green Mountains and the Berkshire Hills, constitutes one district, the territory between that line and the Mississippi River constitutes five districts, the territory between the Mississippi River and the Continental Divide constitutes three districts, and the territory west of the Continental Divide constitutes one district, making ten districts in all. A slight variation from this general division on all the maps is to permit the districts at the headwaters of the Mississippi and at its mouth to cross the river, as seems to accord with greater convenience of business.

In view of the concentration of banking capital, and of population as well, in the north-eastern part of the country, the districts in that section are somewhat small and compact in area, although the

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total banking capital in each of these districts is considerably larger than of other districts, as appears from the tables given below. The districts in the West and South are necessarily large in area, some of them large in population, because of the comparative lack of banking capital in that part of the country. The districts west of the Mississippi River are of much greater length from east to west than from north to south, the great railway systems in that region running from east to west, both because of the usual direction of traffic between the larger cities and the rural districts and because of the usual direction of the rivers tributary to the Mississippi. The head-waters of the Mississippi and of the Missouri fall naturally within one district, although it becomes an extremely long district from east to west, because of the usual course of communication and business in that region, as indicated by the course of the three or four great railway systems that furnish the means of communication. The territory west of the Continental Divide will certainly at the present time be included within a single district, although its area is more than one-fourth that of the entire country, both because of its comparatively small population and because of its somewhat limited bank capital. With the very rapid growth in population in that region, however, it is but reasonable to expect that the Valley of the Columbia will be made a separate district in the not very distant future.

Upon two of the maps herewith submitted, the district including New York City is made to embrace a strip of Western New England, substantially all (possibly entirely all) of New York State, all of New Jersey, and all of Eastern Pennsylvania, in other words the valleys of the Hudson, Delaware and Susquehanna and adjacent territory. One very

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important reason for including such a district embracing some 30% of the entire capital (and surplus) of all the national banks of the country, approximately \$560,000,000, and some 17,000,000 of population, is the large banking interests here centered and the desirability that the reserve bank here located will on the basis of six per cent of the capital and surplus of the national banks of the district be substantially as large as any of the constituent banks. Moreover, as appears from tables 1 and 4 below, the area included within the district will even then be, next to New England, as small as any other district. For the same reason, the suggestion is made on map 1 that the Chicago district be made large enough to include \$230,000,000 of national bank capital, in accordance with which the capital of its reserve bank will be almost as great as the capital of the largest of its constituent banks. Moreover, in view of the usual course of business and the usual course of communication, there will perhaps much reason be found for including all this territory in the New York district and for including with Chicago the greater part of Iowa, as indicate on map 1. If it be thought undesirable that any one district should include so much as 30% of the entire national banking capital, the limitation of the New York district to only a part of New Jersey and its entire exclusion from Pennsylvania, as on maps 2 and 3, is suggested. The district would then include approximately \$380,000,000 of national banking capital, approximately 20% of the banking capital of the entire country. There seems no valid reason whatever for extending the New York district beyond the Appalachian Watershed, so as to include Western Pennsylvania, on the one hand, or to limit it substantially to New York City on the other. The latter suggestion would entirely

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sacrifice the advantage of bringing a certain amount of outside territory into immediate touch with the large banking capital centered in New York City, without any possible compensating advantage.

The region about the headwaters of the Ohio is a banking and business center of much importance; and reasons will undoubtedly be advanced for including it in a district with Philadelphia on the one side or with Chicago on the other, just as reasons have already been advanced for including a portion of it at least in the same district with New York City. There is however in that region about one-ninth of the entire national banking capital of the entire country, particularly if that portion of Kentucky adjacent to Cincinnati be included, and the banking capital and business interests there centered are almost as great as those which center about Chicago.

In other respects, the divisions indicated on the maps herewith submitted perhaps sufficiently explain themselves. In general, state boundaries have been followed, except where there seem to be a good deal of reason for suggesting a different line of division. The 37th parallel of latitude seems to serve as an excellent (or at least an approximately correct) dividing line for the southern part of the Mississippi Valley, inasmuch as it crosses Southern Kentucky, passes near the mouth of the Ohio, crosses the Ozark Mountains and follows the boundary line of Oklahoma and Kansas. Northern Kentucky is probably more closely connected in its business interests with Cincinnati, Louisville and the North, while Southern Kentucky is probably more closely connected with Nashville and the South. The railroad lines so indicate. Four tables and four maps are submitted herewith.

Yours very truly,

Herbert C Marshall

#9.

Table 1 corresponding to Map 1.

<u>District.</u>	<u>Area.</u> <u>sq. mi.</u>	<u>Population.</u> <u>1910</u>	<u>10 yr.</u> <u>inc.</u>	<u>Nat'l Bank</u> <u>Capital.</u>
1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 New York, New Jersey, Penna.	100,000	17,000,000	25%	\$560,000,000
3 Maryland, Virginia, Carolinas	125,000	7,500,000	23%	\$100,000,000
4 Headwaters of Ohio River.	90,000	8,500,000	18%	\$190,000,000
5 Mich., Ind., Ill., Iowa.	200,000	13,500,000	11%	\$230,000,000
6 Mo., Kan., Nebr., pt. Ark., Okl.	430,000	8,500,000	19%	\$135,000,000
7 Ky., Tenn., Ga., Fla., Ala., Miss.	310,000	12,000,000	15%	\$105,000,000
8 La., Tex., pt. Ark., Okl., N.M.	440,000	7,000,000	30%	\$100,000,000
9 Wis., Minn., Dakotas, Montana.	460,000	6,000,000	25%	\$90,000,000
10 Pacific Coast	810,000	6,000,000	75%	\$130,000,000

Table 2 corresponding to Map 2.

1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 New York and part New Jersey	60,000	11,000,000	27%	\$380,000,000
3 En. Penna, Md., Va., pt. N.J.	85,000	10,000,000	20%	\$250,000,000
4 Headwaters of Ohio River.	90,000	8,500,000	18%	\$190,000,000
5 Mich., Ind., Ill.	145,000	11,500,000	14%	\$205,000,000
6 Iowa, Mo., Kan., Nebr., pt. Col.	380,000	8,500,000	10%	\$140,000,000
7 Ky., Tenn., Carolinas and Gulf.	390,000	15,500,000	15%	\$125,000,000
8 La., Tex., Ark., Okl., pt. N.M.	545,000	9,000,000	35%	\$120,000,000
9 Wis., Minn., Dakotas, Montana.	460,000	6,000,000	25%	\$90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000

It is to be noted that the 10 year growth of population for the Western Gulf states in this and the following tables is somewhat excessive because of including Oklahoma, which was really opened up for settlement in large part in that decade. 30% would probably be a more accurate estimate of the 10 year increase of population.

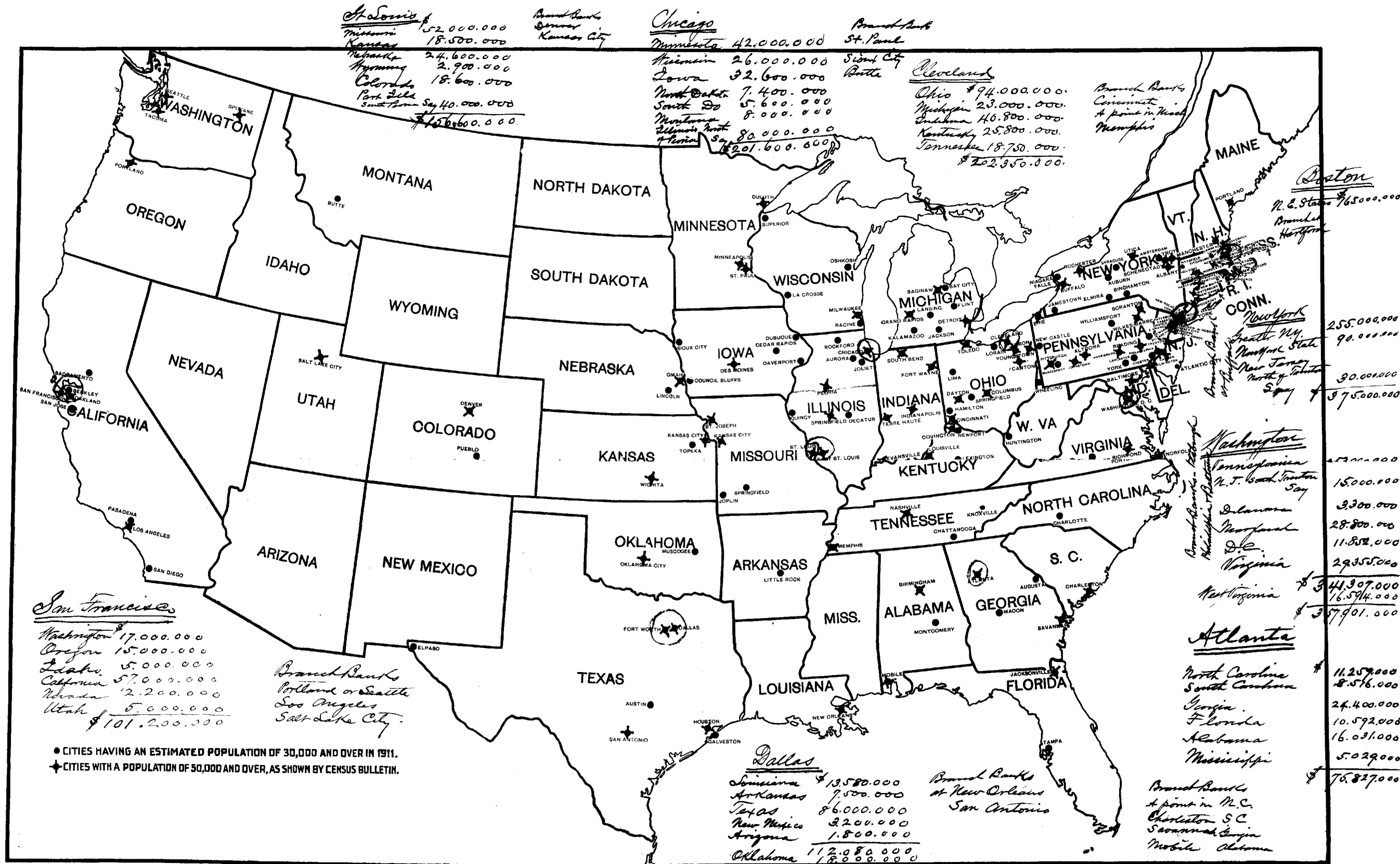
#19.

Table 3, corresponding to Map 3.

<u>District.</u>	<u>Area. sq. mi.</u>	<u>Population 1910.</u>	<u>10 yr. inc.</u>	<u>Nat'l Bank Capital.</u>
1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 New York and part New Jersey.	60,000	11,000,000	27%	\$380,000,000
3 En. Penna., Md., Va., pt. N.J., N.C.	120,000	11,500,000	20%	\$260,000,000
4 Headwaters of Ohio (incl. Ky.)	110,000	9,300,000	17%	\$200,000,000
5 Mich., Ind., Ill., pt. Wis., Ky.	155,000	12,200,000	13%	\$215,000,000
6 Iowa, Mo., Kan., Nebr., pt. Col.	380,000	8,500,000	10%	\$140,000,000
7 En. Gulf, excl. pt. Ky., N.C.	335,000	13,000,000	15%	\$105,000,000
8 Wn. Gulf, excl. New Orleans.	535,000	8,500,000	35% ?	\$110,000,000
9 Wis., Minn., Dakotas, Montana.	460,000	6,000,000	25%	\$90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000

Table 4, corresponding to Map 4.

<u>District.</u>	<u>Area. sq. mi.</u>	<u>Population. 1910</u>	<u>10 yr. inc.</u>	<u>Nat'l Bank Capital.</u>
1 New England (exc. wn. part)	60,000	6,000,000	17%	\$150,000,000
2 New York, New Jersey, En. Pa.	100,000	17,000,000	25%	\$560,000,000
3 Maryland, Virginia, Carolinas.	125,000	7,500,000	13%	\$100,000,000
4 Headwaters of Ohio (incl. Ky.)	110,000	9,300,000	17%	\$200,000,000
5 Mich., Ind., Ill., pt. Wis., Ky.	155,000	12,200,000	13%	\$215,000,000
6 Iowa, Mo., Kan., Nebr., pt. Col.	380,000	8,500,000	10%	\$140,000,000
7 Tenn., Ga., Fla., Ala., Miss. (pt. La., Ky.)	295,000	11,000,000	15%	\$90,000,000
8 Wn. Gulf, excl. New Orleans.	535,000	8,500,000	35% ?	\$110,000,000
9 Wis., Minn., Dakotas, Montana.	460,000	6,000,000	25%	\$90,000,000
10 Pacific Coast.	810,000	6,000,000	75%	\$130,000,000



Not in active business at present
 & life long student of finance
 Formerly in investment business
 Connected with Metropolitan Trust Co. (145 East 35th Street New York)
 For a short time in a Nat. Bk. of Commerce

George Ellsworth Jones

The Mercantile Agency
R. G. Dun & Co.
Dun Building
290 Broadway
New York

January 6th, 1914.

M. C. Elliott, Esq.,
Sec'y Pro-tem Reserve Bank Organization Committee
of the United States Government,
Chamber of Commerce, New York City.

Dear Sir:-

One of our secretaries informed us this morning that he received on our behalf, from you, by telephone late yesterday afternoon, an invitation that we attend the meeting of the Committee this morning, and express to the Committee any opinions we have as to the proper number and the proper location of the Federal Reserve Banks.

We are at present without any opinion upon either subject, excepting only that we think the number should be about as small as the statute permits. The questions in the first instance are concerned with matters which require a far greater knowledge than we have of the course and practice of banking as distinguished from its principles. That kind of knowledge seldom comes but to a worker in the banking business. A secondary, but highly important ground for the forming of an intelligent opinion upon the subject is a knowledge of the general nature, the particular current of commercial credits and transactions, and their magnitude as between different cities, states and sections of the country.

-2-

That knowledge, or the means of acquiring it, we have, but we could not upon any short notice arrange it or so lay it out in our own minds as to enable us to form an opinion upon the subject which we would be willing to state, and which we could justify to our own satisfaction.

Because we think that any opinion we might express to the Committee would neither afford a ground for its action, nor be any substantial support for any action it might take, we venture to ask that we be relieved from the duty of attending before the Committee.

There is another reason, personal to ourselves, for that request. We suppose that there are or may be rivalries between banks, cities, states and sections in respect to the subject. Our business extends to every part of the country, our business relations are substantial with nearly every bank and banker in the country, and we highly esteem the good-will of all of them. Very likely, because naturally, any of them who thought opinions expressed by us were either erroneous, or were opposed to their interests, would have some shade of displeasure with us. Were they to say that we were incompetent to express an opinion upon the subject, we could not dispute their saying with any confidence that we were right.

We wish to thank you for the invitation and its honor, and to assure you that if we thought we could be helpful

-3-

to the Committee, we should in the discharge of our duty promptly contribute whatever help we could.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Reginald D. Cook". The signature is written in a cursive style with a large, prominent "R" and "C".

The Corn Exchange Bank

WILLIAM A. NASH, CHAIRMAN OF THE BOARD.

WALTER E. FREW,
PRESIDENT.
WILLIAM H. NICHOLS,
VICE PRESIDENT.
JOHN T. PERKINS,
VICE PRESIDENT.
FREDERICK T. MARTIN,
CASHIER.

William & Beaver Streets,

WILLIAM E. WILLIAMS,
ASST. CASHIER.
WILLIAM H. KETCHUM,
ASST. CASHIER.
THOMAS NASH,
ASST. CASHIER.
JOHN S. WHEELAN,
ASST. CASHIER.
EDWARD S. MALMAR,
ASST. CASHIER.

New York, January 6th, 1914.

Hon. William G. McAdoo,

Chairman of the Reserve Bank Organization Committee,
Chamber of Commerce, New York City.

My dear Mr. McAdoo:

Referring to your request I enclose to you a copy of a map with the districts outlined which I offer as a suggestion. The main point that I had in mind in making my suggestion was to have these banks located where they would be most convenient for the bankers of the country to transact their business, so that the change from their present reserve depositories to the National Reserve Banks could be made with as little confusion as possible. I have not paid any attention to the equalization of capitalization of these Reserve banks and I do not think they should be considered. I believe the future growth and development of the country will adjust these differences in capitalization.

In the extreme Western district I have included Washington, Oregon, Idaho, Nevada and California, with a Reserve bank located at San Francisco with branches at Portland and Los Angeles.

In the next district I have included Wyoming, Colorado, New Mexico, Arizona and Utah, with a Reserve bank located at Denver with a branch at Salt Lake City.

In the Northerly district I have included Montana, North Dakota, South Dakota, Nebraska, Minnesota, Iowa, Wisconsin, Illinois, Indiana

The Currency Exchange Bank

WILLIAM A. NASH, CHAIRMAN OF THE BOARD.

WALTER E. FREW,
PRESIDENT.
WILLIAM H. NICHOLS,
VICE PRESIDENT.
JOHN T. PERKINS,
VICE PRESIDENT.
FREDERICK T. MARTIN,
CASHIER.

William & Beaver Streets,

WILLIAM E. WILLIAMS,
ASST. CASHIER.
WILLIAM H. KETCHUM,
ASST. CASHIER.
THOMAS NASH,
ASST. CASHIER.
JOHN S. WHEELAN,
ASST. CASHIER.
EDWARD S. MALMAR,
ASST. CASHIER.

No. 2.

New York, January 6th, 1914.

and Michigan, with Chicago as the seat of the Reserve bank with a branch at St Paul or Minneapolis and another at Omaha.

In the St Louis district I have included Kansas, Oklahoma, Missouri, and Arkansas with a Reserve bank at St Louis and a branch at Kansas City.

In the Southern district I have included Texas, Mississippi, Louisiana and Alabama with a Reserve bank at New Orleans and a branch at Fort Worth or Dallas and another at Mobile.

I have also included in a district Ohio, Kentucky and Tennessee, with a Reserve bank at Cincinnati with branches at Cleveland and Memphis.

In the Washington district I have included Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, with a Reserve bank at Washington with a branch at Richmond, one at Atlanta and one at Baltimore.

In the New York district I have included Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, and Delaware with a Reserve bank in New York City and branches at Buffalo, Boston and Philadelphia.

As to the capitalization of these Reserve banks, taking the figures as given by the September issue of the Bankers Encyclopedia, I find them to be as follows:

The Currency Exchange Bank

WILLIAM A. NASH, CHAIRMAN OF THE BOARD.

WALTER E. FREW,
PRESIDENT.
WILLIAM H. NICHOLS,
VICE PRESIDENT.
JOHN T. PERKINS,
VICE PRESIDENT.
FREDERICK T. MARTIN,
CASHIER.

William & Beaver Streets,

WILLIAM E. WILLIAMS,
ASST. CASHIER.
WILLIAM H. KETCHUM,
ASST. CASHIER.
THOMAS NASH,
ASST. CASHIER.
JOHN S. WHEELAN,
ASST. CASHIER.
EDWARD S. MALMAR,
ASST. CASHIER.

No. 3.

New York,

January 6th, 1914.

DISTRICTS.	BANKING CAPITAL & SURPLUS	SIX PER CENTUM FOR CAPITAL OF RESERVE BANK
San Francisco	333,989,000.	20,039,340.
Denver	68,952,000.	4,137,120.
New Orleans	244,436,000.	14,666,160.
Chicago	832,513,000.	49,950,780.
St Louis	288,860,000.	17,331,600.
Washington	366,824,000.	22,009,440.
New York	2,043,894,000.	122,633,640.
Cincinnati	296,119,000.	17,767,140.

It is very true the capital of the Reserve bank of the New York district looks very large, but considering the reserves of out of town banks are to be kept at home and withdrawn from New York there will in my opinion be a movement towards reduction of capitalization, and I believe that there are a large number of Trust Companies with large capitals located in this district that will not become identified with the system. It is also important that the Federal Reserve Bank at the financial center of the country should be a very large strong bank, which will of itself help establish the system in the confidence of the banks and the people and command proper respect abroad.

Hoping these crude suggestions may be of some assistance, and I might add that our bank has an organization which I consider quite a successful one in handling branch banks, and if in your further work you think an investigation of our system would be of any assistance to

The Guaranty Bank

WILLIAM A. NASH, CHAIRMAN OF THE BOARD.

WALTER E. FREW,
PRESIDENT.
WILLIAM H. NICHOLS,
VICE PRESIDENT.
JOHN T. PERKINS,
VICE PRESIDENT.
FREDERICK T. MARTIN,
CASHIER.

William & Beaver Streets,

WILLIAM E. WILLIAMS,
ASST. CASHIER.
WILLIAM H. KETCHUM,
ASST. CASHIER.
THOMAS NASH,
ASST. CASHIER.
JOHN S. WHEELAN,
ASST. CASHIER.
EDWARD S. MALMAR,
ASST. CASHIER.

No. 4.

New York, January 6th, 1914.

you. you are welcome to send any inspectors that you care to to us and
we will be very glad to show them the working of our organization,

Yours very truly,



President.



Geo. F. Baker

THE COPLEY PLAZA
COPLEY SQUARE
BOSTON

Vantyne - Bank

Envoy for NY

Jannson, Sig
Am Bankers Assn

Henry Sig State
Bankers Assn

Martindale of
Bancroft

Edward Maynard
PT Brooklyn Tr Co



THE COPLEY-PLAZA
COPLEY SQUARE
BOSTON, U.S.A.

Henry Wells, PT
Nat City Brooklyn

Wm J W Williams
PT. ~~Trust~~ Guaranty
Trust
W. J Hamilton
Comm Nat Bk
Crosby - Penns G T G
Austin.

Geo M Spence
PT Peoples



THE COPLEY-PLAZA
COPLEY SQUARE
BOSTON, U.S.A.

My father
Don
for adjustment

Afternoon Session
Jan 6, 1914

2:30 Fandora, St. Fifth Ave Bank
Harry Wells, Presdt Nat
City Bank, Brooklyn
Max May, Guaranty
Trust Co.

Edward Maynard, President
Brooklyn Trust Co.
Charles G. Balanus, V.P.
Mechanics Nat Bank,
Brooklyn.

Martindale - President
Chemical National Bank N.Y.
Chas A Sabin, V.P. Guaranty Trust

DIRECTORS.

JAMES S. ALEXANDER, Prest. Nat. Bank of Commerce in N.Y.
 STEPHEN BAKER, President Bank of the Manhattan Co.
 SAMUEL G. BAYNE, President Seaboard Nat. Bank.
 EDWIN M. BULKLEY, Spencer Trask & Co. Bankers.
 JAMES G. CANNON, President Fourth Nat. Bank.
 E. C. CONVERSE, President.
 THOMAS DEWITT CUYLER, Prest. Commercial Trust Co. Phila.
 HENRY P. DAVISON, J. P. Morgan & Co. Bankers.
 RUDOLPH ELLIS, President Fidelity Trust Co. Phila.
 E. HAYWARD FERRY, Vice President Hanover Nat. Bank.
 WALTER E. FREW, President Corn Exchange Bank.
 FRED'K T. HASKELL, V. Prest. Ill. Trust & Savings Bank Chicago.
 A. BARTON HEPBURN, Chairman Chase Nat. Bank.
 FRANCIS L. HINE, President First Nat. Bank.
 THOMAS W. LAMONT, J. P. Morgan & Co. Bankers.
 EDGAR L. MARSTON, Blair & Co. Bankers.
 JOSEPH B. MARTINDALE, President Chemical Nat. Bank.
 GATES W. MCGARRAH, Prest. Mechanics' & Metals Nat. Bank.
 CHARLES D. NORTON, Vice Prest. First Nat. Bank.
 WILLIAM C. POILLON, Vice President.
 DANIEL E. POMEROY, Vice President.
 WILLIAM H. PORTER, J. P. Morgan & Co. Bankers.
 SEWARD PROSSER, Prest. Liberty Nat. Bank.
 DANIEL G. REID, Vice President Liberty Nat. Bank.
 BENJ. STRONG, JR., Vice President.
 EDWARD F. SWINNEY, Prest. First Nat. Bank, Kansas City.
 GILBERT G. THORNE, Vice President Nat. Park Bank.
 EDWARD TOWNSEND, Prest. Imp. & Traders' Nat. Bank.
 ALBERT H. WIGGIN, President Chase Nat. Bank.
 SAMUEL WOOLVERTON, President Gallatin Nat. Bank.



CAPITAL \$10,000,000
 SURPLUS 10,000,000

CABLE ADDRESS: BANKTRUST, NEW YORK.

16 WALL STREET

OFFICERS.

E. C. CONVERSE, President.
 BENJ. STRONG, JR., Vice President.
 WILLIAM C. POILLON, Vice President.
 D. E. POMEROY, Vice President.
 W. N. DUANE, Vice President.
 F. I. KENT, Vice President.
 HAROLD B. THORNE, Vice President.
 F. N. B. CLOSE, Vice President.
 GEO. G. THOMSON, Secretary.
 GEORGE W. BENTON, Treasurer.
 GUY RICHARDS, Asst. Secretary.
 H. W. DONOVAN, Asst. Treasurer.
 BETHUNE W. JONES, Asst. Secretary.
 H. F. WILSON, JR., Asst. Secretary.
 R. H. GILES, Asst. Treasurer.
 PERRY D. BOGUE, Asst. Secretary.
 HARRY N. DUNHAM, Asst. Treasurer.
 I. MICHAELS, Trust Officer.

NEW YORK January 5, 1914.

Hon. W. G. McAdoo,
 Secretary of the Treasury,
 New York City.

Dear Sir:

The invitation of the Reserve Bank Organization Committee, addressed to our Mr. Converse, has been referred to this office for reply, as Mr. Converse finds he will be unable to attend the hearings now being held in New York. I am instructed to advise you that if some other officer of this company can be of any assistance to the Committee in that regard, attendance of one of the officers can be arranged at such hour as you name.

Very respectfully,

Benj. Strong Jr.

S-W.

WILDER, EWEN & PATTERSON
COUNSELORS AT LAW

WILLIAM R. WILDER.
JOHN EWEN.
WILLIAM M. PATTERSON.

CLIFFORD S. BOSTWICK.
WARD V. TOLBERT.
JOHN M. BOVEY.

45 CEDAR STREET
NEW YORK
CABLE ADDRESS "WILDECEDAR"

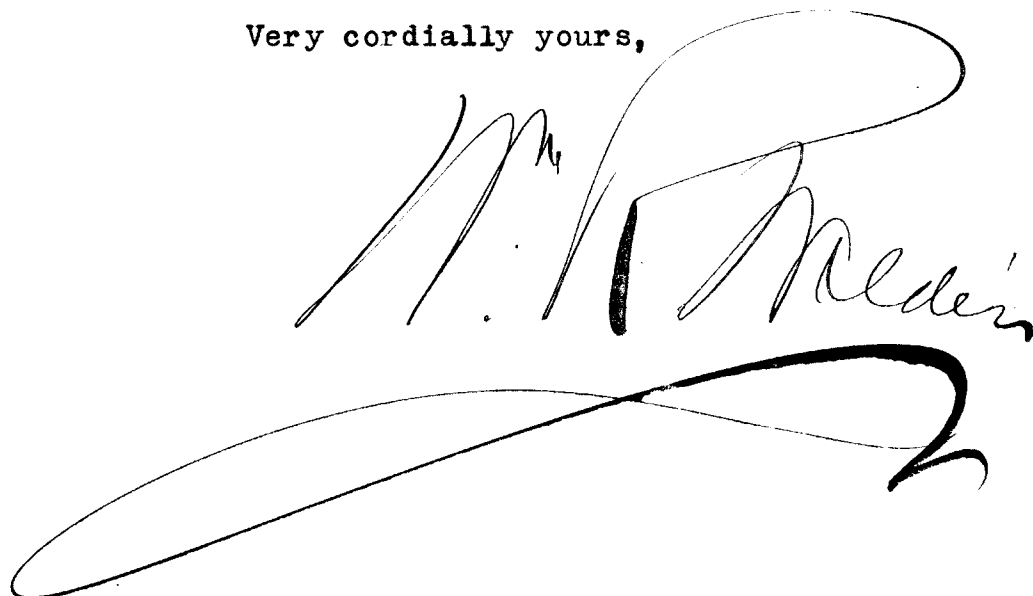
January 5th, 1914. WRW

Hon. William G. McAdoo,
Secretary of the Treasury,
Custom House, City.

My dear Mr. McAdoo:

I take great pleasure in herewith introducing to you my friend, Mr. Henry H. Bizallion, President of the Gotham National Bank of New York. In your capacity as our financial Moses you may regard, for such purposes only, Mr. Bizallion and myself as Aaron and Hur. We are prepared to do our utmost to insure the success of the financial policy of my classmate, the President, and your good self.

Very cordially yours,

A large, stylized handwritten signature in dark ink, likely belonging to William R. Wilder. The signature is written in a cursive style with a large, sweeping loop at the end.

N. Y. City, January 4, 1914

Mr. Paul M. Warburg,
o/o Kuhn, Loeb and Company,
52 William Street,
N. Y. City.

Dear Mr. Warburg:-

Your letter of the 2d was received
this morning.

In view of the fact that you suggested that
it would be agreeable to you to appear any time
convenient to the Committee, I did not undertake
to telephone you this morning.

Arrangements have been made to begin the
hearings at 10:00 o'clock on Monday morning in the
rooms of the Chamber of Commerce, and if you can
be present at that time, I am satisfied that an
hour can be agreed upon which will be mutually
convenient to you and to the Committee.

Very respectfully,

Secretary, pro tem.
Reserve Bank Organization
Committee

N. Y. City, January 4, 1914

Messrs Speyer and Company,
Twenty-four Pine Street,
N. Y. City.

Gentlemen:-

In reply to your letter to the Chairman
of the Reserve Bank Organization Committee, I beg
to advise that the hearings will begin at 10:00
o'clock Monday, and will be held in the rooms of
the Chamber of Commerce.

If you will kindly communicate with me there
I will endeavor to arrange with the Committee for
an hour for your appearance before it which will
meet your mutual convenience.

Very respectfully,

Secretary, pro tem.
Reserve Bank Organization
Committee

N. Y. City January 4, 1914

Mr. W. M. Van Deusen,
Cashier,
National Newark Banking Company,
Newark, N. J.

Sir:-

Your letter of the 2d reached me this morning.

The Committee has made arrangements to hold its meetings at the Chamber of Commerce, New York, beginning at 10:00 o'clock on each day. If you can conveniently appear on Wednesday morning at that time, I am satisfied that an hour can be arranged for you to be heard which will be mutually convenient to you and to the Committee.

Very respectfully,

Secretary, pro tem.
Reserve Bank Organization
Committee

WESTERN UNION

NUMBER

16

SENT BY

RECD BY



44 Govt.

CHECK

TELEGRAM

THEO. N. VAIL, PRESIDENT

RECEIVED AT

VB VANDERBILT HOTEL

1/3/1914

DATED

E. Washn. D. C. 3.

TO

M. C. Elliott

VB VANDERBILT HOTEL

At Secretary's request we have sent invitations to attend new york hearings to Dr. ~~William~~ Willis and Mr. Conant and have requested them both to communicate with you at Vanderbilt or subtreasury as to their time of attendance

J. S. Williams 432

N. Y. City, January 3, 1914

Mr. Edward Townsend,
President,
Importers and Traders National Bank,
N. Y. City.

Sir:-

I beg to advise that the hearings of the
Reserve Bank Organization Committee will be
held at the Chamber of Commerce in New York on
January ~~4th~~, 5th, 6th ~~and~~ 7th. + *8th*

These hearings will begin at 10:00 o'clock
and be concluded at 4:00 or 4:30.

Very respectfully,

Copy sent to

J. S. Alexander, President,
Nat'l Bank of Commerce, N.Y.City
Mr. E. C. Converse, President
Bankers' Trust Company, N.Y.City
Mr. A. W. Krech, President,
Equitable Trust Company, N.Y.City
Mr. Edward Townsend, President,
Importers & Traders National Bank, N.Y.City
Mr. F. A. Vanderlip, President,
National City Bank, N. Y. City
Mr. J. N. Wallace, President,
Central Trust Company, N.Y.City
Mr. Edward S. Marston, President,
Farmers Loan and Trust Co., N.Y.City
Mr. A. J. Hemphill, President,
Guaranty Trust Co., N.Y.City
Mr. J. P. Morgan,
J. P. Morgan & Co., N.Y.City
Mr. Gates W. McGarrah, President,
Mechanics & Metals National Bank, N.Y.City

Secretary, pro tem.
Reserve Bank Organisation
Committee

Mr. Richard Delafield, Pres.
Nat'l Park Bank, N.Y

Mr. S. G. Bayne, Pres.
Seaboard Nat'l Bank, NY

Mr. E. G. Merrill, Pres.
Union Trust Co., N.Y.

Mr. E. W. Sheldon, Pres.
U.S.Trust Co., N.Y.

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M C ELLIOTT

WASHN D C

HAVE RESERVED ROOM REQUESTED. THANKS

THE VANDERBILT.

NATIONAL NEWARK BANKING CO.
NEWARK, N.J.

ORGANIZED 1804
THE OLDEST BANK IN THE STATE
ARMOR-PLATE SAFE DEPOSIT VAULT

D.H. MERRITT, PRESIDENT
A.H. BALDWIN, VICE PRESIDENT
W.M. VAN DEUSEN, CASHIER
C.G. HEMINGWAY, ASST CASHIER

Jan. 2, 1914

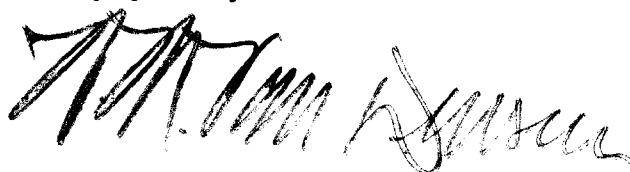
Mr. M. C. Elliott,
Secretary pro tem,
Reserve Bank Organization Committee,
Sub-Treasury, N. Y. C.

Dear Sir:-

I have your letter of December 31st, in regard to an appointment for the Banking and Currency Committee of the New Jersey Bankers Association to meet the Reserve Bank Organization Committee. I will be the only representative of the Committee, and will need only a few minutes to lay before the Committee the facts I desire to present. Any time during the four days will be convenient for me.

If you desire to telephone me, you can reach me at the above bank, telephone - 8310-Market.

Respectfully yours,



William and Pine Streets,

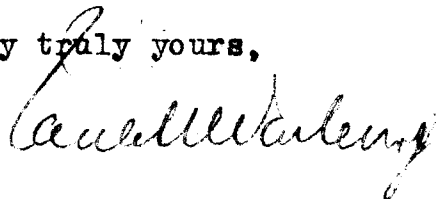
KUHN, LOEB & CO.

New York, January 2nd. 1914

Dear Mr. Elliott:-

I am in receipt of your letter of the 31st of December. On Saturday I shall be out of town, but can be reached by telephone, and if you will communicate with my office (Tel.No. John 4860) you will be connected with me. However, I believe I can save you the trouble of telephoning to me, by telling you that I shall make it a point to meet the Committee at any time convenient to these gentlemen on any of the dates set for the New York hearings. I would prefer one of the later dates.

Very truly yours,



M. C. Elliott, Esq. Secretary pro tem,
Reserve Bank Organization Committee,
United States Sub-Treasury,
New York.

L.

W.E.

January 1, 1914.

Messrs. Redmond & Co.,
31 Pine Street,
New York City.

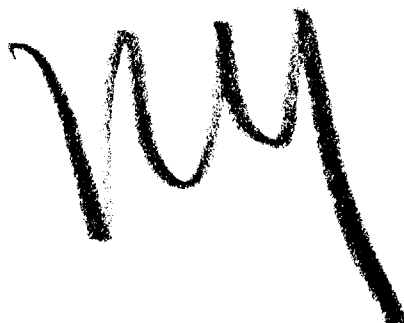
Gentlemen:

It is the intention of the Reserve Bank Organization Committee to hold hearings in New York City on the 5th, 6th, 7th and 8th of January, 1914, for the purpose of enabling the Committee to decide upon the location of Federal Reserve Banks and the geographical limits of the districts to be served by such banks.

The Committee will be pleased to have you attend and submit your views in the premises.

Respectfully,

Sec. Chairman,
Reserve Bank Organization Committee.

A large, stylized handwritten signature, possibly reading 'W.E.', is written in dark ink over the typed name of the Chairman.


DEPOSITARY OF THE UNITED STATES.

M. A. ANDREWS, *Cashier.*

CAPITAL, \$500,000.

LUCIUS A. BARBOUR, *President.*

CHARTER OAK NATIONAL BANK,

 HARTFORD, CONN., Dec. 31, 1913.

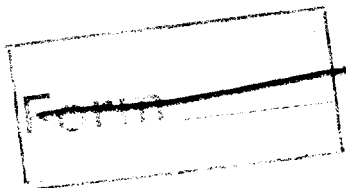
Mr. W. G. McAdoo, Chairman,

Dear Sir:

Permit us to say that in view of the nearness to New York that in our opinion it will be much better for Hartford to be connected with the regional bank, which we presume will be located in New York City.


Respectfully yours,


Cashier.



December 31, 1913.

Mr. W. M. Van Dusen,
Chairman, Banking and Currency Committee,
New Jersey Bankers Association,
Newark, New Jersey.



Sir:

I beg to acknowledge receipt of your favor of the 30th, stating that the Banking and Currency Committee of the New Jersey Bankers Association would like to have an appointment to be heard at the hearing to be held in New York on January 5, 6, 7 and 8.

While the Committee has not had a formal meeting since the receipt of your letter, I am sure that they will be very glad to hear your representative on one of the dates mentioned. By direction of the Committee I expect to be in New York at the Sub-Treasury on Saturday, the 3rd, and if you will let me know where I can reach you by telephone, I will endeavor to arrange an hour that will be mutually satisfactory to the Committee and to your representative.

Respectfully,

Secretary pro tem,
Reserve Bank Organization Committee.

NATIONAL NEWARK BANKING CO.
NEWARK, N. J.

ORGANIZED 1804
THE OLDEST BANK IN THE STATE
ARMOR PLATE SAFE DEPOSIT VAULT

D. H. MERRITT, PRESIDENT
A. H. BALDWIN, VICE PRESIDENT
W. M. VAN DEUSEN, CASHIER
C. G. HEMINGWAY, ASST. CASHIER

Dec. 30, 1913

Hon. W. G. McAdoo,
Secretary of the Treasury,
Washington, D. C.

Dear Sir:-

The Banking and Currency Committee
of the New Jersey Bankers Association would
like to make an appointment to be heard by you
and the Secretary of Agriculture, at the time
you are holding your hearings in New York, re-
garding the establishment of Regional reserve
banks. We will need only a few minutes to
present our ideas. Will you kindly advise me
what day and hour we can be heard?

Respectfully yours,

W. M. Van Deusen
Chairman



7660

"To foster the trade and welfare of New York"

The Merchants' Association of New York

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WILLIAM A. MARBLE, PRESIDENT
DANIEL P. MORSE, 1ST VICE-PRES. WILLIAM FELLOWES MORGAN, TREASURER
ALBERT PLAUT, 2D VICE-PRES. S. C. MEAD, SECRETARY
WALDO H. MARSHALL, 3D VICE-PRES. F. B. DE BERARD, DIRECTOR OF RESEARCH
JOHN W. GRIGGS, COUNSEL

DIRECTORS

WILLIAM C. BREED, BREED ABBOTT & MORGAN
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PROF. JOSEPH F. JOHNSON, NEW YORK UNIVERSITY
CHARLES R. LAMB, PRES. J. & R. LAMB
WM. A. MARBLE, VICE-PRES. R. & G. GORSET CO.

WALDO H. MARSHALL, PRES. AMERICAN LOCOMOTIVE CO.
WILLIAM FELLOWES MORGAN, PRES. BROOKLYN BRIDGE FREEZING & COLD STORAGE CO.
DANIEL P. MORSE, PRES. MORSE & ROGERS
J. CRAWFORD MCCREERY, THE JAMES MCCREERY REALTY CORP.
GEORGE W. NEVILLE, WELD & NEVILLE
E. H. OUTERBRIDGE, TREAS. PANTASOTE LEATHER CO.
EDWARD D. PAGE
LEWIS E. PIERSON, PRES. AUSTIN NICHOLS & CO.

ALBERT PLAUT, PRES. LENN & FINK
WALTER SCOTT, VICE-PRES. BUTLER BROTHERS, INC.
HENRY R. TOWNE, PRES. YALE & TOWNE MFG. CO.
GUSTAV VINTSCHGER, PRES. MARKT & HAMMACHER CO.
SILAS D. WEBB, PRES. CHINA & JAPAN TRADING CO.
J. G. WHITE, PRES. J. G. WHITE & CO., INC.
WILLIAM R. WILCOX

233 BROADWAY

WOOLWORTH BUILDING

NEW YORK

TELEPHONE: 7660 BARCLAY

December 31, 1913.

Mr. M. C. Elliott, Secretary pro-tem.,
Reserve Bank Organization Committee,
Treasury Department,
Washington, D. C.

My dear Sir:

We are in receipt of a notice of the hearings
of the Reserve Bank Organization Committee in New York next
week. We would appreciate it if you would advise us of the
hour and place of these hearings.

The Chairman of the Committee, in his letter dated
December 27, stated that the Committee "will be pleased to
receive at that time any information which may assist them
in determining correctly these questions."

For the benefit of our own Committee, would you
be good enough to let us know just what information the Com-
mittee seeks. This Association will be glad to co-operate
with the Committee and render it any assistance that it can in
reaching a correct determination with respect to these questions.

Very truly yours,
THE MERCHANTS' ASSOCIATION OF NEW YORK,

By *Samuel S. Hewins*
Assistant to Secretary.

FLD.MD

First National Bank

FRANCIS L. HINE, President.

New York, Dec. 31, 1913

Mr. M. C. Elliott, Secretary pro tem,
Reserve Bank Organization Committee,
Washington,
D. C.

Dear Sir:

I beg to acknowledge receipt of your favor
of the 30th instant, and note the change of dates to
which you refer. An engagement made sometime ago
at a distant city makes it necessary for me to be
absent on Jan. 8th, therefore at any time on Jan. 5th.
6th or 7th I shall be at the service of the Committee.

Respectfully



LAD

President

*10 copies
Jan 5*

TWENTY NASSAU STREET
NEW YORK

December 31, 1913.

Mr. M. C. Elliott, Secretary pro tem,
Reserve Bank Organization Committee,
Treasury Department,
Washington, D.C.

Dear Sir:-

Your kind favor of the 30th instant, notifying me of the change of dates for the hearings of the Reserve Bank Organization Committee, to be held in New York, came duly to hand.

The writer desires to be of every assistance possible to the Committee, and for this reason begs to advise you that either January 5th or January 7th would be much more convenient days for him to appear before the Committee, and he would appreciate it if you could, at the proper time, name an hour on either of these days when the Committee would prefer to have him present.

Very respectfully,

Jan 5 1914

[Signature]

UNITED STATES TRUST COMPANY NEW YORK
45 & 47 WALL STREET

~~P. O. Box 699~~

December 31, 1913.

The Hon. William G. McAdoo,
Chairman, Reserve Bank Organization Committee,
Washington, D. C.

My dear Sir:

Permit me to acknowledge your kind letter of December 27th and the further communication of the Secretary of your Committee, dated December 30th, with reference to the hearings which the Committee purposes holding in the City of New York relative to the location of the Federal Reserve Banks, and to thank you for your courteous permission to attend these hearings and to submit any views that I might have on the subject.

Trusting that the deliberations of the Committee will result in a gratifying solution of this important question, believe me, with much respect,

Yours sincerely,

Samuel H. Jackson

President.

SPEYER & Co.,

24 & 26 PINE STREET.

LAZARD SPEYER-ELLISSEN,
FRANKFORT %MAIN.

CABLE ADDRESS: SPY, NEW YORK.
MAIL ADDRESS: P.O. BOX 477.

SPEYER BROTHERS,
LONDON.

NEW YORK, December 30, 1913

Hon. W. G. McAdoo, Chairman,

Reserve Bank Organization Committee,

Treasury Department,

Washington, D.C.

L 120

Sir,

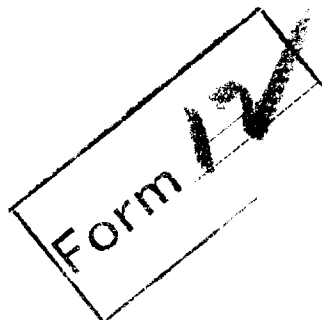
We beg to acknowledge receipt of your letter of December 24th, in which you advise us that it is the intention of the Reserve Bank Organization Committee to hold hearings in the City of New York in January, for the purpose of enabling the Committee to decide upon the location of Federal Reserve Banks etc.

We much appreciate your kind invitation that we attend such meetings, and shall be most pleased to have one of our representatives do so.

Yours respectfully,

Wm. G. McAdoo

M/LG
Priv



Form 101

The Western Union Telegraph Company

INCORPORATED

DEC 30 1913 191

M W G McAdoo

Your Telegram dated Dec 29

to President of the Clearing
House Association
New York
NY

is undelivered.

Reason:

Unknown

~~W G McAdoo~~
~~1407-7th~~
~~MANAGER~~
~~OFFICE~~

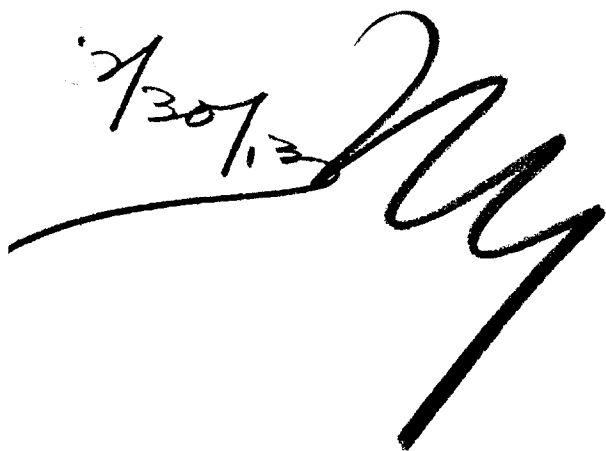
N.B.—Changes in the address must be paid for at the usual rates

THE SECRETARY OF THE TREASURY

Judge Elliott:
Please note the
attached.

A handwritten signature in dark ink, appearing to be "G. C. B." with a long, sweeping underline.

7/30/13

A large, bold handwritten signature in dark ink, possibly reading "My" or "W. G.", with a long horizontal stroke extending to the left.

Form 101

The Western Union Telegraph Company

INCORPORATED

M *W G McAdoo* DEC 29 1913 191

Your Telegram dated DEC 29 1913

to *President of the Chamber
House Association, Jersey City, N.J.*

is undelivered.

Reason: *Unknown*

[Signature]
MANAGER
OFFICE

N.B.—Changes in the address must be paid for at the usual rates

Form 101

The Western Union Telegraph Company

INCORPORATED

DEC 29 1913

191

M

Your Telegram dated

DEC 23 1913

to *H. G. W. Ador*
President of the Clearing
House Association, Manchester N.H.

is undelivered.

Reason

No Clearing House
seen there

MANAGER

OFFICE

N.B.—Changes in the address must be paid for at the usual rates

Form 101

The Western Union Telegraph Company

INCORPORATED

DEC 29 1913

191

M

Your Telegram dated

DEC 29 1913

to

*President of the Clearing
House Association, Syracuse, N.Y.*

is undelivered.

Reason:

Unknown

MANAGER

OFFICE

N.B.—Changes in the address must be paid for at the usual rates

TREASURY DEPARTMENT TELEGRAM.



WHERE WRITTEN:

Washington,

December 29, 1913.

TO

President of the Clearing House Association,
New York, N.Y.

The Committee has found it necessary to change date of hearings in
New York to January 5th, 6th, 7th and 8th.

Chairman Organization Committee.

A large, stylized handwritten signature, likely of the Chairman of the Organization Committee.

OFFICIAL BUSINESS.
GOVERNMENT RATES.

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR

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

DEPARTMENTAL STOCK FORM 2128.

TREASURY DEPARTMENT TELEGRAM.



WHERE WRITTEN:

Washington,

December 29, 1913.

To
President of the Clearing House Association,
New York, N.Y.

The Committee has found it necessary to change date of hearings in
New York to January 5th, 6th, 7th and 8th.

Chairman Organization Committee.

A large, stylized handwritten signature in dark ink, consisting of several loops and a long trailing stroke.

OFFICIAL BUSINESS.
GOVERNMENT RATES.

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR _____

2-8827

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

DEPARTMENTAL STOCK FORM 2128.

New York Clearing House

77-83 Cedar Street,

New York.

December 29th, 1913.

William Sherer,
Manager.
William F. Gilpin,
Asst. Manager.

Hon. William G. McAdoo,
Chairman, Reserve Bank Organization Committee,
Washington, D. C.

Sir:-

I beg to acknowledge the receipt of your favor
of the 27th inst., notifying the Clearing House Association
of the proposed meeting of the Reserve Bank Organization
Committee, to be held in the City of New York on the 2nd,
3rd, 7th, 8th and 9th of January 1914.

Respectfully,



President,
New York Clearing House Association.

212c

10 copies
Jan 8 on

Jan 12

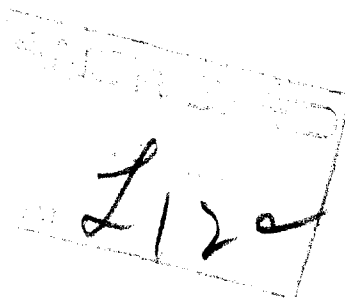
First National Bank

FRANCIS L. HINE, President.

New York,

December 29th, 1913.

Hon. Wm. G. McAdoo, Chairman
Reserve Bank Organization Committee,
Washington,
D. C.



Sir:

I beg to acknowledge receipt of your favor
of the 27th instant, and beg to say that I shall
be pleased to respond to your invitation at such
time as may be mutually convenient and agreeable,
and to render you any service in my power.

Yours very truly,

President.

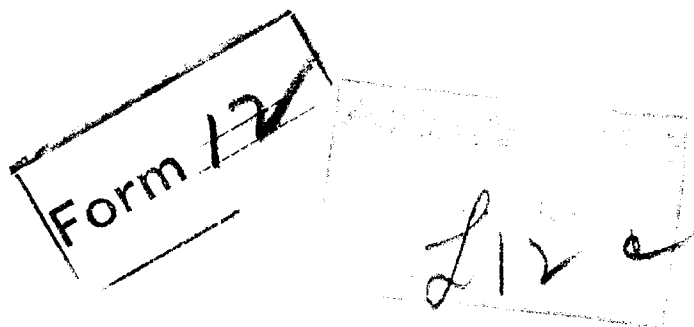
Form 12

November 10 1914

William and Pine Streets,

KUHN, LOEB & CO.

New York, December 29, 1913



Sir:-

I have the honor of acknowledging receipt of your letter of December 27th, advising me that the Reserve Bank Organization Committee is about to hold hearings in the City of New York on the 2nd, 3rd, 7th, 8th and 9th of January for the purpose of enabling the Committee to decide upon the position of the Federal Reserve Banks, and the geographical districts to be served by such Banks, and inviting me to submit my views in the premises.

I sincerely appreciate your great courtesy in asking me to appear before the Committee, and shall gladly avail myself of the privilege.

I beg to remain, Sir,

Most respectfully yours,

The Honorable

The Secretary of the Treasury,

Washington, D. C.

L.

TREASURY DEPARTMENT TELEGRAM.



WHERE WRITTEN:

Washington,

December 27, 1913.

TO President of the Clearing House Association,
Boston, Mass.

The Committee has found it necessary to change date of hearings in
in Boston to January 9th and 10th.

Chairman Organisation Committee.

A large, stylized handwritten signature, likely of the Chairman of the Organisation Committee.

OFFICIAL BUSINESS.
GOVERNMENT RATES.

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR

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

DEPARTMENTAL STOCK FORM 2128.

Treasury Department

Black 47WU R 43Collect GR TELEGRAM

GP newYork Dec 26b 1913

Byron R Newton

Treasy Dept Washn DC

Court room forty seven available saturday / no room available during
week postoffice rooms not suitable, if advised date desired and
length of time could possibly arrange with Judge for room ~~xxxx~~
during coming week

Morgan Custodian

35pm

Arch
TREASURY
DEPT.
DEC
26
1913
TELEGRAPH
OFFICE

[Signature]

THE SECRETARY OF THE TREASURY

4.15 PM 2 Lane 5.34
 2 Lane 6.40 2 8.40 am

Lo. Georgetown	4.15 PM
Ar. Lane	5.34 PM
Lo. Lane	6.40 PM
Ar. Wash	8.40 am —
Ar. Ny	2 — pm —

Lo. Wash. Sunday	3.03 PM
Ar. Ny.	8.07 PM

New York City.

clearing house assn

Chamber of Commerce, New York.
Merchants Association, New York.

~~x Manufacturers Association~~

~~Credit Mens Association.~~

Credit Mens Association.

L. L. Clark, American Exchange National Bank
Stephen Baker, President, Bank of the Manhattan Co.
A. B. Hayburn, Chairman of the Board, Chase National Bank.
J. B. Martindale, President, Chemical N. B.
Walter E. Frow, President Corn Exchange Bank
Francis L. Hine, President First N. B.
William Woodward, President of the Hanover N. B.
Edward Townsend, President Importers and Traders N. B.
Gates W. McGarragh, President Mechanics and Metals N. B.
J. S. Alexander, President N. B. of Commerce
F. A. Vanderlip, President National City Bank
Richard DeLafield, President National Park Bank
S. G. Bayne, President Seaboard N. B.
E. C. Converse, President Bankers Trust Co.
J. N. Wallace, President Central Trust Co.
A. W. Knech, President Equitable Trust Co.
Edward S. Marston, President, Farmers Loan and Trust Co.
A. J. Hemphill, President Guaranty Trust Co.
E. G. Merrill, President Union Trust Co.
E. W. Sheldon, President United States Trust Co.
J. Pierpont Morgan, C/o J. P. Morgan & Co.
Paul M. Warburg, C/o Kuhn, Loeb & Co.

James G. Cannon, President Fourth National Bank.

Clearing House Associations at

Buffalo
Syracuse
Rochester
Albany
Newark, N. J.
Jersey City, N. J.
Providence, R. I.
Worcester, Mass
Springfield, Mass
Boston, Mass
New York
New Haven, Conn
St. Albans, Vt
Manchester, N H.
Hartford, Conn.
Portland, Me.

*The Clearing House
Association
New York City*

M

New York City.

- ✓ Clearing House Ass'n.
- ✓ Chamber of Commerce, New York.
- ✓ Merchants Association, New York.
- ~~Manufacturers Association~~
- ~~Credit Mens Association~~
- ✓ Credit Mens Ass'n.

Wm. Elliott

- ✓ L. L. Clark, American Exchange National Bank
- ✓ Stephen Baker, President, Bank of the Manhattan Co.
- ✓ A. B. Hepburn, Chairman of the Board, Chase National Bank.
- ✓ J. B. Martindale, President, Chemical N. B.
- ✓ Walter E. Frew, President Corn Exchange Bank
- ✓ Francis L. Hime, President First N. B.
- ✓ William Woodward, President of the Hanover N. B.
- ✓ Edward Townsend, President Importers and Traders N. B.
- ✓ Gates W. McGarragh, President Mechanics and Metals N. B.
- ✓ J. B. Alexander, President N. B. of Commerce
- ✓ F. A. Vanderlip, President National City Bank
- ✓ Richard Delafield, President National Park Bank
- ✓ S. G. Bayne, President Seaboard N. B.
- ✓ E. C. Converse, President Bankers Trust Co.
- ✓ J. N. Wallace, President Central Trust Co.
- ✓ A. W. Kresch, President Equitable Trust Co.
- ✓ Edward S. Marston, President Farmers Loan and Trust Co.
- ✓ A. J. Hemphill, President Guaranty Trust Co.
- ✓ E. G. Merrill, President Union Trust Co.
- ✓ E. W. Sheldon, President United States Trust Co.
- ✓ J. Pierpont Morgan, C/o J. P. Morgan & Co.
- ✓ Paul M. Warburg, C/o Kuhn, Loeb & Co.

*Notified
by letter 12/30/13
HLE/13*

5,6,7,8.

- ✓ James G. Cannon, President Fourth N. B.
- ~~Speyer & Co. President~~
- ~~Brown Bros. & Co. President~~

Clearing House Ass'n.

- Portland, Me.
- Hartford, Conn.
- New Haven, Conn.
- Worcester, Mass
- Springfield, Mass
- Boston, Mass
- Providence, R. I.
- Manchester, N. H.
- St. Albans, Vt.

- ✓ Rochester, N. Y.
- ✓ Buffalo, N. Y.
- ✓ Syracuse, N. Y.
- ✓ Albany, N. Y.
- ✓ Newark, N. J.
- ✓ Jersey City, N. J.

Notified by wire Dec 29/13

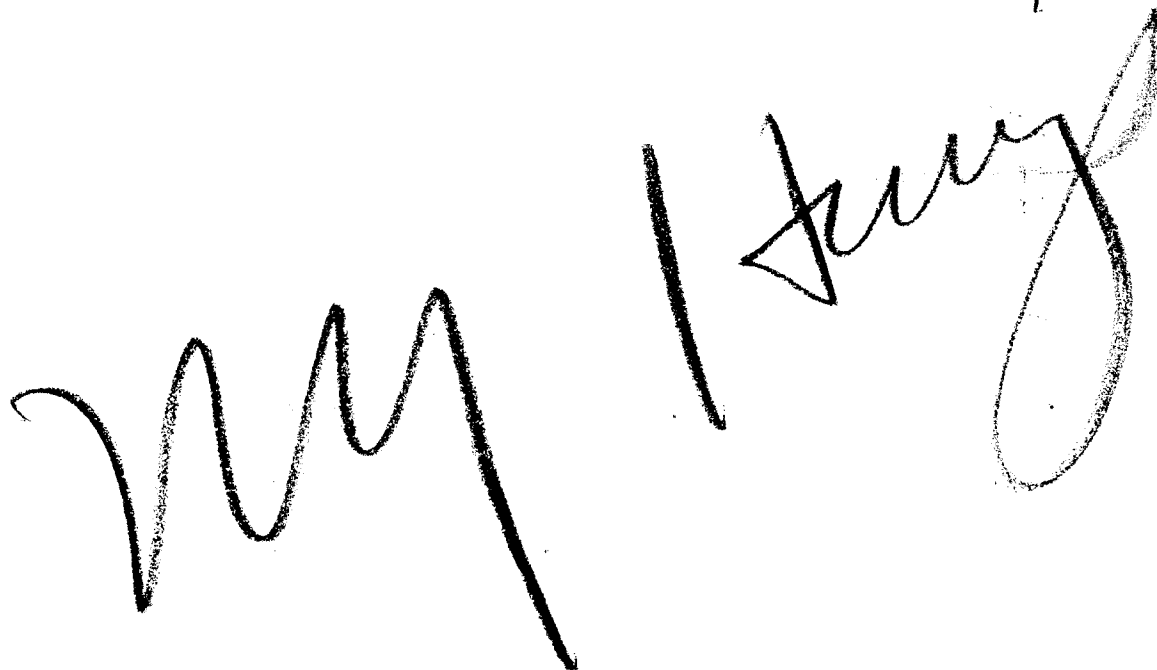
*N. Y. meeting
Notified Dec 29/13*

SBC

This form sent to following parties
Jan. 1, 1914.

Speyer & Co., 24 & 26 Pine St., New York, N.Y.
F. L. Hine, Esq., Pres., First National Bank, New York, N.Y.
Messrs. Kuhn, Loeb & Co., William & Pine Sts., New York, N.Y.
F. L. Hine, Esq., Pres., New York Clearing House Ass'n., New York, N.Y.

Redmond & Co 31 ~~Pine St~~
Pine St. N.Y. City.



ADDRESS REPLY TO
RESERVE BANK ORGANIZATION COMMITTEE
TREASURY DEPARTMENT
WASHINGTON, D. C.

RESERVE BANK ORGANIZATION COMMITTEE
WASHINGTON, D. C.

December 31, 1913.

Sir:

I am directed by the Organization Committee to notify you that the hearings of the Committee to be held in New York on January 5th, 6th, 7th and 8th, will begin at 10:30 of each day and be concluded at 4:30, with an intermission of one-half hour for lunch. It is the present purpose of the Committee to hold these hearings in the Customhouse, and if any change should be made you will be notified.

In order to facilitate the business of the Committee and to subserve the convenience of those who desire to make oral or written statements at these hearings, I will be at the Subtreasury on Saturday morning, the 3rd instant, and will endeavor to communicate with you from there by telephone or otherwise, with a view of fixing an hour on one of the above-named dates that will be mutually convenient to the Committee and you.

Respectfully,

Secretary pro tem,
Reserve Bank Organization Committee.

Notification of meeting in New York sent by wire December 29, 1913, to the Clearing House Associations in

- > New York, N.Y.
- > Buffalo, N.Y.
- > Syracuse, N.Y.
- > Albany, N.Y.
- > Newark, N.J.
- > Jersey City, N.J.
- > Rochester, N.Y.

January 5, 6, 7, and 8.

Form 212

Notification of meeting in New York sent by mail December 30, 1913, to

- 1 Chamber of Commerce, N.Y. -
- 2 Merchants Association, New York. ✓ Tuesday 10 am
- 3 Credit Mens Association.
- 4 L.L. Clark, American Exchange National Bank ✓ New York ✓
- 5 Stephen Baker, President Bank of the Manhattan Co. ✓
- 6 A.B. Hepburn, Chairman of the Board, Chase National Bank. ✓
- 7 J.B. Martindale, President, Chemical National Bank. ✓
- 8 Walter E. Frew, President Corn Exchange Bank. ✓
- 9 Francis L. Hine, President First National Bank. ✓ 10 am Monday
- 10 William Woodward, President Hanover National Bank. ✓
- 11 Edward Townsend, President Importers and Traders National Bank
- 12 Bates W. McGarragh, President Mechanics & Metals National Bank.
- 13 J.S. Alexander, President National Bank of Commerce.
- 14 F.A. Vanderlip, President National City Bank.
- 15 Richard Delafield, President National Park Bank.
- > S.G. Bayne, President Seaboard National Bank.
- > E.C. Converse, President Bankers Trust Co.
- > J.N. Wallace, President Central Trust Co.
- > A.W. Krech, President Equitable Trust Co.
- > Edward S. Marston, President Farmers Loan & Trust Co.
- > A.J. Hemphill, President Guaranty Trust Co.
- > E.G. Merrill, President Union Trust Co.
- > E.W. Sheldon, President United States Trust Co.
- > J. Pierpont Morgan, c/o J.P. Morgan & Co.
- > Paul M. Warburg, c/o Kuhn, Loeb & Co.
- > James G. Cannon, President Fourth National Bank. ✓ 3 o'clock (Jan 5th)

Mailed to all Jan 11, 1914

Chambers & Co

Form 42
Sent all of above

Jan 1-14. 1914

December 27, 1913.

Dear Mr. Elliott:

Secretary Houston called this morning and stated that he had had a talk with Secretary McAdoo and that the Secretary desires that you, as Acting Secretary of the Organization Committee, shall today address letters to the Presidents of the Clearing Houses of the cities of New York and Boston, notifying them of the hearings which are to be held in New York on the 2nd and 3rd, and 7th and 8th; and in Boston on the 4th, 5th and 6th.

I understand that the sessions will be held at 10 o'clock in the United States Court House or Customs House, as may be arranged. The Secretary desires that you shall notify the Clearing Houses that at these hearings the Committee will be pleased to receive representatives of the Clearing Houses; of the Board of Trade, and Chamber of Commerce, and in New York the Merchants and Manufacturers Association. Please also indicate to them that it is desired that the case of each organization shall be presented by one speaker, owing to the limited time at the disposal of the Committee.

The Secretary desires that you shall also notify the Presidents of the Clearing Houses of Springfield and Worcester, Mass., Portland, Me., Providence, R. I., Manchester, N. H., and St. Albans, or other principal town in Vermont; Hartford and New Haven, Conn., of the Boston meetings, and that you notify the Presidents of the Clearing Houses of Buffalo, Syracuse, Rochester and Albany, N. Y., and also of Newark and Jersey City, N. J., of the hearings in New York.

He also desires that you shall notify the Presidents of the Clearing Houses in Philadelphia, Baltimore and Pittsburgh of the hearings which are to be held in Washington and suggest to them that the Committee will be pleased to receive at that time a representative also of the principal business men's organizations, it being desired that each organization shall be represented by not over one speaker.

He also desires that you shall notify the Presidents of the Clearing Houses at Richmond, Wheeling and Washington of the hearings which are to be held in Washington from the 10th to the 16th.

Sincerely yours,

Assistant Secretary of the Treasury.

Hon. M. C. Elliott,
Counsel to the Comptroller of the Currency.

RESERVE BANK ORGANIZATION COMMITTEE
WASHINGTON, D. C.

Memo for Committee

NYNYS Stearns

Plenary meeting

The Chamber of Commerce Hall
was tendered the Committee
by Log & Sherin & is so
much more convenient located & in
my way out, I accepted the
arrangement with Log
Stearns.

Time

I have announced that meetings will
begin at 10 o'clock each day &
be concluded at 4 or 4:30 with
an interval of 1/2 hr for dinner

With (on Thursday) the Chamber
holds its regular meeting at 12 or 12:30

Which must I think for an hour
 is an hour & a half & it being
 the necessary ~~order to adjourn~~ to
 adjourn the meeting to some other
 place on Thursday so as not to
 interfere with the meeting

Appearance

I have not attempted to
 definitely arrange the hour
 of ~~appearance~~ at which there was
 one invited to be shown the
 house but knowing the Committee
 prepared as to the order in
 which these appearances should be
 made.

I do admit that the Committee
 will desire to have such things
 as any House has, ~~appearances~~ ~~appearances~~
~~appearances~~

✓ Mr. Tins - Clearing House
 ✓ Mr. Cuddebridge (Chairman of Commerce)
 ✓ Mr. Conant -
 ✓ Mr. T. L. Tins - Chase Natl
 ✓ Mr. Warburg -
 ✓ Mr. Stimpert
 ✓ Mr. Wiggins
 ✓ Mr. Tamm
 ✓ Mr. Canine
 ✓ Mr. Hamaguchi
 ✓ Mr. Brown & Hammond Co
 ✓ Mr. Willis
 Mr. Vandulip
 Mr. Lugo - Credit Mens Asso
 Mr. Drew - Com Exchange

Brooklyn Bankers,

Edward Maynard, Pres Bklyn Trust Co,
3 P.M.

Chas G. Belman, V. Pres Mechanics Bk Bklyn,
3 ³⁰ P.M.

Harry Mells, ^{Pres.} ¹ Mechanics City Bk,
2 P.M. Bklyn.

Alex W. Seymour, Pres
Mfg. Natl Bank,
Med 11 A.M. Lat.

Geo M. Speare, Pres Peoples
Natl Bank,
10 a.m. Med.

YOUR NUMBER

¶ The number directly under the name of your bank is the **American Bankers Association Transit Number**, given to you by **The Rand-McNally Bankers' Directory** under the authority invested in us by that Association.

¶ **This Directory** is the **only publication in existence** (except the "Key to the Numerical System of the American Bankers Association," also compiled and published exclusively by us) which can give the **number of every new bank in the United States up to date of publication.** For explanation of the system see page 18 or write to us for free booklet.

The Rand-McNally Bankers' Directory

NUMERICAL SYSTEM BANK TRANSIT MAP.

INDEX

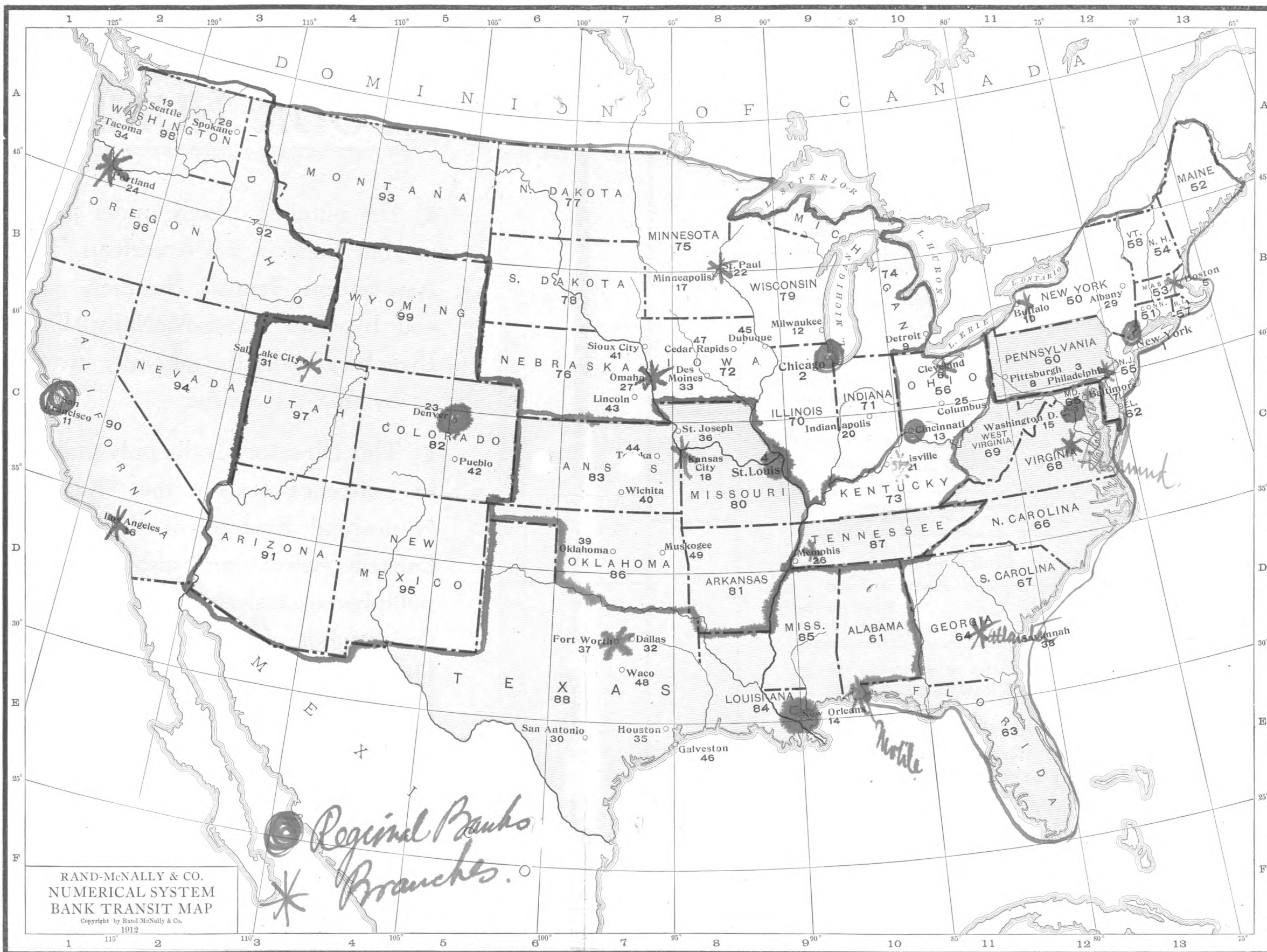
Prefix Numbers

CITIES

- 1 New York, N.Y.
- 2 Chicago, Ill.
- 3 Philadelphia, Pa.
- 4 St. Louis, Mo.
- 5 Boston, Mass.
- 6 Cleveland, Ohio
- 7 Baltimore, Md.
- 8 Pittsburgh, Pa.
- 9 Detroit, Mich.
- 10 Buffalo, N. Y.
- 11 San Francisco, Cal.
- 12 Milwaukee, Wis.
- 13 Cincinnati, Ohio
- 14 New Orleans, La.
- 15 Washington, D. C.
- 16 Los Angeles, Cal.
- 17 Minneapolis, Minn.
- 18 Kansas City, Mo.
- 19 Seattle, Wash.
- 20 Indianapolis, Ind.
- 21 Louisville, Ky.
- 22 St. Paul, Minn.
- 23 Denver, Colo.
- 24 Portland, Ore.
- 25 Columbus, Ohio
- 26 Memphis, Tenn.
- 27 Omaha, Neb.
- 28 Spokane, Wash.
- 29 Albany, N. Y.
- 30 San Antonio, Tex.
- 31 Salt Lake City, Utah
- 32 Dallas, Tex.
- 33 Des Moines, Ia.
- 34 Tacoma, Wash.
- 35 Houston, Tex.
- 36 St. Joseph, Mo.
- 37 Ft. Worth, Tex.
- 38 Savannah, Ga.
- 39 Oklahoma City, Okla.
- 40 Wichita, Kan.
- 41 Sioux City, Ia.
- 42 Pueblo, Colo.
- 43 Lincoln, Neb.
- 44 Topeka, Kan.
- 45 Dubuque, Ia.
- 46 Galveston, Tex.
- 47 Cedar Rapids, Ia.
- 48 Waco, Tex.
- 49 Muskogee, Okla.

STATES

- 50 New York
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- 56 Ohio
- 57 Rhode Island
- 58 Vermont
- 59
- 60 Pennsylvania
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- 83 Kansas
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- 86 Oklahoma
- 87 Tennessee
- 88 Texas
- 89
- 90 California
- 91 Arizona
- 92 Idaho
- 93 Montana
- 94 Nevada
- 95 New Mexico
- 96 Oregon
- 97 Utah
- 98 Washington
- 99 Wyoming



RAND-McNALLY & CO.
NUMERICAL SYSTEM
BANK TRANSIT MAP

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1912

*Regional Banks
Branches.*

"When you Compare Prices, Consider the Quality "

NOTICE

Your order for a subscription to this valuable reference book or for the publication of the name of your bank in capital letters will receive prompt attention

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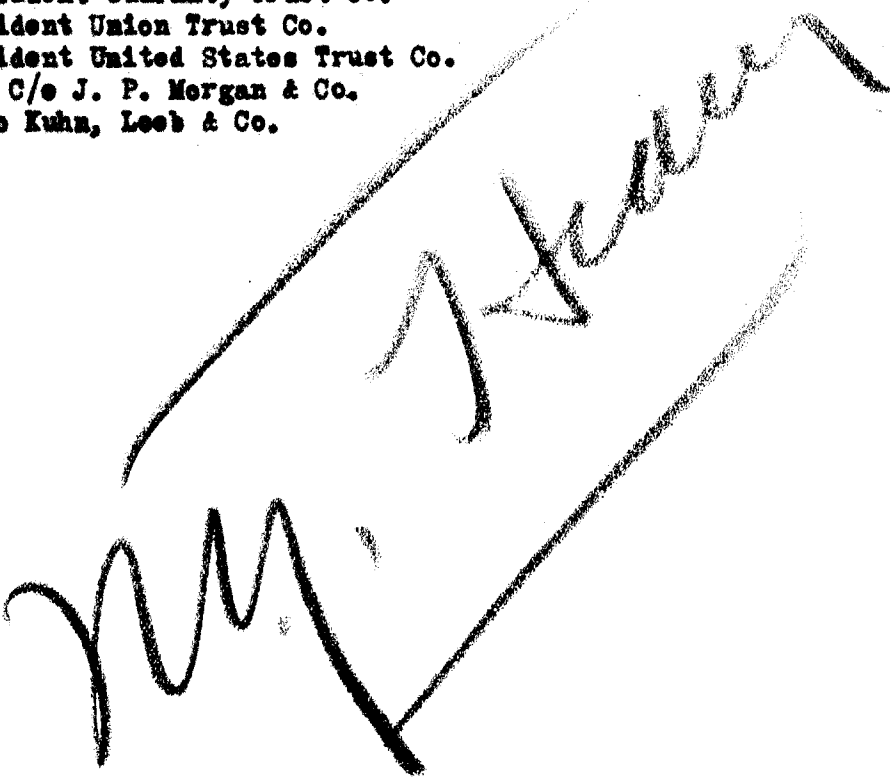
OLD AND RELIABLE
'ACCEPT NO SUBSTITUTE'

Mr. Campbell of 4th Nat. Bank
will try to speak to him.
Trip of the Credit Men
ass. & will notify you
today if he reaches him.

New York City.

Chamber of Commerce, New York.
Merchants Association, New York.
Manufacturers Association
Cred Mens Association.

L. L. Clark, American Exchange National Bank
Stephen Baker, President, Bank of the Manhattan Co.
A. B. Hepburn, Chairman of the Board, Chase National Bank.
J. B. Martindale, President, Chemical N. B.
Walter E. Frew, President Corn Exchange Bank
Francis L. Hine, President First N. B.
William Woodward, President of the Hanover N. B.
Edward Townsend, President Importers and Traders N. B.
~~Gates~~ W. McGarrah, President Mechanics and Metals N. B.
J. S. Alexander, President N. B. of Commerce
F. A. Vanderlip, President National City Bank
Richard Delafield, President National Park Bank
S. G. Bayne, President Seaboard N. B.
E. C. Converse, President Bankers Trust Co.
J. N. Wallace, President Central Trust Co.
A. W. Krech, President Equitable Trust Co.
Edward S. Marston, President, Farmers Loan and Trust Co.
A. J. Hemphill, President Guaranty Trust Co.
E. G. Merrill, President Union Trust Co.
E. W. Sheldon, President United States Trust Co.
J. Pierpont Morgan, C/o J. P. Morgan & Co.
Paul M. Warburg, C/o Kuhn, Loeb & Co.



December 27, 1913.

The President of the Clearing House Association,
Hartford,
Conn.

Sir:

The Reserve Bank Organization Committee intends to hold hearings in the City of Boston on the 5th and 6th of January, 1914, and will be pleased, at that time, to hear representatives of the Clearing House Association and of the principal business organizations of your city. You will be advised later as to the hour and place.

In addition to such oral statements as may be submitted, written statements containing statistical or other information bearing on the subject under consideration may be presented at these hearings, which, in accordance with the provisions of the Federal Reserve Act, will be held for the purpose of enabling the Committee to decide upon the ~~1891~~ plan of the Federal Reserve Banks and the geographical limits of the districts to be served by these banks.

The Committee will be pleased to receive, at that time, any information which may assist them in determining correctly these questions.

Respectfully,

Chairman,
Reserve Bank Organization Committee.

December 27, 1913.

The President of the Clearing House Association,
New Haven,
Connecticut.

Sir:

The Reserve Bank Organization Committee intends to hold hearings in the City of Boston on the 5th and 6th of January, 1914, and will be pleased, at that time, to hear representatives of the Clearing House Association and of the principal organizations of your city. You will be advised later as to the hour and place.

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Respectfully,

Chairman,
Reserve Bank Organization Committee.

December 27, 1913.

The President of the Clearing House Association,
Worcester, Mass.

Sir:

The Reserve Bank Organisation Committee intends to hold hearings in the City of Boston on the 4th, 5th and 6th of January, 1914, and will be pleased, at that time, to hear representatives of the Clearing House Association and of the principal business organisations of your city. You will be advised later as to the hour and place.

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Respectfully,

Chairman,
Reserve Bank Organisation Committee.

December 27, 1913.

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The Reserve Bank Organization Committee intends to hold hearings in the City of Boston on the ~~15th~~ 5th and 6th of January, 1914, and will be pleased at that time, to hear representatives of the Clearing House Association and of the principal business organizations of your city. You will be advised later as to the hour and place.

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Respectfully,

Chairman,
Reserve Bank Organization Committee.

The President of the Clearing House Association,
Springfield, Mass.

December 27, 1913.

Sir:

The Reserve Bank Organization Committee intends to hold hearings in the City of Boston on the 5th and 6th of January, 1914, and will be pleased, at that time, to hear representatives of the Clearing House Association and of the principal business organizations of your city. You will be advised later as to the hour and place.

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Respectfully,

Chairman,
Reserve Bank Organization Committee.

The President of the Clearing House Association,
Boston, Mass.

December 27, 1913.

The President of the Clearing House Association,

Providence, R. I.

Sir:

The Reserve Bank Organization Committee intends to hold hearings in the City of Boston on the 5th and 6th of January, 1914, and will be pleased, at that time, to hear representatives of the Clearing House Association and of the principal business organizations of your city. You will be advised later as to the hour and place.

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Respectfully,

Chairman,
Reserve Bank Organization Committee.

December 27, 1913.

The President,
~~Clearing House Association,~~
Manchester, New Hampshire.

Sir:

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The Committee will be pleased to receive at that time any information which may assist them in determining correctly these questions.

Respectfully,

Chairman,
Reserve Bank Organization Committee.

New York City.

Chamber of Commerce, New York.
Merchants Association, New York.
Manufacturers Association
Cred Mens Association.

L. L. Clark, American Exchange National Bank ✓
Stephen Baker, President, Bank of the Manhattan Co. ✓
A. B. Heyburn, Chairman of the Board, Chase National Bank. ✓
J. B. Martindale, President, Chemical N. B. ✓
Walter E. Frew, President Corn Exchange Bank ✓
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E. W. Sheldon, President United States Trust Co. ✓
J. Pierpont Morgan, C/o J. P. Morgan & Co.
Paul M. Warburg, C/o Kuhn, Loeb & Co.

James G. Cairnes, y 4 N. B.
Otho T. Barnard, y 78

December 27, 1913.

The President,
Clearing House Association,
Portland, Maine.

Sir:

The Reserve Bank Organization Committee intends to hold hearings in the City of Boston on the 4th, 5th and 6th of January 1914, and will be pleased, at that time, to hear representatives of The Clearing House Association and of the principal business organizations of your city. You will be advised later of the hour and place.

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Respectfully,

Chairman,
Reserve Bank Organization Committee.