

U.S. Reserve Bank Organization Committee.
Exhibits and letters submitted at
hearings... (New Orleans)

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NEW ORLEANS.

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K. 742

BRANCHES OF THE FEDERAL SERVICE ALREADY ESTABLISHED AT
NEW ORLEANS.

By L. K. Bentley,
Special Deputy Collector of Customs.

Exhibit No. 3
Hearing at
New Orleans

Gentlemen of the Reserve Bank Organization Committee:

Your chairman is quoted in the record as having stated at one of your earliest sittings that the committee is aware of the commercial advantages of the leading cities of the country; of their location on the map, and what railroads and terminal facilities they have, and that it is not necessary to consume time in giving that sort of information. It is manifest that, as officials of the Federal Government, you are also familiar in a general way with the various branches of the government service located at New Orleans; therefore, the subject assigned to me may be fitly covered by little more than a simple list of these branches and a mere outline of the character and scope of their respective functions and activities. Even the briefest enumeration, however, must demonstrate that the operations which the general Government finds it necessary and advantageous to conduct at and from this city play no small part in substantiating the claim of New Orleans to be selected as the site and domicile of one of the reserve banks to be established under the new banking and currency system.

New Orleans is the headquarters port of the twentieth customs district, comprising all of Louisiana and part of Mississippi, having jurisdiction over Morgan City as a port of entry, and over Vicksburg, Baton Rouge and Calcasieu Pass as customs stations. There are approximately 300 customs employees in the several branches of the customs service of the district, and

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their various lines of duty need not be recounted to this committee. The collections for the calendar year 1913, mostly from duties on imports, aggregated over \$12,000,000, having doubled in the past ten years. The exports have grown in equal ratio with the imports, and in their combined value this city took rank next to New York in the statistical records for the year. In point of customs revenues New Orleans stood as the fifth port of the country in 1912, and is believed to have moved up into fourth place last year, being led only by New York, Boston and Philadelphia.

The State of Louisiana constitutes an Internal Revenue district, with headquarters at New Orleans. The collections of this service average upwards of \$5,000,000 a year, and this sum will be greatly augmented by the income tax now in process of collection. It may be remarked in passing that 8,500,000 gallons of denatured alcohol were manufactured here last year, and that this product, which would have paid \$1.10 internal revenue tax as ordinary alcohol, is entirely exempt from that levy under the present law.

Few better indications of the growing volume of a community's population and business are to be found than the increasing extent and revenues of its postal service. The total receipts of the New Orleans postoffice in the year 1900 were \$490,253; in 1905 the total was \$730,318; in 1910, \$1,024,756, and in 1913, \$1,256,375. The postal savings deposits to date are \$112,274. There are 455 employees in the postoffice proper, and all the rural mail carriers in Louisiana, besides the 165 employees of the Twelfth Division of the Railway Mail Service, receive their compensation from the Postmaster of this city,

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acting as disbursing agent for the Department. The Railway Mail Service division just mentioned comprises Louisiana, Mississippi and parts of Alabama and Tennessee, with headquarters in New Orleans. Curs is an exchange postoffice for Porto Rico, Mexico, all the Central American countries, and for the countries of both the east and west coasts of South America. The Customs Bureau maintained in the postoffice here handles the dutiable mail for Louisiana, Mississippi and Texas.

There are two branches of the United States Engineers' service located in this city. One has jurisdiction over the Fourth Mississippi River Improvement District, extending from Warrenton, Miss., nine miles below Vicksburg, to the head of the passes near the mouth of the river, a distance of 453 miles; while the other has supervision and control of the improvement of the passes or outlets of the Mississippi river, and of the harbors, locks and interior streams of Louisiana and portions of western Texas and eastern Mississippi. The cost of the operations conducted and supervised by these two offices aggregates several million dollars annually.

The national subtreasury at New Orleans received for the fiscal year 1910 \$65,111,196 and disbursed during the same year \$57,549,047. These figures will show an increase of about ten per cent for the past year, the receipts running over \$70,000,000 and the disbursements over \$60,000,000. The balances on hand in the vaults of the subtreasury range from \$25,000,000 to \$40,000,000.

There are eight Assay Offices located throughout the United States, and the one at New Orleans, occupying the fine property known as the United States Mint, has upwards of \$22,500,000 in

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silver dollars and gold bullion in its vaults. About \$1,000,000 in gold bullion was received last year, practically all from Central American countries, where the development and growth of the mining industry is sure to result in a large increase of the movement of bullion to this port henceforth. Congress has under consideration a plan to reduce the number of Assay Offices to three, to be located at New York, Seattle and New Orleans. This city is a logical point for such an office, as it is for a regional reserve bank.

Jackson Barracks, on the left bank of the Mississippi river in the lower suburbs of New Orleans, is a beautiful and well-ordered military reservation where several companies of troops are regularly stationed.

Across the river from Jackson Barracks is the extensive and finely-equipped new United States Naval Station, which is expected to be put into full commission under the wise and judicious policy of the present administration of the Navy Department. The second-largest floating dry dock in the world is a part of the station's equipment, and the biggest warships of the American navy can be readily accommodated in it.

A short distance below the Naval Reservation is the new United States Immigration Station, one of the best plants of its kind to be found anywhere. This is the headquarters of District No. 8 of the Immigration Service, which includes Louisiana, Mississippi, Arkansas and Tennessee. The Commissioner of Immigration located here has jurisdiction over the suburbs of Pascagoula, Gulfport and Memphis, where immigration officials are also stationed. It is the policy of the Federal Government to encourage the diversion of as great a proportion

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of the tide of immigration as practicable from New York and the other eastern ports to the southern ports of the country, and a heavy increase of the immigration work here is regarded as inevitable.

The Depot Quartermaster's Office, U.S.A., at New Orleans handles army subsistence matters in Louisiana, Mississippi, lower Alabama, western Florida and eastern Texas, and has supervision over all National Cemeteries in the South. The Depot Quartermaster also has charge of the purchasing agency here for the Isthmian Canal Commission and the Panama Railroad Company, which sends out large quantities of fresh vegetables, lumber and other supplies to the Canal Zone. The one regiment of regular troops now in the Zone will be augmented to six or eight regiments when the Panama Canal is completed and traffic through it begins, and the quantity of supplies that must be forwarded there from this country and port will then be correspondingly increased.

The United States Marine Hospital at New Orleans is an admirably conducted, high-grade institution, occupying a beautiful site on the river front in the upper part of the city, near Audubon Park. Patients are received here from points as far west as Galveston, as far north as Vicksburg, from Gulfport and other points on the Mississippi gulf coast, and, of course, from both American and foreign vessels entering the port of New Orleans. In addition to the Hospital, ^{there is} an office for the treatment of emergency and minor cases ~~maintained~~ in the Customhouse with an Assistant Surgeon of the Public Health and Marine Hospital Service in charge. An extensive and efficient Quarantine Service is maintained at Quarantine, La., near the head of the

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Mississippi river passes, by means of which protection is afforded the country from infectious and contagious diseases that might otherwise be introduced through this great channel of communication with other lands and peoples.

The headquarters office of the Eighth Lighthouse District is located at New Orleans and has jurisdiction over all maintenance, construction, supply and repair work in connection with the lighthouses in the territory extending from Cedar Keys, Florida, to the Rio Grande river.

There is also located here a District Branch Hydrographic Office, the jurisdiction and operations of which extend from Key West to the eastern Texas border, Havana and Belize. Messages giving information relative to wrecks, derelicts, etc., are transmitted daily from this office through the fine Radio Station at the New Orleans Naval Station Reservation, and this same medium enables the local hydrographic officer to keep in touch with every vessel traversing the Gulf of Mexico which carries wireless equipment.

New Orleans is headquarters for the Radio Inspector in charge of the Fifth Radio Inspection District, comprising the States of Alabama, Mississippi, Louisiana, Texas, Tennessee, Arkansas, Oklahoma and New Mexico, and the work of this officer is constantly increasing in volume and importance. It is a part of his duty to see that vessels subject to the requirements of the navigation laws appertaining to wireless telegraphic communication are equipped with proper and serviceable apparatus before departing from any port in the district.

This city is also headquarters of the Tenth Supervising District of Steam Vessels, the jurisdiction of which extends

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from Cape Sable at the southern extremity of Florida to the mouth of the Rio Grande river, and includes Porto Rico. In addition to the Supervising and subordinate inspectors stationed at New Orleans, there are inspectors located at San Juan, Apalachicola, Mobile and Galveston.

The New Orleans branch of the United States Weather Bureau serves a district embracing Louisiana, Arkansas, Oklahoma and Texas, and has charge of the co-operation between the United States and Mexican weather services. The daily bulletins collected^{by} and sent out from the headquarters office both by wire and in printed form include weather conditions and forecasts for the district and the stages and fluctuations of the Mississippi river and all of its tributaries.

The United States Court of Appeals for the Fifth Circuit, comprising the States of Louisiana, Mississippi, Georgia, Florida and Texas, and the United States District Court for the Eastern District of Louisiana have their headquarters in New Orleans, and the clerks of both tribunals live here. The circuit court meets at Atlanta on the first Monday of October, at Montgomery on the third Monday of the same month, at Fort Worth on the first Monday of November, and sits at New Orleans usually from the third Monday of November to the end of May following.

The Secretary of the Tenth Civil Service District, embracing Louisiana and Texas, has his headquarters and residence in New Orleans.

The Department of Agriculture maintains a Pure Food Laboratory at New Orleans for the examination of all food articles imported or entering into interstate commerce in the territory from Pensacola to El Paso and to Memphis on the north. New Or-

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leans ranks sixth among United States ports in the volume and value of its food imports. Through the same Department local inspection of animals, tropical plants, potatoes, etc., is maintained with a view of preventing the introduction of diseases or pests which may injuriously affect the country's live stock and agricultural products.

Recognizing the great and growing importance of New Orleans as a commercial centre, the Department of Commerce has recently established here a branch office of its Bureau of Foreign and Domestic Commerce, in charge of a commercial agent whose duty is to distribute among the business people of his territory the information gathered by the bureau from American ~~foreign~~ consuls and its agents who travel abroad, and to report to the Department on local conditions. The district to be thus served from the New Orleans ^{branch} extends from the east coast of Florida to the Rocky Mountains and to St. Louis on the north. Only three such branch offices have been established--the first at New York, the second at New Orleans and the third at Chicago. One more is in contemplation, to be located at San Francisco.

It will suffice to refer merely by name to the remaining Federal officials and services located in New Orleans, such as the Revenue Cutter Service, the Army and Navy Recruiting Stations, the United States Attorney and his Assistant, the United States Commissioners and Marshal; the Special Agents of the Customs, Internal Revenue and Secret services and of the Department of Justice; the Special Examiners of the Bureau of Pensions; the Superintendent of Construction of Public Buildings, under whose supervision a magnificent new Postoffice and Courthouse Building is nearing completion, the Custodians of the Custom-

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house, Mint and other Government properties, etc.

Taking all these branches of the general government's operations together, and considering in connection therewith the geographical location of New Orleans as the metropolis of the Southern States and the nearest port to the Panama Canal and the countries of the Western Hemisphere to the south of us, it would seem that the location of a reserve bank in this city is too plain and logical a proceeding to require further demonstration or argument.

B R I E F

IMPORTANCE OF
CREDITS CENTERED IN NEW ORLEANS

Prepared By
A. C. CARPENTER.

Exhibit No. 4
Hearing at

New Orleans

The output of the manufacturing industries of the City of New Orleans amounts to approximately \$79,000,000, while the wholesale and jobbing trade will probably run \$320,000,000 additional, and is distributed in a territory comprising the States of Texas, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Tennessee, South Carolina and Florida, as well as, most of the nearer South American countries and the Republic of Mexico.

It is reasonable to assume that an annual trade of something like 400,000,000 dollars, exclusive of the direct retail trade of the City proper, would represent 90% credit and requires unusual banking facilities in the handling.

Add to this the enormous trade originating in the surrounding territory, the credit of which is of necessity financed, or should be, in this City, it is not difficult to realize the importance of New Orleans as a credit center.

The trade territory, above referred to, including the City of New Orleans, is just beginning to awaken commercially, so there is every evidence the figures given are sure to increase many fold in the not far distant future. This means the absolute necessity for more, and better, financial facilities centered

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in New Orleans, to render all possible assistance in adequately caring for this present and prospective trade.

Just at this time wondrous strides are being made in an agricultural way in that section of the South best served by New Orleans. This development requires additional financing-- the extending of farm credits-- and must be considered as a part of the question before us.

New Orleans is so situated, geographically, with reference to the Central and South American States, the business with which is increasing every year, that the need for additional facilities for financing the credit of this trade becomes more apparent continually, and can only be handled at the port of entry or export and not inland. I think it safe to assume this a fact beyond cavil.

Again the foreign trade has been educated to settling credits by 60, 90, and 120 day acceptances, which means, we, of the United States, will have to meet terms in a measure, if we want the trade that will naturally come through this City; the nearest port by reason of geographical location.

Personal contact of the writer with many business men throughout the nearby territory develops the fact a large proportion of them favor New Orleans as a credit center, meaning an extended sentiment, outside of the City proper, to that end.

To sum up, I submit the following imperative reasons for the establishment of a FEDERAL RESERVE BANK at the City of New Orleans from a credit point of view:

- (a) The enormous trade centering here demands it.
- (b) The trade, which originates in the surrounding territory

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and is financed here, requires it; the export trade for example.

- (c) The geographical location of the City of New Orleans, the Leading Seaport of the whole South, makes it imperative.
- (d) To facilitate terms and meet conditions arising in connection with the ever expanding export trade to the Central and South American States, establishes our right to such an institution over any inland city throughout the entire South.
- (e) Agricultural development must not be retarded, hence the demand from this source alone means the crying need for additional credit facilities.
- (f) By reason of our knowledge of the people throughout the adjacent trade territory, and their confidence in the business element of this City, sentiment crystalizes in favor of a FEDERAL RESERVE BANK located at the most advantageous point possible, which is the City of New Orleans.

New Orleans, La., Feb. 9, 1914

Filed by C. H. Ellis
New Orleans 2577-14
Exhibit No. 5
Hearing at New Orleans
Feby. 10, 1914.

Hon. Wm. A. McAdoo,
Secretary of the Treasury;

Hon. David F. Houston,
Secretary of Agriculture;

Representing Federal Reserve Board,

Now at New Orleans, La.

My Dear Sirs:-

The subject which has been assigned me in connection with the hearings before your Committee, relative to the establishing of Reserve Banks throughout eight or more districts, not exceeding twelve, of the United States, is that of the importance of this section of the country as a Tropical Fruit Port.

While I appreciate the fact that you have means at your command in Washington to obtain, in a general way, the total exports and imports of the City of New Orleans, in dollars and cents, yet it is not segregated in such a manner as to enable you to appreciate the importance of this section of the country and its relations to the Central American countries in respect to tropical fruit, which comprises the principal article of export from these countries to this section of the country.

Practically the entire importations of tropical fruits from British Honduras and the Republics of Guatemala, Spanish Honduras, Nicaragua, Costa Rica and Panama are brought into the United States through the City of New Orleans, and, from there,

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2/10/14.

distributed throughout all of the States West of the Mississippi River, also East of the Mississippi as far as a line drawn from the City of Columbus, Ohio, South through the States of Kentucky and Tennessee, following Longitude 83, to the Northern boundary of South Carolina, and thence in a South-Easterly direction to Savannah, Georgia.

A Federal Reserve Bank established in the City of New Orleans would, from a tropical fruit stand-point, not only serve to handle business from such industry throughout the States of Georgia, Alabama, Mississippi, Louisiana, Texas, Kansas and Tennessee, but would also serve to handle such business as might appertain to all the Latin American countries extending from Mexico South to the Republics of Panama and Colombia. This would also include the Island of Cuba, from which point, large quantities of pine-apples and other tropical fruits of a miscellaneous character are received through this section of the country every year.

The frequent steamship service between the Tropical Fruit Ports and the City of New Orleans not only renders it extremely desirable but profitable for the Bankers and business men of Central America to conduct practically all of their banking and commercial business through the City of New Orleans, and this is becoming more pronounced from year to year. The Banks of the City of New Orleans are in a position to serve as a Clearing House for the Central American countries, and a Federal Reserve Bank established in the City of New Orleans would attract more business from the Latin American countries, which, it may be

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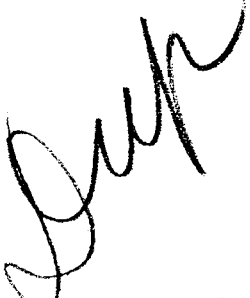
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said, is now handled in foreign countries.

It would seem to me that the location of a Federal Reserve Bank in the City of New Orleans would be as mandatory and essential on the part of the United States Government as the establishment of one in the City of New York, inasmuch as it would serve the entire Gulf States, Latin America and a portion of the West Indies, in the same manner as New York will serve a portion of the Atlantic States and the West Indies.

I have not had the opportunity to look over the proposed distribution of the districts, or the number it is desired to establish, but, from my view-point as a business man in commercial life, and 20 years experience with the Latin American trade and the tropical fruit trade with Latin America, I should regard it as being one of the greatest calamities that could befall us if a Bank was not established at a point where, in my judgment, it could best serve the tropical fruit interests.

Respectfully submitted,



Feb. 11, 1914.

Hon. Wm. A. McAdoo,
Secretary of the Treasury;

Hon. David F. Houston,
Secretary of Agriculture;

Representing Federal Reserve Board,

Now at New Orleans, La.

My Dear Sirs:-

Supplementing my letter of the 10th inst., on the importance of this section of the country as a Tropical Fruit Port, and setting forth reasons therein for the location of a Federal Reserve Bank in the City of New Orleans to serve this, I did not mention the value of these imports, believing that you would be able to obtain such statistics from the Department of Commerce, but, in view of the fact that most of the fruit importations are on the "free list", the figures obtained from that Department would show merely an arbitrary figure as represented by the Consular Invoices received on the different vessels.

I might say that the total value of these imports for the year 1913 was about as follows:--

Banana Importations -----	\$16,000,000.00
Coconut Importations -----	3,500,000.00
Importations of Oranges and other Miscellaneous Fruits -----	<u>1,500,000.00</u>
TOTAL - - - - -	\$21,000,000.00 *

I shall not attempt to deal with the tonnage employed

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in handling this business, as this will be handled by other members of our Committee, who have the assignment of Imports and Exports.

Respectfully Submitted,

5000-12-13

SUBJECT

UNITED FRUIT COMPANY
NEW ORLEANS DIVISION

C. H. ELLIS, - - MANAGER
WILLIAM LEFTWICH, AUDITOR

GENERAL OFFICES
131 STATE STREET, BOSTON, MASS.

Exhibit No. *6*

Hearing at *Mr. Ellis*
New Orleans

2-12-14

IN REPLY, PLEASE REFER TO

NO.....

NEW ORLEANS, LA., Feby. 12, 1914.

Hon. Wm. H. McAdoo,
Secretary of the Treasury;

Hon. David F. Houston,
Secretary of Agriculture;

Representing Federal Reserve Board,

Now at New Orleans, La.

New Orleans

Dear Sirs:-

Supplementing my letters of the 10th and 11th inst., herewith below, you will find a comparative statement of the Tropical Fruit Importations at New Orleans for the years 1908 and 1913, and, further below, a comparative statement of the statistics on exports to Central America only, made up in comparative form for the years 1900 as against 1911:--

IMPORTS - TROPICAL FRUITS

<u>1908</u>	<u>1913</u>	<u>INCREASE</u>
\$16,000,000.00	\$21,000,000.00	\$5,000,000.00

or an increase of about 30%.

EXPORTS - FOOD STUFF, LUMBER and PROVISIONS

<u>1900</u>	<u>1911</u>	<u>INCREASE</u>
\$4,400,000.00	\$18,000,000.00	\$13,600,000.00

or an increase of nearly 300%,

during a period of ten years to Central America only. The Exports to the whole of Latin America have been dealt with by Mr. Goldstein in his report, and I will not include it here.

No. 2. UNITED FRUIT COMPANY, New Orleans Division, To ----- Date 2/12/14.

I desire to add, as further statistical data for your records, the fact that twenty-one ports on the Atlantic Coast of Central America are served through the Port of New Orleans, and receive from 80% to 90% of their supplies, and many of these Ports have no connection with any other Port in the United States except New Orleans.

It is my contention that to establish a Regional Reserve Bank in any other City than New Orleans would cause a loss of prestige of the United States with the Central American countries, as they would not feel that a Bank located either at Houston or Atlanta would be in the United States. They know very little, if anything, about the interior Cities of the country, and look to New York and New Orleans as their connecting links with the United States.

Yours very truly,

Crawford H. Ellis

New Orleans

RAILROADS ENTERING NEW ORLEANS AND DEVELOP-
MENT OF SOUTHERN TERRITORY TRAVERSED BY THEM.

The following trunk lines terminate at New Orleans: The Illinois Central, Yazoo & Mississippi Valley, Louisville and Nashville, New Orleans and Northeastern, New Orleans Great Northern, Frisco Lines, Morgan's Louisiana & Texas Railroad and Steamship Company (known as the Southern Pacific), Texas & Pacific Railway, and Louisiana Railway & Navigation Company.

It is a fair statement to say that the mileage of these systems of railroads is probably as great, if not greater, than the mileage of the systems of lines terminating at any other port in the country, with the possible exception of New York.

These lines radiate in every direction and cover the entire Southern territory.

At New Orleans, the railway lines have ample facilities to handle all traffic, local, interstate, import and export, and are adding to these facilities as the demands of traffic require.

Before dealing with the Southern territory proper which, of course, is naturally tributary to New Orleans, I would call attention to the fact that the greater part of the Middle West States are also naturally tributary to the Gulf ports, and especially to New Orleans.

The most important primary grain markets in the United States are Chicago, Minneapolis, St. Paul, Dubuque, Duluth-Superior, St. Louis, Toledo, Kansas City, Peoria, Cincinnati and Detroit.

Nearly all of these primary grain markets are naturally tributary to the port of New Orleans as compared with the Atlantic seaboard.

By the term "naturally tributary", I mean nearer in the matter of distance.

The distance from St. Paul and Minneapolis to New Orleans is 1,266 miles, while to New York it is 1,322 miles; Dubuque is 988 miles from the Gulf ports, while it is 1,079 miles to the Atlantic seaboard; Chicago is about equal distance to the Atlantic seaboard and Gulf ports; Omaha is 1402 miles from New York and is 1070 miles from New Orleans; Kansas City is 878 miles to New Orleans and 1335 miles to New York; St. Louis is 700 miles from New Orleans and is 1058 miles from New York; Duluth-Superior is 1890 miles from New York and is 1340 miles from the Gulf ports; Toledo is 706 miles from New York and 1041 miles from the Gulf ports; Peoria is 1007 miles from New York and 843 from the Gulf ports; Cincinnati is 757 miles from New York and 830 miles from the Gulf ports.

As traffic moves in the lines of least resistance, and as the shortest distance makes the line of least resistance, traffic from the territory mentioned above should naturally move through the port of New Orleans.

As to the territory traversed by the various lines mentioned above as centering in New Orleans, and treating same from the standpoint of the South alone, we are safe in saying that the Southern territory has advanced and improved and developed in a greater degree than any other portion of the country within the last thirty (30) years.

First, the population of the South, as a rule, is native born, as a very small proportion of foreign emigrants have located in the South, yet, between the years 1880 and 1912, the population of the South increased 79.5 percent, while the capital invested in manufacturers during that time increased nine hundred and sixty percent (960%); National bank resources increased nine hundred and eighty eight percent (988%); individual deposits in National banks increased one thousand three hundred and fifty percent (1350%); common school expenditures increased

six hundred and fifty percent (650%); farm lands and buildings increased three hundred and five percent (305%), and the value of the South's farm products increased three hundred and twelve percent (312%).

In the thirty three (33) years prior to 1912, the value of the South's cotton crop, including the seed, aggregated Sixteen billion, four hundred and fifty two million dollars (\$16,452,000,000.00). In the same period, the entire world's output of gold was Seven billion, six hundred thirty four million, one hundred five thousand, six hundred dollars (\$7,634,105,600.00) and of silver was Three billion, four hundred fifty nine million, nine hundred nine thousand, six hundred forty two dollars (\$3,459,909,642.00). The total for these thirty three (33) years' cotton crops exceeded by Eight billion, eight hundred seventeen million, eight hundred ninety four thousand, four hundred dollars (\$8,817,894,400), the output of the gold mines of the world, and by Five billion, three hundred fifty seven million, nine hundred forty eight thousand, seven hundred fifty eight dollars (\$5,357,948,758.00) the combined values of the output of all gold and silver mines for the same period.

During this same period the value of the export of raw cotton was Nine billion, six hundred eighty five million, two hundred eighty two, thousand, one hundred thirty eight dollars (\$9,685,282,138.00), or more than two billion dollars (\$2,000,000,000) in excess of the world's output of gold.

The figures concerning these matters are not brought down to date, but should they be, they will show proportionate increases.

The South is the largest producing center of coal in the United States, or, in the world. It is estimated that three fourths of the coking coal in the United States is in the South.

We may have an idea that the cities on the Pacific Coast

such as Portland, Seattle, San Francisco and Tacoma are thriving places, or ports, but Galveston, alone, exports nearly twice as much as all of the cities on the Pacific Coast combined, and New Orleans exports more than all of the Pacific Coast cities combined; *and much more than Galveston.* the city of New Orleans being the second port of exports in the United States.

It is safe to say that we must depend on the South for at least one half of all of our exports. Nearly fifty percent of the value of exports from the United States originate in the South, and between thirty five percent (35%) and forty percent (40%) pass through the Southern ports, and this ratio is steadily increasing.

Summing up the Southern developments, we would submit, first, that the South is now producing three times as much cotton as the rest of the world; it is mining more than half of the sulphur produced in the world, and by reason of the cost of production, is controlling the world's sulphur trade. It is supplying a very large proportion of the phosphate rock, which makes possible the fertilizer industry of Europe as well as of this country. It is producing one half of the timber annually cut in the United States, and it is beginning to turn much of this into the finished product. It is mining approximately one hundred and thirty five million (135,000,000) tons of coal a year, which is eighty percent (80%) more than the United States produced of bituminous and anthracite coal combined in 1880, and as much as the entire country produced of bituminous coal in 1893. It is making almost as much pig iron as was produced by the whole country in 1880, and it is beginning to turn a large part of this into steel rails, pipe, machinery and other finished products. It is shipping annually more than one hundred million dollars (\$100,000,000.00) worth of early fruits and vegetables from its truck farms and orchards.

It is producing Three billion, five hundred million dollars (\$3,500,000,000.00) in agriculture, which is two and one half (2½) times as much as the agricultural output of 1900, and eight hundred and forty million dollars (\$840,000,000.00) more than the value of the farm crops, not including the cattle products, of the United States in 1890. It has more than seven hundred million dollars (\$700,000,000.00) greater in manufacturing capital than the United States had in 1880, and is adding to its industrial development at a rate which insures far more rapid advancement in the next ten (10) years than during the last twenty five (25) years.

New Orleans is the largest city in the South; the largest port of imports and exports in the South; in closer touch with the commercial interests, not only of the South, but with South America and Central America, than any other port of the South, and it should logically follow that it is the proper point for the establishment of a regional bank for the South.

That the city is entitled to a regional bank is not open to controversy when the facts above set forth are considered.

Respectfully submitted,

THOMAS J. FREEMAN.

Filed by Mr. E. T. George
New Orleans
2-11-14

Jan. 30, 1914



Mr. Solomon Wexler, Chairman,
New Orleans Clearing House Ass'n.,
Federal Reserve Committee,
New Orleans, La.

Exhibit No. 8
Hearing at -

New Orleans

Dear Sir:-

**COTTON SEED PRODUCTS
and
KINDRED INDUSTRIES.**

.....

While New Orleans does not crush as much Cotton Seed as in former years, owing to the inroads made by the boll weevil and the building of numerous country mills, it is becoming each year more and more important as a manufacturing and exporting center for the cotton seed products turned out by the 890 oil mills, located in the cotton producing states, far outranking all other points in this regard. New Orleans holds the same relative position in cotton seed oil circles, as does Chicago in grain.

New Orleans, this season, will not crush more than 25,000 tons cottonseed, the products from which are valued at, say, - - - - - \$800,000.00 yet it will handle, from the interior points the following:- X

COTTON SEED OIL: principally from Texas, Arkansas, Louisiana, Mississippi, Alabama and Georgia, 800,000 barrels, requiring, say, 3750 tank cars of 160 barrels capacity each, for transporting it, at an average price of 40¢ per gallon, the value aggregating - - - \$12,000,000.00

After this oil is refined here, it meets with worldwide demand, much of it being exported direct from New Orleans to the leading foreign ports, the chief of which are:- Rotterdam, Marseilles, Hamburg, Antwerp and Liverpool; the balance is used locally and elsewhere in this country. X

About 200,000 barrels Cotton Seed Oil, or, say, \$4,000,000.00 worth, each year, are converted into Lard Compound by the New Orleans Factories alone.

COTTONSEED CAKE & MEAL : - Fully 150,000 tons of Cottonseed Cake and Meal, requiring, say, 5000 cars to transport it to New Orleans are handled here each season for export, from the territory above named, valued at an average price of \$30.00 per ton, say, -- \$4,500,000.00
 About one-half this quantity comes here as Loose Cake and is ground by local concerns and put up in 100 lb. bags for domestic and foreign consumption.

In addition, fully 25,000 tons of Cottonseed Meal are brought to New Orleans annually from interior points for local sale to dairymen for feeding purposes, and to fertilizer factories for mixing with other ammoniates. Value, say, - - - - - 650,000.00

COTTONSEED HULLS : -About 2500 car loads, say, 37,500 tons Cottonseed Hulls are brought into New Orleans annually from interior points for sale to dairymen and others; value, say, - - - - - 300,000.00

COTTONSEED LINTERS : - About 50,000 bales Cotton seed Linters are shipped into New Orleans for export annually, from interior points; value, say-- 750,000.00

About 50,000 tons Cottonseed Cake and Meal are exported from Savannah, Ga., Mobile, Ala. and Pensacola, Fla., by New Orleans concerns, value, say, - - - - - 1,500,000.00
 the exchange for which is sold by them to New Orleans Banks on receipt of foreign bills-lading. X

COTTONSEED SOAP STOCK : -From the refining of Crude Cottonseed Oil, about 100,000 barrels of Raw Soap Stock, testing between 40% and 50% fatty acid and valued at about - - - - - 500,000.00
 is turned out by the New Orleans refiners each season. This product is either boiled down into an artificial testing about 95% fatty acid and shipped to various points in this and foreign countries for soap-making, or utilized in the raw state by New Orleans or domestic manufacturers elsewhere for like purpose.

acid

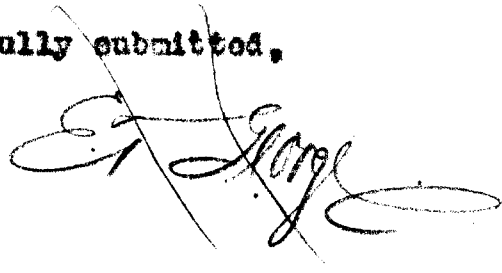
From the foregoing, it will be seen that the value of Cotton Seed Products, exclusive of the Refined Cottonseed oil used for Lard Compound, and the byproducts of soap stock, manufactured and concentrated at New Orleans each year, amounts in round figures to Twenty Million, Five Hundred Thousand Dollars.
 \$20,500,000.00

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The 890 Crude Cottonseed Oil mills represent an investment close to \$100,000,000.00. During the months of September, October, November and December each season, about four million tons of cottonseed, worth, say, \$100,000,000.00, are sold for crushing over a much longer period, hence during said months, the mills generally exhaust their local credit, and are compelled to discount four and six months notes in the money centers of the country. Cotton Seed Products are invariably sold for cash, and meet with active demand each month of the year, both at home and abroad, making the paper, as a whole, safe and desirable.

A Reserve Bank here would be of great benefit to at least five hundred (500) Crude Cotton Seed Oil Mills, contiguous to New Orleans, besides local Refiners and Exporters. ✓

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "E. J. George". The signature is written in dark ink and is positioned below the typed text "Respectfully submitted,".

Goldstein 14 Latin American Exhibit No. *9*
Hearing at

TO THE HONORABLE RESERVE BANK ORGANIZATION COMMITTEE.

Gentlemen:

Filed by K. S. Goldstein
New Orleans 2-11-14

It shall be my endeavor to trespass as little as possible upon the time of the Committee with superfluous statistics and patent facts, and I shall try to confine myself to essentials in presenting, on an economic rather than a partisan basis, the matter relating to trade between Latin America and the United States as justifying the establishment of a Federal Reserve Bank at New Orleans.

The statistics used are taken from "Commerce and Navigation of the United States", and "Statistical Abstract of the United States" of the Bureau of Foreign and Domestic Commerce, on file with the New Orleans branch office of the Bureau of Foreign and Domestic Commerce.

In the absence of the complete figures of 1913, the figures of 1912 must suffice to indicate the large extent of trade between Latin America and the United States. The total exports from the United States to Latin America were \$296,141,651.00, and the total imports to the United States \$423,037,208.00, making an aggregate of trade of \$719,178,859.00. To illustrate the growth of this trade within a brief space of time it may be well to consider as a comparison the totals of 1905, exports being \$159,156,657.00, and imports \$302,266,593.00, aggregating \$461,423,250.00, showing an increase of approximately 86% in exports and 39% in imports or a total increase in trade of 56% within seven years.

New York by virtue of its particular financial and transportation facilities, has been favored with the largest share of this business, its total export and import trade with Latin America in 1912 being \$470,506,542.00, and its increase in trade 63% in seven years. The other North Atlantic ports of Philadelphia, Baltimore and Boston have a combined trade of \$57,557,705.00 representing an increase of 33% since 1905. As representative of the Pacific Coast trade may be cited San Francisco with a total of \$13,244,181.00, an increase of 24% in the same period. It is in the South, however, that the really noteworthy development has taken place. In spite of the fact that the Latin American trade of Galveston decreased 49% in seven years because of the conditions existing in Mexico, the total Latin American commerce of Galveston, New Orleans, Mobile and Tampa in 1912 was \$106,240,555.00, an increase of about 80% over 1905. Of this amount \$61,903,744.00 in imports and \$18,408,449.00 in exports went through the port of New Orleans - an increase in seven years of 147% in imports, 67% in exports, or a total increase in Latin American commerce of 122% as compared with an increase of 56% of the entire country in the same period.

Although the commerce of Porto Rico is not technically classed as Latin American, it may not be amiss to mention that the transactions of New Orleans with that territory amount to \$16,677,385.00, representing about 21% of the entire trade of the

This showing is all the more remarkable when it is remembered that heretofore New Orleans' transportation facilities have been confined to Central America, Mexico and Cuba, there having been practically no regular sailings to and from the larger South American countries. This disadvantage has recently been overcome to a large extent by the establishment of a dependable service between New Orleans and Brazil and the Argentine, and several lines will ply regularly between New Orleans and the West Coast of South America when the Panama Canal is opened to traffic.

The erection at New Orleans of factories and distributing plants serving Latin American trade, the establishment of branch offices by large export commission houses, the large investments for terminal facilities by the great transcontinental railroads, and the designation of New Orleans by the Government as one of the four branches of the Bureau of Foreign and Domestic Commerce, are concrete evidences of the recognition of the importance of New Orleans as a point of origin for the Latin American trade.

Its relation to remoter sections of the country is equally as important. Being the outlet of the Mississippi Valley where is produced about 62% of the raw material used in manufactures, it is certain to stimulate the agricultural and mineral interests of that region. As the natural gateway of the Ohio Valley and its tributaries it offers service to the manufacturers of that section who are seeking Latin American markets. It may be illuminating, in this regard, to quote in part a statement appearing in the official organ of the Cincinnati Chamber of Commerce -- "The natural gateway for Cincinnati and the entire Ohio Valley for Latin America is New Orleans. A glance at the map shows that New Orleans is so much nearer to the Panama Canal that we cannot afford not to give this shipping point more consideration than has been done heretofore. The railroad interests have a movement under way by which New Orleans will be put on exactly the same basis as New York. In some instances it will be even a little cheaper to use the New Orleans route. Through bills of lading are and will be issued to all points in Latin America; in fact, to all points in the world, via New Orleans, and the railroads in connection with the steamship lines will guarantee prompt transportation. As far as points reached via the Panama Canal are concerned, a decidedly quicker dispatch than could ever be afforded by eastern ports is assured." This commentary is equally applicable to all the territory traversed by the eleven trunk lines terminating at New Orleans.

We take it that the extension of our foreign commerce, especially with our Latin American neighbors, is well within the purview of the Federal Reserve Act. The provisions for foreign branches and connections, the plan for the elimination of unnecessarily large gold reserves, with the consequent reduction of interest charges,

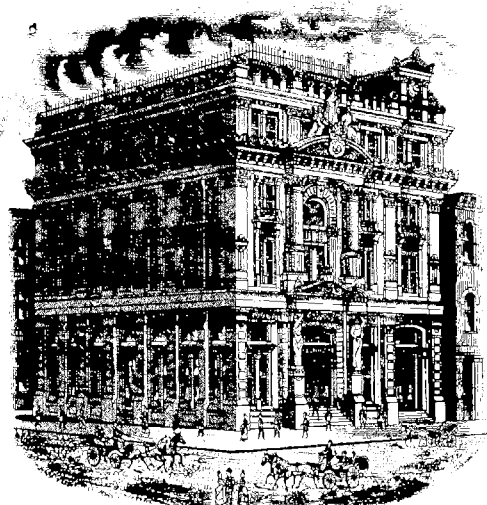
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trade.

In recognition of its commanding position for the vital trade struggle, if for no other reason, we submit that New Orleans should be designated as the headquarters for a Reserve Bank. Its advantageous proximity to Latin America; its large share of, and significant increase in the trade; its standing as a market for foreign exchange; its important relation to contiguous and remote sections of the country, and its locational advantage for serving with equal facility the Texas, Gulf, South Atlantic and Mississippi regions, concerned with Latin American markets, constitute, we believe, impressive economic reasons why New Orleans should be selected as one of the agencies to fulfil the purposes of the Federal Reserve System.

Respectfully submitted,

Louis Goedert



*Filed by E. J. Glenny
New Orleans 2-11-14*

E. J. GLENNY, PRES.
W. P. STEWART, VICE-PRES.
HENRY G. HESTER, SECY. & SUPT.
H. W. KUNTZ, ASST. SECY.

Exhibit No. 10
Hearing at
New Orleans, February 7, 1914.

To the Chairman of the
Reserve Bank Organisation Committee,

Mr. Chairman:

The Cotton business of the section tributary to New Orleans more than any other branch of industry, feels the need of a Federal Reserve Bank; on the other hand, the Federal Reserve Bank, if located in New Orleans, will derive greater benefit from Cotton than if located in the interior or at any other port and will in turn offer greater facilities to all classes of cotton merchants and producers.

A Federal Reserve Bank in New Orleans will be more advantageously situated to perform its functions to the South Central territory than if it were located in a more western, eastern, or northern city for the following reasons:

New Orleans is pre-eminently the largest banking center of the entire Southern Division of cities, its bank clearings in 1912 amounting to \$1,031,613,000, its nearest competitor being Houston, Texas, with \$895,665,000. Its location on the Mississippi gives it peculiar advantages for Export and Import business and also for business originating in the interior, which must be held somewhere awaiting export. As a matter of fact, New Orleans is the banking center of the South and to-day,

Chr. Res. Bk. Org. Com.

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though working under disadvantages, furnishes the money with which a large part of the cotton crop is financed, irrespective of whether it moves through this or through any other southern port, and with a Federal Reserve Bank, it would be the center through which a vastly increased foreign exchange business would pass a large part of which now is being forced through New York.

In the States east, west and north of New Orleans, territory geographically contiguous to New Orleans as an export center, something over 9,000,000 bales of cotton are produced which represent a value of \$500,000,000. Of these 9,000,000 over 85% finds its way to foreign countries, entailing the financing annually of over \$400,000,000 of cotton bills of exchange, probably the most liquid and much sought bills in the world. It might therefore be argued that with the proper financial facilities the possibilities of New Orleans and the territory naturally contiguous thereto would become enormous, and not only cotton but all agricultural and other exports would receive their quota of benefit and this section would gradually become more and more independent of the large money centers.

Cotton bills of exchange passing through New Orleans, even under present conditions, are steadily increasing and at present probably amount to \$100,000,000 on cotton which does not pass through New Orleans as a port. These bills of exchange, under the present system of financing, must eventually find their way to New York and thence to the accepting bank. A Federal Reserve Bank would obviate the necessity of this delay and extra expense and would at the same time largely increase the business which would be possible under the changed conditions.

New Orleans does not rest its claim for a Federal Reserve Bank only upon its geographical position to make such a bank a success, but

because in the public ownership of its docks and Belt Railroad and in the contemplated building of a large public or State owned Cotton Warehouse, New Orleans has demonstrated that its citizens have shown that confidence in public ownership, which is necessary to the success of any publicly owned and controlled institution. It is true that with one or two exceptions the public ownership of export and import facilities of other ports amounts to almost an impossibility; it is also equally true that the citizens of New Orleans have always realized that in the public control of these facilities lies the only safe means of eliminating private control and therefore private discrimination against any one interest or commodity and the establishment here of a Federal Reserve Bank will, therefore, more readily appeal to the people of this section and in so appealing inure to the development of the Reserve Bank.

An item of interest in connection with the New Orleans public ownership plans, is the determination of the State to erect a State owned and controlled system of warehouses for all classes of merchandise and agricultural products, prominent among which is the Cotton Warehouse, with all the latest modern and mechanical appliances, which is to serve not only this port but the entire cotton producing section adjacent to New Orleans and thereby it is hoped to make this section the greatest storehouse for cotton in the world. The advantages of such a warehouse, situated at tidewater and within twenty days of the most distant consuming markets of the world, cannot be overestimated and merchant and producer alike will share in the benefits and independence which such a warehouse will afford. With a Federal Reserve Bank at hand, the development of the cherished idea of the South controlling its cotton will be very nearly a realization, because such a warehouse with charges reduced to a minimum

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and because it is close to the producer, will furnish the farmer a safe, cheap, and convenient storehouse for cotton until he is ready to convert it into cash; it will, because of its accessibility to any and all of the consuming markets, offer inducements to the middlemen to hold cotton here instead of in Liverpool, Bremen and Havre, until the mills are ready to buy. It will, therefore, be at once apparent that the necessity for increased financial facilities will be immediate and the Federal Reserve Bank as a place of rediscount will be of inestimable service to the entire people.

The advantages to the Reserve Bank in being close to such a system of warehouses will not be far to seek since the officers of the Reserve Bank will have first hand information as to the value and existence of the commodity upon which its rediscounts are based.

Cotton is essentially a cash agricultural product and is beyond question the most liquid of all bankable commodities. It is also one of the greatest assets of this country and so far as the South is concerned, is its greatest and most dependable crop and upon it depends the prosperity of a large area of the United States. These are the direct benefits which cotton is responsible for, but its financial influence extends far beyond the Southern States as upon it rests the balance of trade, the annual export value exceeding the balance of trade in our favor. The total value of the cotton crop is in excess of \$1,000,000,000 of which more than 50% is grown in the States adjacent to New Orleans.


Of the cotton grown in the Western and Southern belt, a very large proportion finds its way to foreign consuming markets while in the Eastern belt, the reverse is true, since the greater part of the growth of

Chr. Res. Bk. Org. Com.

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the Eastern States goes into Southern and Northern Mills consumption and since the Federal Reserve Bank's province is to buy and sell foreign bills of exchange, and to rediscount notes and drafts secured by agricultural products, its situation as to accessibility would be of supreme importance.

All of which is respectfully submitted,



President New Orleans Cotton Exchange.

New Orleans, Feb. 1914.

TO THE HONORABLE COMMISSION
ON RESERVE BANK ORGANIZATION.

*filed by J. L. Hardin Sr.
New Orleans,
Feb. 11, 1914*

Exhibit No. 11
Hearing at

New Orleans

Gentlemen:-

To me has been assigned the task of submitting to you a brief covering the question of the importance of the City of New Orleans as a Grain, Provision, and Produce Market, and I welcome the opportunity of presenting some facts, particularly in connection with the Grain Trade, pointing out the disadvantages which we are laboring under, despite the efforts that have been made, and that are being made, to regain for New Orleans its supremacy as a Grain exporting port.

You gentlemen are aware of the commercial advantages of the City of New Orleans, of its transportation facilities, etc., so it is not my purpose to encumber you with a mass of figures or detail argument, but to bring to your attention, so far as Grain is concerned, the benefits that would accrue by the establishment of a Regional Bank at New Orleans. It is not only a local question, but it is one that is closely related to districts in which the granaries and the food supplies of the Middle West are located.

That New Orleans is the natural gateway for the Grain and Food Supplies of the Mississippi Valley, has long been recognized.

Again speaking as to Grain, the signs of the times bespeak for New Orleans the return of a large portion of the Grain trade, for, with the large crop of wheat that is being raised in this country, and changes in conditions brought about through the tariff, shippers are anxious to move their grain through this port if they can do their financing at this end.

The publicly operated elevators, and the supervising and weighing of Grain by an efficient department of a commercial organization, as is in effect at New Orleans, is recognized by all shippers as the most perfect in the country. X

The grain elevators are owned by the railroads and operated as public houses.

The New Orleans Board of Trade has complete charge and control of the weighing and inspecting of every bushel that goes into, and that is taken out of these elevators. The certificates issued by the Board of Trade are a guarantee against the bushels in store, as well as the weight of the grain, affording protection to both the shipper and the buyer, and all that is needed is ample financial facilities to attract the exporter so that he can have his papers handled at this end.

In 1899 our elevators handled 40,017,000 bushels of grain, and for the following five years, averaged 30,000,000 bushels per year, exporting 32,000,000 bushels in 1903.

No difficulty was experienced in securing from the New Orleans banks and financial concerns, all the money required to handle this large volume of business, no distinction being made between local or related shippers. The reliable firm with good grain collateral was afforded ample financial accommodation.

As a result of this policy large quantities of unsold grain were assembled here, creating a broad market, attracting not only buyers from New York, but largely extending our direct European connections, and at the same time attracting tonnage to this port, giving us an unvarying plentiful supply, with equitable and stable rates, to every port in Europe. Grain being dead weight, it became necessary to draw from the interior, lighter cargo, to properly fill these steamers, thus largely extending the sphere of our influence.

The movement began to dwindle about 1904. The banks of this city, in addition to financing Rice, Sugar, Cotton, found a call for their funds in exploiting new local enterprises and real estate, and withdrew practically all support from local grain shippers. This resulted in immediately shutting off shipments by all smaller shippers, and effectively stopping shipments from Oklahoma, Kansas, and Nebraska direct, the result being that in 1904 we handled only 11,000,000 bushels as against 32,000,000 bushels of grain the previous year.

The grain business from 1905 to 1912 was confined to very few firms who used New Orleans simply as a clearing port, no banking being done, only, only the physical cost of handling was left as profits in this city.

From 1908 up to 1913 our grain export business steadily decreased, the average during this five year period amounting to about 7,600,000 bushels a year.

The Western shipper, finding it impossible to finance his grain in this city, consigned to competitive ports or shipped to interior markets where it was distributed, ultimately reaching the European markets through the Atlantic or Lake gateways, but stripped of much of the profit which would have accrued to the producer had it been possible to reach the consumer by the natural and direct medium of the Gulf.

The imperative necessity, both for New Orleans and the great wheat producing sections of Oklahoma, Kansas, and Nebraska, is the establishment of banks which will meet the requirements of this trade, and enable the producer to market his crop where he can realize the highest price, and secure the most advantageous vehicle for the transaction of his business.

The shippers of these sections prefer our market, and the only reason they have not given us the lion's share, has been the financial difficulties. Few of these inland grain centres, like Oklahoma City, Wichita, Leavenworth, etc., have sufficient banking capital to do more than care for current movement; therefore, cannot afford to carry stocks at the ports.

A glance at the map shows conclusively that New Orleans is the logical market for the grains of the Southwest, the movement in this direction meeting with the least resistance, while the elimination of the middle man and the expenses of interior manipulation leaves to the producer the maximum of value, and tends to the enrichment of the country. (see slip. go on to end before making any dictation)

The importance of the immediate establishment of financial facilities is intensified by the fact that the wheat crop of the sections previously mentioned gives promise of the heaviest yields on record, and as the condition of the Argentine crop now coming on the market, is unsatisfactory, and the quantity much short of previous years, the

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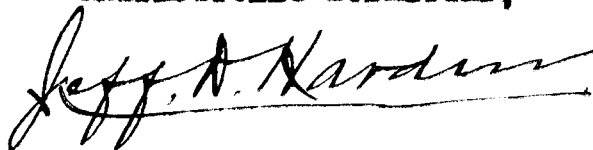
demand for American No. 2 Hard Winter Wheat is likely to be very urgent after the opening of spring, and unless these shipments can be handled through this port, it will be very disadvantageous to the shippers, as they must know what they can do before the movement begins, and what financial aid they can look for.

These considerations appear to us of sufficient urgency and importance to seriously engage the attention of your Honorable Commission upon whom devolves the duty of supplying the sinews of commerce.

In connection with New Orleans as a Produce and Provision market, our trade runs up into the millions of dollars. There is a time for about two months in the year when the country looks to New Orleans and the immediate surrounding territory, for most of its produce. Again, the provision line is not only local, but one that has a relationship to other districts.

In conclusion, I beg to submit a brief statement of receipts of Grain, Provisions, and Produce at New Orleans for the year 1913, amounting to a valuation of \$131,328,401.00, all of which must be financed in this city, showing conclusively the urgent necessity of a Federal Reserve Bank to take care of the district that New Orleans would naturally serve.

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script, reading "Jeff. A. Hardin", written over a horizontal line.

**RECEIPTS OF GRAIN, PROVISIONS, AND PRODUCE, AND VALUATION
AT THE PORT OF NEW ORLEANS, YEAR OF 1913.**

<u>COMMODITY.</u>	<u>QUANTITY.</u>	<u>VALUE.</u>
Rough Rice- - - - -	-1,102,780 Sacks- - -	-\$ 4,400,000
Clean Rice- - - - -	941,911 Pockets- -	3,300,000
Flour- - - - -	2,043,070 Barrels- -	8,200,000
Hay- - - - -	3,400 Cars- - -	675,000
Sugar- - - - -	282,810 Barrels)	
Sugar- - - - -	1,037,352 Sacks) - -	23,000,000
Molasses-- - - - -	169,611 Barrels)	
Eggs- - - - -	750 Cars- - -	1,800,000
Butter and Cheese- - - - -- - -	21,000,000
Potatoes- - - - -	2,000 Cars- - -	1,000,000
Onions- - - - -	600 Cars- - -	300,000
Cabbage- - - - -	700 Cars- - -	210,000
Apples- - - - -	700 Cars- - -	490,000
Beans- - - - -	410 Cars- - -	740,000
Peas- - - - -	268 Cars- - -	268,000
Packing House Products) exported- - - - -	66,994,731 lbs.- - -	7,676,727
Wheat- - - - -	14,049,000 bush.- - -	14,000,000
Corn- - - - -	4,429,000 bush.- - -	3,100,000
Oats- - - - -	3,086,000 bush.- - -	1,235,000
Receipts of Oranges) foreign and domestic- - - -	409,000 Boxes- - -	920,250
Pineapples- - - - -	192,930 Crates- - -	333,157
Lemons- - - - -	176,000 Boxes- - -	860,000
Miscellaneous Fruits- - - - -	500 Cars- - -	
Coffee- - - - -	2,026,487 Sacks- - -	32,853,894
Bananas- - - - -	16,083,919 Bunches- -	<u>4,966,373</u>
Total- - - - -		\$131,328,401



Filed by *Harral*
E. B. HARRAL,

COFFEE COMMISSION

BRAZILIAN AND MILD COFFEE

434, 436, 438, 440 GRAVIER
AND 300 MAGAZINE STREET

PHONE MAIN 8815

CODES:
NATIONAL
STANDARD

MEMBER

COFFEE EXCHANGE OF THE
CITY OF NEW YORK
NEW ORLEANS
BOARD OF TRADE

Exhibit No. *12*
Hearing at

New Or

NEW ORLEANS, U. S. A. Feb. 4, 1914.

The Honorable, The Federal Reserve Bank Organization Committee,
New Orleans, La.

Gentlemen:-

The following brief argument, omitting statistical tables, is submitted in the belief that what is herein stated concerning Coffee, is largely true of the financial operations involved in the settlement of the credits created by the importation of the various other articles which make New Orleans second only to New York as a Foreign Exchange Centre.

In the days of sailing ships, cargoes of a few thousand bags of coffee were imported through Boston, New York, Philadelphia, Baltimore, Savannah, Pensacola, Mobile, New Orleans, Galveston, and other ports. The increase in size of cargoes has centered the importation of coffee at New York as the great port on the North Atlantic, New Orleans, the great port on the Gulf of Mexico, and San Francisco, the great port on the Pacific. No truer indication of the commanding position of these ports could be found than the fact that the coffee trade has completely deserted all other American ports and is now confined to them.

The imports of coffee through New Orleans amount to about 2,000,000 bags each year, varying in value from \$25,000,000 to \$40,000,000. and constituting about one third of the total imports of coffee to the United States? This coffee is distributed throughout the United States, excepting the North Atlantic Seaboard east of the Alleghanies.

The shipper of coffee from Brazil draws at 90 days sight on London Bankers, and the documents are mailed to New Orleans agents of the London Bankers. These agents deliver the documents to the importers of the coffee upon their payment, or agreement to pay, in time to meet the maturity of drafts in London. Therefore, throughout the year, money is being remitted to New Orleans from all parts of the United States west of the Alleghanies to be invested in bills on London in settlement for coffee.

The large domestic and foreign exchange transactions involved, indicate the national scope of New Orleans banking, and, in connection with the fact that New Orleans' imports of all kinds for distribution throughout the Mississippi Valley, are greater than the combined imports of all the other Atlantic and Gulf ports south of Philadelphia, and of the enormous prospective financial operations with Central America and Mexico, whose United States mail passes through New Orleans, makes New Orleans the ideal situation for the development of the true purposes of a Regional Bank to serve the commercial, manufacturing, and farming industries of that vast Southern, Middle Western, and Southwestern Country, of which only artificial barriers can hold back, and then only for a brief time, the volume of business which must come to her as the gateway of the Great Valley.

Respectfully submitted
E. P. Harral

K *K*

		Railroad upon which located	Mileage, Short Line	Trains per day		Deposits For year 1913
				No. of Arrival	No. of Depart	
Albany,	Ga.	(A.C.L.)	148	(5)	(5)	\$1,478,000
		(C. of Ga.)		(4)	(4)	
		(Ga. Nor.)		(2)	(2)	
		(G.S.W. & C.)		(2)	(2)	
		(S.A.L.)		(2)	(2)	
Alexandria,	La.	(C.R.I. & P.)	468	(2)	(2)	\$2,726,000
		(La. & Ark.)		(2)	(2)	
		(L.R. & N.)		(2)	(2)	
		(M.L. & T.)		(2)	(2)	
		(St. L. I. M. S.)		(3)	(3)	
		(Tex. & Pac.)		(5)	(5)	
Americus,	Ga.	(C. of Ga.)	153	(4)	(4)	\$1,640,000
		(S.A.L.)		(3)	(3)	
Asheville,	N.C.	Southern	435	12	12	\$3,145,000
Athens,	Ga.	(U. of Ga.)	329	(2)	(2)	\$2,266,000
		(U.M.R.R.)		(2)	(2)	
		(Georgia)		(3)	(3)	
		(S.A.L.)		(4)	(4)	
Anniston,	Ala.	(L. & N. R.R.)	134	(3)	(3)	\$2,063,000
		(Southern)		(7)	(7)	
Atlanta,	Ga.	(A. & W. P.)	175	(7)	(7)	\$33,336,000
		(A. B. & A.)		(2)	(2)	
		(C. of Ga.)		(7)	(7)	
		(Georgia)		(6)	(6)	
		(L. & N. R.R.)		(3)	(3)	
		(N.C. & St. L.)		(5)	(5)	
		(S.A.L.)		(7)	(7)	
(Southern)	(18)	(18)				
Augusta,	Ga.	(Aug. Sou.)	349	(3)	(3)	\$17,719,000
		(C. of Ga.)		(3)	(3)	
		(C. & W. C.)		(2)	(2)	
		(Ga. & Fla.)		(2)	(2)	
		(Southern)		(8)	(8)	
Bainbridge,	Ga.	(A.C.L.)	174	(4)	(4)	\$823,000
		(G.F. & A.)		(2)	(2)	
Baton Rouge,	La.	(L.R. & N.)	398	(3)	(3)	\$2,977,000
		(M.L. & T.)		(2)	(2)	
		(N.O.T. & M.)		(2)	(2)	
		(Y. & M.V.)		(6)	(6)	

Hearing at *N.O.*

	Railroad upon which located	Mileage, Short Line	Trains per day		Deposits For year 1913
			No. of Arrival	No. of Departure	
Birmingham,	(A.G.S.)	97	(5)	(5)	\$26,106,000
	(A.B.&A.)		(2)	(2)	
	(C. of Ga.)		(3)	(3)	
	(St.L.&S.F.)		(4)	(4)	
	(Ill. Cent.)		(2)	(2)	
	(L. & N.)		(7)	(7)	
	(M. & O.)		(2)	(2)	
	(S.A.L.)		(3)	(3)	
(Southern)	(8)	(8)			
Brunswick,	(A.B. & A.)	333	(5)	(5)	\$1,323,000
	(A.C.L.)		(2)	(2)	
	(Southern)		(3)	(3)	
Chattanooga,	(A.G.S.)	240	(5)	(5)	\$18,100,000
	(C. of Ga.)		(2)	(2)	
	(C.N.O. & T.P.)		(6)	(6)	
	(N.C. & St.L.)		(4)	(4)	
	(T.A. & G.)		(2)	(2)	
(Southern)	(5)	(5)			
Chester,	(C. & N.W.)	402	(2)	(2)	\$1,417,000
	(L. & C.)		(2)	(2)	
	(S.A.L.)		(3)	(3)	
	(Southern)		(3)	(3)	
Clarksville,	(L. & N.)	360	(6)	(6)	\$1,720,000
	(Tenn. Cent.)		(2)	(2)	
Clinton,	(C.N. & L.)	357	(3)	(3)	\$482,000
	(S.A.L.)		(3)	(3)	
Columbia,	(A.C.L.)	414	(3)	(3)	\$8,275,000
	(C.N. & L.)		(3)	(3)	
	(S.A.L.)		(4)	(4)	
	(Southern)		(12)	(12)	
Columbus,	(C. of Ga.)	92	(7)	(7)	\$3,735,000
	(S.A.L.)		(2)	(2)	
	(Southern)		(3)	(3)	
Columbus,	(M. & O.)	167	(3)	(3)	\$1,728,000
	(Southern)		(2)	(2)	
	(S.RY. in M.)		(2)	(2)	
Corinth,	(Ill. Cent.)	248	(2)	(2)	\$640,000
	(M. & O.)		(3)	(3)	
	(Southern)		(4)	(4)	
Decatur,	(D. & N.R.R.)	183	(5)	(5)	\$1,618,000
	(Southern)		(4)	(4)	
Demopolis,	Southern	99	3	3	\$725,000

	Railroad upon which located.	Mileage, Short Line	Trains per day		Deposits for year 1935
			No. of Arrival	No. of Departure	
Dothan,	Ala. (A. & S.T.A.B.) (A.C.L.) (C. of Ga.)	119	(2) (5) (3)	(2) (5) (3)	\$1,253,000
Eufaula,	Ala. C. of Ga.	80	4	4	\$830,000
Fitzgerald,	Ga. (A.B. & A.) (Ooil. Sou.) (S.A.L.)	207	(4) (2) (2)	(4) (2) (2)	\$775,000
Florence,	Ala. (L. & N.) (Southern)	227	(2) (5)	(2) (5)	\$647,000
Gadsden,	Ala. (A.G.S.) (L. & N.) (N.C. & St.L.) (Southern) (T.A. & G.)	157	(5) (2) (2) (2) (2)	(5) (2) (2) (2) (2)	\$1,313,000
Greenville,	Miss. (S. Ry. in M.) (Y. & M.V.) (O. & W.C.)	344	(6) (5)	(6) (5)	\$2,462,000
Greenville,	S.C. (O. & W.C.) (Gre. & Knox) (Southern)	336	(3) (3) (12)	(3) (3) (12)	\$3,555,000
Greenwood,	Miss. (S. Ry. in M.) (Y. & M.V.)	289	(3) (6)	(3) (6)	\$1,678,000
Greenwood,	S.C. (O. & W.C.) (S.A.L.) (Southern)	329	(2) (3) (3)	(2) (3) (3)	\$1,127,000
Griffin,	Ga. (C. of Ga.) (Southern)	172	(8) (3)	(8) (3)	\$644,000
Gulfport,	Miss. (G. & S.I.) (L. & N.)	231	(2) (7)	(2) (7)	\$1,447,000
Hattiesburg,	Miss. (G. & S.I.) (Miss. Cent.) (N.O. & N.E.) (N.O.M. & O.)	239	(2) (2) (4) (3)	(2) (2) (4) (3)	\$2,522,000
Holly Springs,	Miss. (Ill. Cent.) (St.L. & S.F.)	303	(2) (4)	(2) (4)	\$1,085,000
Huntsville,	Ala. (N.C. & St.L.) (Southern)	207	(3) (4)	(3) (4)	\$2,179,000

		Railroad upon which located	Mileage, Short Line	Trains per day		Deposits for year 1913
				No. of Arrival	No. of Departure	
Jackson.	Miss?	(A. & V.)	250	(4)	(4)	\$4,685,000
		(O. & S. I.)		(3)	(3)	
		(Ill. Cent.)		(5)	(5)	
		(N. O. G. N.)		(3)	(3)	
		(Y. & M. V.)		(4)	(4)	
Jackson,	Tenn.	(Ill. Cent.)	348	(4)	(4)	\$4,318,000
		(M. & O.)		(3)	(3)	
		(N. O. & St. L.)		(2)	(2)	
Jacksonville, Fla.		(A. O. L.)	345	(10)	(10)	\$22,294,000
		(F. E. O.)		(6)	(6)	
		(G. S. & F.)		(2)	(2)	
		(S. A. L.)		(7)	(7)	
		(Southern)		(6)	(6)	
Knoxville,	Tenn.	(L. & N.)	351	(10)	(10)	\$11,788,000
		(Southern)		(12)	(12)	
La Grange,	Ga.	(A. & W. P.)	104	(5)	(5)	\$1,322,000
		(A. B. & A.)		(2)	(2)	
		(M. & B.)		(2)	(2)	
Laurel,	Miss.	(G. & S. I.)	210	(2)	(2)	\$1,178,000
		(N. O. & N. E.)		(4)	(4)	
		(N. O. M. & C.)		(4)	(4)	
Little Rock,	Ark.	(C. R. I. & P.)	481	(9)	(9)	\$14,159,000
		(St. L. & S. W.)		(2)	(2)	
		(St. L. I. M. & S.)		(18)	(18)	
Macon,	Ga.	(G. of Ga.)	224	(12)	(12)	\$7,309,000
		(Georgia.)		(3)	(3)	
		(G. S. & F.)		(6)	(6)	
		(M. & B.)		(2)	(2)	
		(M. D. & S.)		(2)	(2)	
		(Southern)		(6)	(6)	
Memphis,	Tenn.	(C. R. I. & P.)	348	(8)	(8)	\$37,493,000
		(Frisco)		(7)	(7)	
		(Ill. Cent.)		(10)	(10)	
		(L. & N.)		(4)	(4)	
		(N. O. & St. L.)		(3)	(3)	
		(St. L. I. M. & S.)		(10)	(10)	
		(St. L. & S. W.)		(3)	(3)	
		(Southern)		(5)	(5)	
(Y. & M. V.)	(7)	(7)				

Montgomery

9,000,000

		Railroad upon which located	Mileage, Short Line	Trains per day		Deposits for year 1913
				No. of Arrival	No. of Departure	
Meridian,	Miss?	(A. & V.)	154	(4)	(4)	\$3,700,000
		(A. G. S.)		(4)	(4)	
		(M. & O.)		(4)	(4)	
		(N. O. & N. E.)		(4)	(4)	
		(Southern)		(3)	(3)	
Mobile,	Ala.	(L. & N.)	179	(7)	(7)	\$13,982,000
		(M. & O.)		(3)	(3)	
		(N. O. M. & C.)		(2)	(2)	
		(Southern)		(2)	(2)	
Nashville,	Tenn.	(L. & N.)	304	(10)	(10)	\$28,508,000
		(N. C. & St. L.)		(10)	(10)	
		(Tenn. Cent.)		(7)	(7)	
Natchez,	Miss.	(Miss. Cent.)	348	(2)	(2)	\$4,003,000
		(St. L. I. M. S.)		(2)	(2)	
		(Y. & M. V.)		(2)	(2)	
New Albany,	Miss.	(Frisco)	267	(4)	(4)	\$475,000
		(N. O. M. & C.)		(4)	(4)	
Newnan,	Ga.	(A. & W. P.)	136	(7)	(7)	\$490,000
		(C. OF Ga.)		(2)	(2)	
New Orleans,	La.	(Ill. Cent.)	318	(8)	(8)	\$89,976,000
		(L. R. & N.)		(2)	(2)	
		(Frisco)		(5)	(5)	
		(L. & N.)		(7)	(7)	
		(M. L. & T.)		(6)	(6)	
		(N. O. & N. E.)		(5)	(5)	
		(N. O. G. N.)		(4)	(4)	
		(N. O. M. & C.)		(2)	(2)	
		(N. O. S. & G. I.)		(4)	(4)	
		(TEX. & Pac.)		(4)	(4)	
(Y. & M. V.)	(3)	(3)				
Opelika,	Ala.	(C. of Ga.)	66	(4)	(4)	\$1,211,000
		(W. of A.)		(5)	(5)	
Pensacola,	Fla.	L. & N.	1 63	3	3	\$5,051,000
Pine Bluff,	Ark.	(St. L. I. M. S.)	584	(5)	(5)	\$5,331,000
		(St. L. S. W.)		(4)	(4)	
Savannah,	Ga.	(A. C. C. L.)	338	(9)	(9)	\$25,,208,000
		(Brinson)		(2)	(2)	
		(C. of Ga.)		(7)	(7)	
		(S. & S.)		(2)	(2)	
		(S. A. L.)		(8)	(8)	
(Southern)	(2)	(2)				

	Railroad upon which located	Mileage, Short Line	Trains per day		Deposits for year 1913
			No. of Arrival	No. of Departure	
Rome, Ga.	(C. of Ga.) (N.C. & St. L.) (Rome & Nor.) (Southern)	155	(2 (3 (2 (8	(2 (3 (2 (8	\$1,425,000
Selma, Ala.	(L. & N.) (Southern) (W. of A.)	50	(3 (5 (3	(3 (5 (3	\$3,007,000
Sheffield, Ala.	L. & N.	204	2	2	\$365,000
Shreveport, La.	(H. & S. R. R.) (K. C. S.) (La. & Ark.) (L. R. & N.) (M. K. & T.) (St. L. S. W.) (Tex. & Pac.) (V. S. & P.)	466	(2 (3 (3 (3 (2 (2 (7 (4	(2 (3 (2 (3 (2 (2 (7 (4	\$12,639,000
Spartanburg, S. C.	(C. O. & C.) (C. & W. C.) (Glenn Spg.) (Southern)	356	(2 (3 (2 (12	(2 (3 (2 (12	\$3,017,000
Talladega, Ala.	(A. B. & A.) (L. & N.) (Southern)	118	(2 (2 (3	(2 (2 (3	\$1,144,000
Thomasville, Ga.	(A. B. & A.) (A. C. L.) (Fla. Cent.)	210	(2 (5 (2	(2 (5 (2	\$830,000
Tifton, Ga.	(A. B. & A.) (A. C. L.) (G. S. & F.)	188	(2 (6 (6	(2 (6 (6	\$600,000
Tupelo, Miss.	(Frisco) (M. & O.)	241	(4 (3	(4 (3	\$1,690,000
Tuscaloosa, Ala.	(A. G. S.) (L. & N.) (M. & O.)	107	(5 (2 (3	(5 (2 (3	\$1,935,000
Tuscumbia, Ala.	(L. & N.) (Southern)	226	(2 (4	(2 (4	\$39,000
Union Springs, Ala.	(B. & S. E.) (C. of Ga.)	41	(3 (2	(3 (2	\$702,000

		Railroad upon which located	Mileage, Short Line	Trains per day		Deposits for year 1913
				No. of Arrival	No. of Departure	
Valdosta,	Ga.	(A.C.L.)	255	(3	3)	\$2,683,000
		(G. & F.)		(3	3)	
		(G.S.& F.)		(4	4)	
		(V.M. & W)		(2	2)	
Vicksburg,	Miss.	(A.& V.)	294	(5	5)	\$5,667,000
		(VS.&P.)		(5	5)	
		(Y.& M.V)		(6	6)	
Waycross,	Ga.	(A.B.& A.)	260	(2	2)	\$714,000
		(A.C.L.)		(14	14)	
		(Way. Sou.)		(2	2)	
		(Way.&West)		(2	2)	
West Point,	Ga.	(A.& W.P.)	88	(5	5)	\$496,000
		(Chatt. Val) (W. of A.)		(2 (5	2) 5)	
Winona,	Miss.	(Ill. Cent)	263	(5	5)	\$586,000
		(S&Ry. in M)		(4	4)	

NEW ORLEANS CLEARING HOUSE ASSOCIATION

71

DEPARTMENT OF EXAMINATION
 JAMES RICHARDSON STEVENS
 EXAMINER

NEW ORLEANS, LA.

Exhibit No. 15
 Hearing at
 New Or.

ELMORE FITZPATRICK HIGGINS
 ASSISTANT EXAMINER

Memorandum compiled by the Department of Examination, of statistics in connection with the proposed Federal Reserve District, with New Orleans as the Federal Reserve City.

Figures (in millions) given below, are for National Banks only, and for entire States.

States-	No. of Bks.-	Cap.&Surp.-	Deposits-	Bills Payable-	Total Resources.-
Texas	519	\$76.3	\$248.5	\$16.0	\$393.5
Louisiana	31	13.6	47.2	5.8	80.1
Mississippi	33	5.0	15.8	1.5	27.5
Alabama	90	16.0	48.7	2.9	79.9
Florida	53	10.5	38.2	2.6	60.9
	<u>726</u>	121.4	398.4	28.8	641.9
Georgia	<u>117</u>	<u>24.5</u>	<u>64.0</u>	<u>5.2</u>	<u>112.7</u>
	843	145.9	462.4	34.6	754.6

Reserve Bank Capital, including Georgia-	\$8,700,000.00
Reserve Bank Capital, excluding Georgia-	7,200,000.00
5% of Deposits, including Georgia-	23,100,000.00
5% of Deposits, excluding Georgia-	19,900,000.00
Reserve Bank Total Resources, estimating Government Deposits at \$8,000,000.00-	
With Georgia-	\$39,000,000.00
Without Georgia.	35,100,000.00

{ Compiled from "Abstract of Reports of Condition of National Banks, No. 86"- Issued by the Comptroller of the Currency, November 20, 1913. }

INQUIRIES MADE BY THIS OFFICE BEARING UPON THE ASSETS OR THE AFFAIRS OF BANKS, HAVE TO DO WITH THE CUSTOMARY EXAMINATIONS MADE FROM TIME TO TIME, OF EVERY INSTITUTION CONNECTED WITH THE NEW ORLEANS CLEARING HOUSE ASSOCIATION.

NEW ORLEANS CLEARING HOUSE ASSOCIATION



NEW ORLEANS, LA.

DEPARTMENT OF EXAMINATION
 JAMES RICHARDSON STEVENS
 EXAMINER
 ELMORE FITZPATRICK HIGGINS
 ASSISTANT EXAMINER

Memorandum compiled by the Department of Examination, of statistics in connection with the proposed Federal Reserve District, with New Orleans as the Federal Reserve City.

CAPITAL AND SURPLUS, (in millions) of
 STATE BANKS, LOAN AND TRUST COMPANIES, in,

Texas	\$30.9		
Louisiana	17.1		
Mississippi	15.3		
Alabama	14.9		
Florida	<u>6.4</u>	\$84.6	\$ 84.6
Georgia		<u>31.7</u>	116.3

(Compiled from Report of the Comptroller of
 the Currency, for 1912.)

RESOURCES, (in millions) of,
 NATIONAL, STATE, PRIVATE BANKS, LOAN AND TRUST COMPANIES, in,

Texas	\$441.1		
Louisiana	188.1		
Mississippi	96.2		
Alabama	136.6		
Florida	<u>94.4</u>	\$956.4	\$ 956.4
Georgia		<u>233.1</u>	1,189.5

(Compiled from Report of the Comptroller of
 the Currency, for 1912.)

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NEW ORLEANS CLEARING HOUSE ASSOCIATION



NEW ORLEANS, LA.

DEPARTMENT OF EXAMINATION
 JAMES RICHARDSON STEVENS
 EXAMINER
 ELMORE FITZPATRICK HIGGINS
 ASSISTANT EXAMINER

Memorandum compiled by the Department of Examination, of statistics in connection with the proposed Federal Reserve District, with New Orleans as the Federal Reserve City.

Figures (in millions) given below, are for National Banks only, and for entire States, with the exception of Texas. The part of Texas used being comprised of that portion of the State, lying on and East of a line drawn from North to South, through the City of Austin.

States-	No. of Bks.-	Cap.&Surp.-	
Texas-	311	\$60.5	
Louisiana	31	13.6	
Mississippi	33	5.0	
Alabama	90	16.0	
Florida	<u>53</u>	<u>10.5</u>	(Reserve)
	518	105.6 -----	(Bank)
			(Capital)
			\$6,300,000.00
Georgia	<u>117</u>	<u>24.5</u>	
	635	130.1 -----	
			\$7,200,000.00

{ "Compiled from "Abstract of Reports of Condition of National Banks, No. 86-" Issued by the Comptroller of the Currency, November 20, 1913; with the exception of Texas, which were compiled from the (Credit Company) "Blue Book", issue of July, 1913. }

INQUIRIES MADE BY THIS OFFICE BEARING UPON THE ASSETS OR THE AFFAIRS OF BANKS, HAVE TO DO WITH THE CUSTOMARY EXAMINATIONS MADE FROM TIME TO TIME, OF EVERY INSTITUTION CONNECTED WITH THE NEW ORLEANS CLEARING HOUSE ASSOCIATION.

NEW ORLEANS CLEARING HOUSE ASSOCIATION



DEPARTMENT OF EXAMINATION

NEW ORLEANS, LA.

JAMES RICHARDSON STEVENS
EXAMINER

ELMORE FITZPATRICK HIGGINS
ASSISTANT EXAMINER

Memorandum compiled by the Department of Examination, of statistics in connection with the proposed Federal Reserve District, with New Orleans as the Federal Reserve City.

Figures (in millions) given below, are for National Banks only, and for entire States, with the exception of Tennessee, only the Western section comprised of that portion of the State lying on and West of the Tennessee River being used.

States-	No. of Bks.-	Cap.&Surp.-	
Texas	519	\$ 76.3	{ Reserve Bank Capital }
Louisiana	31	13.6	
Tennessee	17	3.0	
Mississippi	33	5.0	
Alabama	90	16.0	
Florida	<u>53</u>	<u>10.5</u>	
	743	124.4-----	\$7,400,000.00
Georgia	<u>117</u>	<u>24.5</u> -----	
	860	148.9-----	8,900,000.00

{ Compiled from "Abstract of Reports of Condition of National Banks, No. 86-" Issued by the Comptroller of the Currency, November 20, 1913; with the exception of Tennessee, which were compiled from the (Credit Company) "Blue Book", issue of July, 1913. }

INQUIRIES MADE BY THIS OFFICE BEARING UPON THE ASSETS OR THE AFFAIRS OF BANKS, HAVE TO DO WITH THE CUSTOMARY EXAMINATIONS MADE FROM TIME TO TIME, OF EVERY INSTITUTION CONNECTED WITH THE NEW ORLEANS CLEARING HOUSE ASSOCIATION.

NEW ORLEANS CLEARING HOUSE ASSOCIATION

DEPARTMENT OF EXAMINATION

NEW ORLEANS, LA.

JAMES RICHARDSON STEVENS
EXAMINER

ELMORE FITZPATRICK HIGGINS
ASSISTANT EXAMINER

Memorandum compiled by the Department of Examination, of statistics in connection with the proposed Federal Reserve District, with New Orleans as the Federal Reserve City.

Figures (in millions) given below, are for National Banks only, and for entire States, with the exceptions of Texas and Tennessee. The part of Texas used being comprised of that portion of the State, lying on and East of a line drawn from North to South, through the City of Austin; only the Western section of Tennessee, comprising that portion of the State lying on and West of the Tennessee River, being used.

States-	No. of Bks.-	Cap. & Surp.	
Texas-	311	\$ 60.5	(Reserve) (Bank) (Capital)
Louisiana	31	13.6	
Mississippi	33	5.0	
Alabama	90	10.0	
Florida	53	10.5	
Tennessee	<u>17</u>	<u>3.0</u>	
	535	108.6-----	\$6,500,000.00
Georgia	<u>117</u>	<u>24.5</u>	
	652	133.1-----	\$7,900,000.00

{ Compiled from "Abstract of Reports of Condition of National Banks, No. 86-" Issued by the Comptroller of the Currency, November 20, 1913; with the exceptions of Texas and Tennessee, which were compiled from the (Credit Company) "Blue Book", issue of July, 1913. }

INQUIRIES MADE BY THIS OFFICE BEARING UPON THE ASSETS OR THE AFFAIRS OF BANKS, HAVE TO DO WITH THE CUSTOMARY EXAMINATIONS MADE FROM TIME TO TIME, OF EVERY INSTITUTION CONNECTED WITH THE NEW ORLEANS CLEARING HOUSE ASSOCIATION.

By *L. Palmer* New Orleans
Filed 2-11-14

Exhibit No. 16
Hearing at
- New Orleans. *P*

B R I E F

Of the Lumber Industry, from a Financial and Banking Standpoint, in the Territory Adjacent to New Orleans.

By

L. P A L M E R,

Export Editor, Lumber Trade Journal,

New Orleans.

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Regarded simply as one element of the financial interests to be served by a regional bank in New Orleans, the lumber industry is one of more than ordinary importance, not only because of its own magnitude, but because of the relative importance of the industry in Louisiana and nearby states as compared with other states. This is illustrated by the data herewith presented, which have been made to cover all the states deemed probable to be included in the district to be served by a regional bank in New Orleans; and while total figures and percentages are given for all these states, the detailed figures for each state will enable other combinations to be formed covering a more restricted territory if desired. No great detail had been attempted in these data, it being presumed that the Commission has other and more reliable sources of information from which to secure such details as it may desire; but they are largely official, and it is believed sufficient for the purpose, which is to serve merely as a basis for the points desired to be illustrated.

Exhibit No. 1 gives approximately the capital employed in the lumber industry, in the three branches of manufacturing, wholesale and retailing, in the seven states named, Louisiana, Mississippi, Arkansas, Texas, Alabama, Georgia and Florida, amounting to \$448,491,000 representing 7,723 concerns. In the nature of things, this is only an approximation, but it is believed to be conservative and the actual value of the holdings is naturally considerably in excess of the capitalization stated. Special mention need only be made of the figures for Louisiana, its small number of companies and the high capitalization suggesting the large scale on which lumbering operations are carried

on in the state in which New Orleans is situated.

Page: #2.

Exhibit No. 2 also illustrates this same condition, and the further fact that the industry in this state is largely a saw milling proposition, which is what this exhibit covers. It shows that Louisiana, which is second only to the state of Washington in amount of lumber produced, and a larger producer than it in proportion to area, is also practically the center of the most important lumber producing section of the country, the production of these seven states being approximately one-third that of the entire United States; and points logically to New Orleans as an important financial center from a lumber standpoint.

Exhibit No. 3 is of the same character, but of wider scope, going beyond the primary manufacturing of lumber, or saw milling, and including operations which are of greater relative importance in other states. While the figures in this exhibit do not give the industry the same relative importance as those of Exhibit 2, they nevertheless strongly support the same conclusion.

Exhibit No. 4 relates specially to exports of forest products from the ports in the territory covered by the other exhibits. As stated, this exhibit is incomplete, not including the Port Arthur district, and including only Pensacola of the Florida district, that being its most important lumber port, and figures therefrom, as well as values at all ports except New Orleans being approximate. The figures are sufficient, however to show the commanding importance of the Gulf and South Atlantic coast in the export lumber trade. For instance, leaving out the item "Miscellaneous," the exports from the five ports named during the last calendar year were slightly more than half of those for the fiscal year from the entire country; and the addition of the figures from the missing ports would make this proportion good for the calendar year, allowing for possible excess in the total of the calendar year over the fiscal year. While hardwood exports come from a wide territory, and are financed to a considerable extent in the interior, the other items named are in the main financed locally at the ports, or at least in the territory adjacent thereto, and are therefore an important element in banking operations.

Page. #3.

Exhibit No. 5, while to some extent representing the consumption feature of the wood industry, as distinguished from that of production, is also in a great measure to be regarded as an addition to the latter, including as it does handles, spokes, cars, wagons and agricultural implement material, etc., which are not included in the statistics of lumber production. It is not claimed that the consumption of wood is of importance in these states in comparison with the large manufacturing states of the country, but these figures are not without value as illustrating the magnitude of the wood industry as a whole.

Exhibit No.6, illustrates as to Louisiana a situation which is typical of all the lumber states of the South, and presents a situation important to be considered in the permanent location of a regional bank. The other exhibits relate to the present condition of the lumber industry, suggesting the large attendant traffic in machinery, railroad equipment, commissary supplies, etc., which after a few years may be logically expected to decrease in volume, and to a less degree in financial importance. This exhibit, however, relates to the industries which are to follow, and which are now in their infancy. The movement for the utilization of waste accumulating in the manufacture of lumber is gaining ground, and is inevitably destined to create a very large and important industry, with its most attractive field in the large lumber producing territory of Louisiana and neighboring states; while the development of out-over lands and putting them in agriculture is receiving more and more attention. This will require not merely the conduct of business already in operation, but the inauguration of new enterprises and the investment of large amounts of capital, calling for an extended use of credits and discounts; while the replacement of the forests by farms and towns will give rise to much more extended and varied financial operations than at present, and increase largely the need of adequate banking facilities.

E X H I B I T No. 1.

STATEMENT OF CAPITAL employed in the Lumber Industry in the
Southern States Tributary to New Orleans.

Naturally dependent on New Orleans as a banking center
are the states of Louisiana, Arkansas, Mississippi, Texas, Alabama,

Page. #4.

(Exhibit No. 1 Continued)

Florida and Georgia. The lumber business of these states is an important feature. It is divided into three branches, manufacturing, wholesaling and retailing. Lumbermen are all heavy borrowers.

The total capital interested in the lumber business in the states named is \$448,491,000. There are 7,723 concerns. The capitalisation does not represent the maximum investment. The following table gives the totals by states. These figures are obtained from credit rating books, supplemented by personal knowledge.

	CAPITAL.	COMPANIES.
Louisiana	100,065,500	739
Mississippi	43,914,000	1,110
Arkansas	62,068,500	1,333
Texas	121,992,000	1,950
Alabama	42,218,500	911
Florida	33,908,000	651
Georgia	44,324,500	1,029
	-----	-----
Total	448,491,000	7,723

Details will be furnished if desired.

E X H I B I T No. 2.

LUMBER PRODUCTION in Southern States as Named, during 1909, and during 1912.

(Production and values for 1909 taken from reports of Bureau of the Census. Production for 1912, from same source, and Values arrived at by use of the same average values for each State as in 1909)

Page. #5.

(Exhibit No. 2 Continued)

STATES	<u>1909</u>			<u>1912</u>	
	PRODUCTION M FT.	VALUE	AVERAGE VALUE	PRODUCTION M FT.	VALUE
Louisiana	3,551,918	\$50,539,094	\$14.23	3,876,211	\$55,158,483
Mississippi	2,572,669	38,322,513	14.93	2,381,898	35,561,737
Arkansas	2,111,300	31,839,283	15.08	1,821,811	27,472,910
Texas	2,099,130	25,747,212	12.26	1,902,201	23,320,984
Alabama	1,691,001	23,938,627	14.16	1,378,151	19,514,618
Georgia	1,342,249	14,650,541	12.74	941,291	11,992,047
Florida	1,201,734	14,696,413	14.16	1,067,525	15,105,479
Total	14,570,001	\$204,490,105		13,369,088	\$188,128,258
Percent of	32.73	29.87		34.63	31.25
Total United States	44,509,761	\$684,479,859	15.37	39,158,414	\$601,864,823

The above figures include lumber, lath and shingles, the two latter being reduced to equivalents of board feet. There is of course a large amount of other forest products gotten out, such as piling, poles, staves, heading, etc., complete details of which by states and values is not available. The five states named produce 17.51 percent of all the slack staves, and 42.22 percent of the tight staves manufactured in the country; and while the values are not stated in the statistics, their proportion of value of tight staves is probably more than that of number, as they produce practically all the rough staves exported, which are of high value.

EXHIBIT No. 3.

ANALYSIS OF WOOD PRODUCING OPERATIONS in Louisiana, Mississippi Arkansas, Alabama, Texas, Georgia and Florida.

The following figures taken from the report of the 13th census present in a different form statistics covering the lumber producing industry in the above named states, being on a somewhat wider basis than the mere sawing of lumber from the log. The figures include logging operations, ordinary sawmills (Except small custom mills sawing

Page. #6.

(Exhibit No. 3 Continued)

for local consumption), planing mills, and establishments engaged in the manufacture of wooden packing boxes. As the value of the product of one operation often represents that of the material for a subsequent one, there is more or less duplication in the column headed "Value of Product", which does not exist as to number of employes and value added by manufacture.

	NUMBER OF EMPLOYES	VALUE OF PRODUCT	VALUE ADDED BY MANUFACTURE
Louisiana	46,072	\$62,837,912	\$39,681,716
Mississippi	33,397	42,792,844	28,586,246
Arkansas	32,932	40,640,327	26,340,660
Texas	23,518	32,201,440	21,197,137
Alabama	22,409	26,057,862	16,913,023
Georgia	22,257	24,632,093	16,127,490
Florida	19,227	20,868,016	14,623,571
	<hr/>	<hr/>	<hr/>
Total	199,812	\$250,025,294	\$ 163,469,843
Being percent of	28.75	21.63	25.38
Total for United States	695,019	\$1,156,128,747	\$ 648,011,168

EXHIBIT No. 4.

STATISTICS OF EXPORTS OF FOREST PRODUCTS (so far as available) from Ports in Georgia, Florida, Alabama, Mississippi, Louisiana and Texas during 1913.

(Figures of New Orleans are official and complete for all items included in statistics of Bureau of Foreign and Domestic Commerce under head of Wood and its Manufactures. Those for Savannah, Mobile and Galveston are official, but incomplete, including under "Miscellaneous" only shingles, shooks, headings and miscellaneous lumber. Figures for Pensacola are unofficial for last half of year, being compiled from private shipping news reports. Figures for other ports in the Florida district, and for the Port Arthur district, not now available.)

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Page. #7.

(Exhibit No. 4 Continued)

Quantities of Logs, Timber, Boards, Deals, Planks, Joists and Scantling are in thousand feet; railroad ties and staves, numbers.

	<u>NEW ORLEANS</u>		<u>MOBILE</u>	
	Quantities.	Values	Quantities.	Values.
Logs -----	41,016	\$1,477,893	5,782	\$ 161,086
Timber -----	28,421	601,521	212,116	4,661,334
Boards, Deals, Planks, Joists, Scantling-Yellow Pine -----	140,727	2,951,489	490,067	10,580,162
" All Other -----	209,165	8,578,915	8,047	355,797
Railroad Ties -----	621,615	428,384	163,518	78,489
Staves -----	33,170,013	4,205,159	2,001,289	164,104
Miscellaneous-----		1,965,335		680,220
		<u>\$20,208,697</u>		<u>\$ 16,682,192</u>

	<u>PENSACOLA</u>		<u>GALVESTON</u>	
	Quantities.	Values.	Quantities.	Values.
Logs -----	1,698	\$ 35,216	5,479	\$ 175,925
Timber -----	103,953	2,219,167	10,026	215,030
Boards, Joists, etc. Yellow Pine -----	182,241	3,796,312	55,472	1,225,853
All Other -----	559	18,637	3,976	151,307
Railroad Ties -----	- -	- -	5,044	2,421
Staves -----	3,838,881	253,288	7,933,704	650,564
Miscellaneous .		2,585		150,253
Total Value		<u>\$ 6,325,205</u>		<u>\$ 2,571,553</u>

<u>SAVANNAH.</u>	
Quantities.	Values.
Logs -----	8,718 \$182,535
Timber -----	22,922 487,551
Boards, Joists, etc. Yellow Pine -----	15,428 335,726
All Other -----	5,435 210,599
Railroad Ties	41,743 20,037
Staves -----	2,335,704 191,528
Miscellaneous	<u>650,340</u>
Total Value	<u>\$ 2,078,316</u>

(Values for New Orleans are official, being taken from collector's reports. For other ports, values are arrived at on basis of average values of similar items in total exports of country for calendar year ending June 30, 1913.)

Total exports from New Orleans, Mobile, Pensacola, Galveston and Savannah, for 1913, compared with those from entire country in calendar year ending June 30, 1913.

	<u>FIVE PORTS.</u>		<u>COUNTRY.</u>	
	Quantities.	Values	Quantities.	Values.
Logs -----	62,693	\$2,032,655	173,524	\$4,223,408
Timber -----	377,438	8,184,603	511,637	11,150,577
Boards, Joists, etc.				
Yellow Pine -----	883,935	18,889,542	1,127,467	24,949,890
All Other -----	227,182	9,316,256	1,428,766	37,505,998
Railroad Ties -----	831,920	529,331	5,416,763	2,616,563
Staves -----	48,529,591	5,464,643	89,005,624	7,325,535
Miscellaneous		3,448,733		27,684,562
		\$ 47,865,783		\$ 115,704,771

Being disappointed in getting totals of the country for the calendar year, it is necessary to use for a comparison those of the fiscal year, which the completed figures for the calendar year will probably show to be somewhat less than the latter. In connection with the specific bearing of these statistics on the banking question, it should be noted that the great bulk of the timber, yellow pine boards etc., and staves, are handled by firms located on the Gulf, and in the case of staves, the business is largely centered in New Orleans, the financing of the shipments being therefore, to a special extent, a local matter.

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EXHIBIT No. 5.

STATISTICS OF CONSUMPTION OF LUMBER by Wood-Using Industries in Louisiana, Texas, Arkansas, Mississippi, Alabama and Florida in 1912.

(Taken from Reports on Wood-Using Industries compiled by the Forest Service of the United States).

	Amount Used --Feet.	Average Cost per M Feet	Total Cost F.O.B.Factory
Louisiana -----	1,354,954,101	\$11.64	\$15,765,458
Texas -----	762,336,112	13.30	10,144,925
Arkansas -----	1,361,382,000	11.49	15,639,169
Mississippi -----	618,270,030	12.22	7,554,531
Alabama -----	726,816,900	12.24	8,893,735
Florida -----	521,141,796	12.41	6,464,863

EXHIBIT No. 6.

Louisiana is the second largest lumber producing state in Union, the annual value of the product being in excess of \$50,000,000. Including by-products the annual value exceeds \$60,000,000. The state has standing timber to the amount of 120 billion feet, valued at \$600,000,000. It has also nearly 4,000,000 acres of cut-over land, 80 percent of which is well suited for agriculture. To properly develop these cut-over lands the state needs industries which will utilize the millions of cords of material now left on them. For this is required distillation, pulp and ethyl alcohol plants. These plants will clear the land at no cost, and produce a big revenue from their operations.

To finance these plants rural credits are suggested, the basis of credit being land for agricultural purposes. A loan of 30 percent on the actual land value will be ample to finance all industries for developing the cut-over lands. There is available sufficient raw material to sustain all by-product industries on a large scale for over a hundred years.

The development of all these industries will result in a great impetus to the agricultural development of Louisiana and the other Southern States, which is so much needed. It will also result in increased trade with Central and South American, a most desirable feature. Louisiana needs population and money, or its equivalent, credit to develop her vast resources. A regional bank is desired to render this service to the best advantage.

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New Orleans February 7, 1914.

R. W. Spaulding
W. S. Panick

Gentlemen of the Committee--

New Orleans occupies the Second Place in the SUGAR TRADE in the United States, following New York and taking precedence over Philadelphia, San Francisco and Boston.

A statement furnished by Mr D D Colcock, Secretary of the Louisiana Sugar and Rice Exchange, a high authority upon such subjects, states that New Orleans handles ninety per cent of the Louisiana Sugar produced on plantations amounting in good years to something like 300,000 long tons; and in addition to this 378,000 long tons of Foreign Sugar are imported and refined, making a total of 678,000 tons.

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Of Molasses and Syrups, domestic and foreign, the same authority states New Orleans handles 273,000 long tons.

From these figures, it will be seen that New Orleans is the Clearing House for conservatively SIXTY-FIVE MILLION DOLLARS annually of SUGAR, AND FIFTY MILLION DOLLARS in MOLASSES, or a total of ONE HUNDRED AND FIFTEEN MILLION DOLLARS, both of which products are distributed throughout the United States; but especial attention is called to the fact that the Southern States, particularly Texas, Arkansas, Louisiana, Mississippi, Alabama and Georgia rely almost entirely upon New Orleans for their supply of Sugar and Molasses.

In financing the raising, manufacture and distribution of these products, there is a tremendous amount of money required, running into the millions, nearly all of which is FURNISHED BY THE NEW ORLEANS BANKS.

It is hardly necessary to attempt a prediction as to the effect of the removal of the Sugar Tariff two years

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hence, but the history of the Sugar Industry in this State has shown it has sufficient stamina to survive the severest checks and that it has wonderful powers of recuperation. X

In the last fifty years, the price has fallen several times to a very low figure, thought to be less than the cost of production, but by the use of improved methods of agriculture and the advent of the immense modern Sugar Factory, vacuum pans, triple effects and bagasse burners (the latter enabling the manufacturer to use cane after the juice has been extracted from it in place of expensive fuels), the planter has been enabled to make Sugars profitably at a very much lower price for his product, and, therefore, it is confidently hoped that still further improvements and the constantly increasing consumption of Sugar throughout the world will enable the Louisiana Sugar Planter to continue to produce this valuable crop; but even if the industry suffers severely, there will still remain many of the larger Centrals on the plantations of Louisiana, which will undoubtedly turn their attention to making Refined Sugar, and in addition to these, New Orleans will still have three refineries, one of which is said to be the LARGEST IN THE WORLD, importing, refining and distributing alone nearly FOUR HUNDRED THOUSAND TONS annually through New Orleans, and she WILL ALSO CONTINUE TO produce, import and distribute EVER INCREASING QUANTITIES OF MOLASSES for domestic use.

From this it will be seen she will UNDER ANY CONDITIONS remain ONE OF THE LARGEST AND MOST IMPORTANT CITIES engaged in the SUGAR AND MOLASSES TRADE in the United States, requiring IMMENSE SUMS OF MONEY for financing the manufacture and distribution of these products.

*Filed by A. C. Simon
New Orleans 2-11-14*

TO THE HONORABLE FEDERAL RESERVE BANK COMMITTEE.

Exhibit No. 18
Hearing at *New Orleans*

Gentlemen:

In determining upon the location for a regional bank in a territory you will naturally desire to know the relative importance of the wholesale and manufacturing markets in that territory. To help you make your decision in regard to a regional bank point in the South I have tried to obtain some official statistics pertaining to the wholesale and manufacturing trade of the various markets of the South. However, I have learned, as you have or will have learned, that no reliable figures are available, and no official figures whatever can be obtained from the municipal, state or national governments.

Just because these figures are not available I should judge you would be desirous of knowing in a general way the relative size of the several markets contemplated as regional bank centers, and the extent of territory they serve. In this connection, I do not think that it can be seriously disputed that New Orleans is by far the largest wholesale and manufacturing market in all the territory south of a line drawn due east and west right below St. Louis from the Atlantic to the Pacific Ocean. If any question be raised as to this fact, the United States Bureau of Foreign and Domestic Commerce could probably supply you with general information which would doubtless prove conclusive. As you may know, this Bureau in recently placing branches throughout the country, established one in New Orleans next to one in New York. This demonstrates the importance in which New Orleans is held by the Department of Commerce officials.

Though statistics of the wholesale distribution of the various markets are not available, manufacturing statistics are, and I subjoin, therefore, the figures showing the annual production of manufactured articles by the leading southern cities, taken from the latest United States census. X

New Orleans	\$78,794,000.00
Richmond	47,358,000.00
Atlanta	33,038,000.00
Memphis	30,242,000.00
Nashville	29,650,000.00
Dallas	26,959,000.00
Birmingham	24,128,000.00
Durham (N C)	23,271,000.00
Houston	23,015,000.00

X It is well known that, generally speaking, the extent of the wholesale

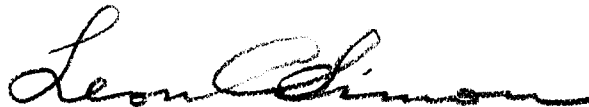
trade of a market is largely in proportion to that market's factory production. How-

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covered by New Orleans is beyond question of much greater extent than that of any other southern city. I think it also is beyond question that New Orleans is the only southern city whose wholesale trade in the various lines extends beyond what is known as local territory. Of course there are houses in every market that cover more than the nearby regions, but with New Orleans this, instead of being the exception, is the rule, its houses largely doing their business throughout the territory extending from the Atlantic Ocean on the east to New Mexico on the west.

The information which you have of course plainly points out that New Orleans, of all southern cities, is geographically ideally situated for the Southern Regional Bank, being practically on a line through the center of the Southern States. Besides, being the terminal port of the Mississippi River and its tributaries and in addition, accessible to all the tributaries of the Gulf of Mexico, its water transportation facilities alone make it the distributing center of the South without a peer. Its railroad facilities, moreover, with eleven trunk lines radiating in all directions, together with its waterway facilities, will always assure the position of New Orleans as the commanding southern market.

Convincing reasons from other standpoints why the southern regional bank should be located in New Orleans will be presented by others, but if for no other reason, this bank should certainly be located at New Orleans because, being the South's largest wholesale and manufacturing market, the bank located there would best serve the South's interests.



Respectfully submitted,

LCS e

Filed by E. B. Stern
 New Orleans
 2-11-14
 Exhibit No. 19
 Hearing at -

In presenting certain facts and observations upon the manufactures of New Orleans and the country tributary to it, I do not purpose to attempt to prove that New Orleans and its environs is the greatest manufacturing center of the United States, for such would be manifestly impossible. However, I am not shirking comparisons with the older and larger centers of manufacture from a mere fear of comparison. I venture to assume in this discussion that at least one of the banks under the new reserve system is to be situated in the South, and that the purpose in conducting this inquiry is to find what center is best adapted to serve the largest volume of banking needs to the greatest advantage. It is for this reason that I consider it proper to make my comparisons of the manufactures of the New Orleans district with the manufactures of the territory nearest Southern Cities that are competing with New Orleans for the honor of your selection.

Other members of our Committee have been selected to point out the large, and we believe, convincingly superior advantages of New Orleans as a banking center for the products of the soil and for the operations of transportation and commerce. The importance of this City and section in these fields is probably much more generally known and recognized than in the field of manufacture; and yet the figures which I shall present to you will disclose the fact that here is an additional field in which the New Orleans territory is of first importance in the South, and should be an additional argument for the needs of large banking facilities at this center, at the same time indicating the great amount of wealth being created and distributed each year by the steady factory pay roll.

First, to consider the factories that are located entirely within the City Limits of New Orleans. This City of age and tradition is often thought of by those who are really not familiar

with it, as a slow, easy-going old place, far removed from the hum and bustle of factory life. Their off-hand impression is given a startling contradiction by reference to the figures of the last United States Census, based on the operations of the year 1909, which disclosed the fact that with the exception of Louisville, New Orleans is by far the greatest factory city South of the Ohio River, and so far ahead of its nearest competitor as to hardly admit of comparison. The United States Census report for 1910 shows the value of the manufactured products in that year of \$78,794,000; more than \$30,000,000 ahead of its nearest competitor, Richmond; and more than twice as large as the next city in the South Atlantic or Gulf States, namely: Atlanta, with \$33,000,000. A comparison of the value of the manufacturing output of the leading Southern Cities, taken from the Census of 1910, is as follows:

Louisville,	\$101,284 000
New Orleans,	78,794 000
Richmond,	47,358 000
Atlanta,	33,038 000
Memphis,	30,242 000
Nashville,	29,650 000
Dallas,	26,959 000
Birmingham,	24,128 000
Durham, N. C.	23,271 000
Houston,	23,015 000
Chattanooga,	16,036 000
San Antonio,	13,435 000
Charleston,	6,951 000
Bessemer,	6,106 000
Montgomery,	5,443 000
Mobile,	5,429 000

The comparison of New Orleans with three of its leading competitors for the reserve bank, namely: Atlanta, Dallas and Houston, shows that the manufacturers of New Orleans were only \$4,218,000 less than those three Cities combined, namely: \$78,794,000 against \$83,012,000. Or again, if we compare the total of the three competitive Cities of Houston, Birmingham and Memphis we find New Orleans actually greater than the total of these three, namely: \$78,794,000 against \$77,385,000.

In individual comparisons New Orleans is 342% greater than Houston, 326% greater than Birmingham, 292% greater than Dallas, 260% greater than Memphis and 238% greater than Atlanta.

When we came to examine the figures of manufactures in the State of Louisiana we find again a very strong showing for what is often considered primarily an agricultural State. Thinking of manufactures in the South one is likely to call up, first of all to mind, the textile industries of the Carolinas, or the steel industry of Alabama; but an examination of the statistics shows that Louisiana far surpasses these States and is second in the South only to the State of Texas in the value of her manufactured product, the Census figures giving the following comparisons:

Texas,	\$272,896 000 ✓
Louisiana,	223,949 000 ✓
Kentucky,	223,754 000
Virginia,	219,794 000
North Carolina,	216,656 000
Georgia,	202,863 000 ✓
Tennessee,	180,217 000 ✓
Alabama,	145,962 000 ✓
South Carolina,	113,236 000
Mississippi,	80,555 000 ✓
Arkansas,	74,916 000
Florida,	72,890 000 ✓

These figures are based on the value of the product, but this item is affected to a considerable extent by the fluctuations in the price of the commodities manufactured, and a more valuable guide to the importance of the State from the point of view of the present inquiry as to the effect of manufactures on banking conditions, would be the figures given in the last Census as to "Capital invested in manufacturing enterprises." I make this point in spite of the statement by the Census Bureau that the figures under this heading are so defective as to indicate only general conditions, for the reason that the instructions on the schedule of the Census takers for securing "Capital Invested", were as follows:

"The answer should show the total amount of capital both owned and borrowed on the last day of the business year reported."

This item, therefore, will indicate more accurately the use of banks by the manufacturer; and based on this classification, Louisiana takes rank at the very top of the Southern States in manufactures, with a total capital of \$221,816,000 and the other

States following in this order:

Louisiana,	\$221,816,000
North Carolina,	217,185,000
Texas,	216,876,000
Virginia,	216,392,000
Georgia,	202,778,000
South Carolina,	173,221,000
Alabama,	173,180,000
Kentucky,	172,779,000
Tennessee,	167,924,000
Mississippi,	72,393,000
Arkansas,	70,174,000
Florida,	65,291,000

I have confined myself to comparing our City and State with other Southern Cities and States, without trying to block out and compare larger areas of territory that might be brought in to the province of a reserve bank located in any one of these Cities, as I have felt that this allotment of territory is entirely a matter for you gentlemen to decide. I merely point out that the foregoing figures clearly indicate that whatever territory might be thought of for any one city, that New Orleans and Louisiana from the point of view of manufactures start off with an initial advantage at home over any other competitive Southern City or State, and I ask you to consider this in connection with our leadership in other forms of commerce and industry. I have furthermore confined myself thus far entirely to a statement of present conditions, drawn from the most authoritative source, as I understand that you are interested fundamentally in facts and not in supposition. However, as the Regional Bank is founded not merely to fill present needs, but to take care of the future, it would seem pertinent to look briefly into the prospects for a continuation of the present manufacturing development.

We feel that we have every reason to believe that New Orleans and Louisiana will continue not only to hold their present places of leadership in this field, but to rapidly increase their present rate of progress. In the decade from 1899 to 1909 the capital invested in manufactures in Louisiana increased more than 100%, from \$100,875,000 to \$221,816,000, and the value of the manufactured output, from \$111,398,000 to \$223,949,000. The value

of the products of the New Orleans factories increased in the five years, from 1899 to 1904 41.7%. During the next five years the plant of the American Sugar Refining Company was removed to a point just outside of the City limits, and this one factory represented an output of over \$30,000,000 per annum, and yet the total for New Orleans decreased only 3.2%. If it had been kept within the City and counted in the Census the total figures for New Orleans for 1909 would have been about \$108,000,000 as against \$57,446,000 in 1909. This shows that the development of other industries had made a handsome increase in the decade. As this plant is located just outside the boundaries of the City it is in reality still practically a factory of the City of New Orleans.

The prospects for a continuation of the prosperity of the New Orleans manufactures is increased by the fact that these factories are not confined to any particular industry, but are thoroughly diversified, as is indicated by the table below, showing that 60% of the entire factory product is classed as "all other industries" by the Census, indicating miscellaneous factories of all kinds:

	No. :	Capital :	No. Em :	Paid to :	Total :
	:	Invested :	ployed :	Employees :	Output :
Bags, other than paper:	6:	\$2,352,000:	538:	\$ 234,000:	\$ 5,352,000
Bread & Bakery Products:	25:	1,303,000:	1107:	558,000:	3,243,000
Canning & Preserv'g. :	11:	225,000:	222:	73,000:	292,000
Carriages, Wagons and materials,	:	:	:	:	:
Cars, shop construc.	20:	257,000:	309:	165,000:	373,000
steam roads,	:	:	:	:	:
Clothing, Men's; including shirts,	6:	874,000:	1055:	532,000:	895,000
Confectionery,	:	:	:	:	:
Cooperage and wooden goods,	19:	1,116,000:	920:	247,000:	1,168,000
Copper, Tin, Sheet	8:	224,000:	220:	77,000:	638,000
Iron products	:	:	:	:	:
Foundry & Machine-Shop Products,	20:	1,180,000:	509:	218,000:	934,000
Ice, manufactured	:	:	:	:	:
Leather Goods	20:	1,180,000:	509:	218,000:	934,000
Lumber & Timber product:	43:	3,861,000:	1031:	591,000:	2,554,000
Medicines & Drug Preparations	:	:	:	:	:
Printings & Publishing	39:	1,920,000:	844:	597,000:	1,895,000
Rice, Cleaning and Polishing,	20:	2,934,000:	340:	231,000:	661,000
Ship & Boat Building	12:	565,000:	269:	156,000:	823,000
All other industries	54:	4,582,000:	2042:	1,141,000:	3,867,000
Total	848:	\$56,934,000:	20938:	11,260,000:	78,794,000

It will thus be seen that the natural advantages for manufacturing in New Orleans have been for some time attracting the attention of manufacturers. The center of population has been drifting Westward with a Southward tendency. It is now drifting Southward, and with a drift of this population to the Cities and acres of the South, the market comes closer to New Orleans, 62% of the raw materials of the country are found in the Mississippi Valley; and New Orleans is at the mouth of the Mississippi River, and the gateway to the Valley, with a down grade haul; 11. trunk railroads connect it direct with New York, Chicago, St. Louis, Cleveland, Cincinnati, Kansas City, St. Paul, Minneapolis, Dallas, San Francisco, etc., not to speak of it being directly at the mouth of the greatest system of rivers in the world. New Orleans is the ^{second} ~~third~~ largest port in the United States, and directly in line for the benefit of the commerce soon to move through the Panama Canal. Manufacturers of the country are rapidly coming to see that if they are to reap the benefits of the trade opened by the Canal, and defeat the competition of the European manufacturers, who have long controlled this Latin-American trade, that they must avoid the double long haul of raw materials and manufactured products in the interior, and locate themselves at the ports nearest the Canal.

These statements are made, not merely on faith, but as the result of wide spread correspondence with thousands of manufacturers in the United States in the last six months, through the New Orleans Association of Commerce, and in a campaign conducted only over a few months four new factories ^{have} already been definitely located in the City, with many others at present negotiating for a removal from older centers.

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Exhibit No. 70
Hearing at - 71.0

EXPORTS, IMPORTS and SHIPPING of the PORT of NEW ORLEANS
for presentation to the Reserve Bank Organization Commission
February, 1914 -- by M. J. Sanders, New Orleans.

It is impossible to properly consider the value of the port of New Orleans in the foreign commerce of the country at large, without, at least briefly, alluding to the unusual and special conditions which have intimately and seriously affected its trade.

It was inevitable that one of the most important ports on the Continent, should be located upon the banks and near the mouth of the Mississippi river, which, with its great tributaries, drains the major portion of the Continent. This vast system of waterways afforded, previous to the advent of the Railroads, by far the most convenient and extensive means of locomotion and transportation on the Continent.

Before the Civil War, New Orleans was not only the second port in the United States, but a close second in its Export trade to the leading port of the country: New York. The relative foreign commerce of the principal ports of the country, previous to the outbreak of the Civil War, is shown by the following tables, which give the value of the average yearly commerce for five years ending June 30th 1860:-

	<u>DOMESTIC EXPORTS</u>		<u>FOREIGN IMPORTS</u>	
	<u>Avg yearly value</u>	<u>Percent Total</u>	<u>Avg yearly value</u>	<u>Percent Total</u>
New York	\$102,257,675	30.95	\$208,080,149	62.71
Boston	18,513,657	5.60	41,495,022	12.50
Philadelphia	6,059,011	1.83	15,294,205	4.61
Baltimore	10,403,907	3.15	9,625,993	2.90
New Orleans	93,807,338	28.38	20,486,416	6.17
San Francisco	10,808,085	3.27	9,227,622	2.79

New York's percentage of the total export trade of the country during this period, averaged 30.95; New Orleans 28.38. The next largest port being the port of Baltimore with a percentage of 5.60.

In Imports, the relations were very different, that of New York being then, as now, far in advance of any other port.

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The destruction of commerce throughout the South resulting from the War and from the unsettled and thoroughly unsatisfactory political conditions obtaining for some fifteen years thereafter, was of course manifested in the reduced trade of all Southern ports; but no port suffered quite so much as New Orleans.

This very period of serious depression in the South was marked by extraordinary development of Railroad building. This was mainly across the Continent east and west. It was accompanied and followed by a remarkable immigration which settled on the Great Prairies of the Northwest and middle West, and very rapidly developed the agricultural and other resources of that great section of the country.

The activity both in Railroad building and immigration, later tended to the Missouri river and the Southwest. This Railroad development rapidly changed trade routes, and the traffic which had previously used the uncertain and irregular highways of the Mississippi river and its tributaries, was carried by the far more expensive, but more reliable Railroad routes to the Eastern seaboard.

This change of trade routes, together with the long continued depression in the whole South, seriously affected the premier port of the South which had, up to the War, almost equalled New York in the value of its Exports.

The value of Exports from New Orleans in 1860 was greater than in any of the following years until 1890; the average for the five years ending June 30th 1898 was as follows:-

	<u>DOMESTIC</u>	<u>EXPORTS</u>
	<u>Five Years ended June 30th 1898</u>	
	<u>Avg yearly value</u>	<u>Per cent total</u>
New York	\$459,811,892	43.52
Boston	96,051,735	9.09
Philadelphia	43,581,218	4.13
Baltimore	82,223,787	7.78
New Orleans	88,432,371	8.37
San Francisco	39,051,660	3.70

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New Orleans had fallen from a very close second to New York, to a very bad fourth.

Notwithstanding the fact that the value of the river commerce steadily decreased until it finally disappeared, the foreign commerce of New Orleans ^{since 1890 to expand} ~~has continued its rapid expansion~~, and the figures of the same six ports previously referred to for the twelve months ending June 30th 1912, are as follows:-

	<u>EXPORTS</u>	<u>IMPORTS</u>	<u>TOTALS</u>
New York	\$817,945,803	\$975,744,320	\$1,793,690,123
Boston	69,692,171	129,293,016	198,985,187
Philadelphia	69,069,730	85,038,185	154,107,915
Baltimore	92,210,877	26,438,400	118,649,277
New Orleans	149,160,910	75,089,887	224,250,797
San Francisco	49,249,734	59,235,471	108,485,205

This shows New Orleans again the second port in the country in the value of her total foreign commerce. The most noticeable development in this statement, is the enormous increase in the Imports at New Orleans, their value being nearly four times that of the period previous to the War and over five times greater than the period ending 1898.

The port of New Orleans extends for some fifteen miles on both banks of the Mississippi river, and the available harbor in the Mississippi river is unlimited, as the River for some 200 miles from its mouth, has a minimum depth at all times of fifty feet. Practically all the river frontage within the Parish of Orleans is owned and operated by the State without any possibility that this priceless, natural facility will ever be monopolized or controlled by private ownership.

The extensive system of wharves, sheds and other Port facilities have been constructed and are administered by a Board appointed by the State authorities, and the charges levied upon shipping for their use are limited by Law to such as is necessary for their maintenance.

The Belt Railroad which forms the link between the Trunk

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Railroads and the wharves and many manufactories, and other commercial enterprises, is also publicly owned and is controlled and operated by a Board elected by the various commercial Exchanges and members named by the City Government. Both these essential adjuncts of a Port are entirely free of private ownership or control.

Over ten years ago the Federal Government recognizing the pre-eminent importance to the country at large of the port at the mouth of the Mississippi river, adopted, and authorized the expenditure of some six million dollars for the purpose of building a second navigable channel from the main river to the sea, so as to prevent any possibility of accident in one channel, blockading the commerce of the port.

This second channel is now practically completed through the Southwest Pass at the mouth of the river, and is to be of a minimum width of 1000 feet with a minimum depth of 35 feet, at all stages of the river or tide. This will give a central depth of some forty feet, and ensures that the largest ocean craft in the world, can reach the wharves of the port of New Orleans.

The Federal Government, in other words, has recognized definitely and practically, that there must be commercial facilities at the port of New Orleans, the equal to that of any other great port in the country.

Ocean tonnage frequenting the port of New Orleans, shows a continuous and rapid increase;

the gross tonnage for 1911 being 4,634,217 Tons

that for 1913 " 6,080,071 "

an increase of over 19 %.

No estimate of the future value ^{the commerce of} to the country at large, of the Port of New Orleans can be properly undertaken without giving

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consideration to the value of the Mississippi river and its tributaries as a commercial highway.

The Mississippi river and its tributaries, some ten thousand miles in extent, like all rivers, have variable stages of water which are governed by the rainfall. In their natural state and without improvement, the navigable channels for commerce were exceedingly variable and unreliable, and this uncertainty, giving short or long periods of availability for commerce, necessarily defeated any effort for real economy of transportation.

Before the great development of Railroads, following the close of the Civil War, the Rivers provided the only practicable commercial highway to the seaboard, and regardless of their expense and delay, were of necessity utilized.

Struggling against increasing odds, river craft continued its inefficient, intermittent and unreliable service with uneconomical and utterly inadequate craft, but were inevitably eventually displaced by the more regular, though more expensive service of the Railroads; in many cases undoubtedly, they were dispossessed by grossly unfair methods of competition.

During the past thirty years however, the Federal Government has made enormous expenditures for the improvement of the navigable channels of the Mississippi river, and many of its tributaries, so that there exists today a permanent, all year round channel in the Mississippi river as far north as St Louis, over one thousand miles, and many of the tributaries are also being rapidly and permanently improved and are now available for the most economical form of transportation known to man.

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The Government has also appointed a Special Board for the purpose of developing the most suitable water craft for the transportation of traffic upon the Rivers, and private enterprise has in recent years, evolved remarkably efficient and economical river carriers.

It is now beyond doubt that within a few years, by means of the improved and permanent channels and the vast improvement in marine architecture, the river will again come into its own and there will ultimately be developed a traffic infinitely greater than ever before known.

Those immense and rapidly growing sections of our country in the Mississippi valley, the middle West and even in the Northwest, being seriously handicapped in respect to foreign trade by reason of their long distance from the seaboard, must receive the assistance of the most economical form of transportation to the sea before they can successfully compete for foreign trade. All this development on the Rivers which is needed and is surely coming, must of necessity center its foreign trade at the River terminus, the port of New Orleans.

In addition to its prime advantage in regard to River traffic, New Orleans by its central location on the Gulf, commands the foreign trade, by equality of Railroad rates, of an infinitely larger section, than any other port on the Gulf or South Atlantic.

It competes on an equality of rates in a large section of Texas and the whole of Oklahoma, with the ports of the West, -and throughout Louisiana, Arkansas and a large portion of Mississippi and Alabama, on a parity with the ports to the Eastward, but no port combines the equality which New Orleans has with all these States.

The natural physical advantages of New Orleans and the Mississippi river are unrivalled by any port in the country. The ownership and control of the banks of the River, are forever preserved to,

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and available by, the people at large. The commercial disabilities of the past fifty years, together with the dread of pestilence, are behind us, and the destiny of New Orleans as one of the three essentially great Ports of our country, and as the great port of Export, Entry and distribution to the Mississippi Valley and the immense territory in the South and middle West, can be delayed only by the errors of humanity.

TABLE OF DISTANCES AND HOURS FROM NEW ORLEANS TO VARIOUS PLACES.

Exhibit No. *21*
 Hearing at *New Orleans*

UNITED STATES

	DISTANCE (miles)	HOURS
New Orleans to Gulfport, Miss	672
" " " Mobile, Ala.	1404 h. 15 m.
" " " Pensacola, Fla.	243	10 h. 30 m.
" " " Jacksonville, Fla.	612	22 h. 10 m.
" " " Macon, Ga.	541	18 h. 10 m.
" " " Brunswick, Ga.	689	26 h. 40 m.
" " " Savannah, Ga.	655	23 h.
" " " Atlanta, Ga.	495	14 h. 40 m.
" " " Montgomery, Ala.	318	9 h.
" " " Birmingham, Ala.	355	10 h. 30 m.
" " " Chattanooga, Tenn.	498	14 h. 30 m.
" " " Nashville, Tenn.	533	18 h. 22 m.
" " " Memphis, Tenn.	396	11 h.
" " " Little Rock, Ark.	487	18 h. 30 m.
" " " Texarkana, Ark.	398	16 h. 30 m.
" " " Shreveport, La.	326	11 h. 45 m.
" " " Dallas, Tex.	516	19 h.
" " " Fort Worth	547	20 h. 30 m.
" " " Waco, Tex.	548	18 h.
" " " Austin, Tex.	525	19 h. 30 m.
" " " San Antonio Tex	572	17 h. 20 m.
" " " Houston, Tex.	362	11 h.
" " " Galveston, Tex.	420	14 h.
" " " El Paso, Tex.	1192	36 h.
" " " Beaumont, Tex.	278	8 h. 30 m.
" " " Greenville, Miss.	310	10 h. 30 m.
" " " Vicksburgh, Miss.	228	7 h. 30 m.
" " " Jackson, Miss.	183	5 h. 10 m.
" " " Natchez, Miss.	195	7 h. 25 m.
" " " Hattiesburg, Miss.	117	3 h. 20 m.
" " " Meridian, Miss.	202	5 h. 45 m.

From Memphis to Fla Key West Fla 1134 M. 48h
934 M. 38h. 25m
Paris, Tenn. 579 M. 16h. 10 M.

FOREIGN

	MILES (naut.)	DAYS	HOURS
New Orleans to Havana, Cuba	588	2	
" " " Ponce, Porto Rico	1518	5	6
" " " Vera Cruz, Mex.	733	2	12
" " " Belize, British Honduras	860	3	
" " " Porto Barrios, Guatemala	965	3	8
" " " Porto Cortez, Spanish Honduras	930	3	6
" " " Bluefields, Nicaragua	1284	4	12
" " " Port Limon, Costa Rica	1300	4	14
" " " Colon, Panama	1385	4	20
New Orleans via Panama Canal to			
Guayaquil, Ecuador	2231	7	18
Callao, Peru	2784	9	16
Valparaiso, Chili	4058	14	4
Honolulu, Hawaii	6123	21	9
Yokohama Japan	9219	32	
Shanghai, China	10,070	35	
Hongkong, China	11,112	38	
Manila, Philippines	10,969	37	
Adelaide, South Australia	10,325	36	
Melbourne, Victoria, "	9,810	34	
Sidney, New South Wales	9,232	32	

WHITNEY-CENTRAL NATIONAL BANK OF NEW ORLEANS

February 23th, 1914.

Honorable Wm.C. McAdoo, Chairman,

COMMITTEE ON ORGANIZATION OF REGIONAL BANKS,

Washington, D.C.

Sir:

Supplementing the brief filed with you by me, as representing the Clearing House Association of the City of NEW ORLEANS and the business interests generally, at the hearing before your Honorable Committee, held in this city on February 11th and 12th, 1914, in accordance with the permission granted at that time, I take the liberty of submitting to you herewith:

A compilation of statistics showing the total value of commodities distributed during the year 1913, from the City of NEW ORLEANS, together with the percentages of distribution to the States of Louisiana, Mississippi, Texas, Alabama, Georgia, Florida and Tennessee, the value of commodities distributed to all other States in the Union, and the value of commodities exported. From this, you will observe that the total value of commodities aggregates \$1,128,291,426., embracing 132 specified articles aggregating \$1,088,291,426. and miscellaneous articles not enumerated aggregating \$ 40,000,000. Of the aggregate it will be observed that \$178,078,569 represent the value of commodities exported, and the percentage of domestic distribution is as follows:

Louisiana	30.54%
Mississippi	14.35%
Texas	13.25%
Alabama	6.38%
Florida	4.77%
Tennessee	3.42%
Georgia	4.41%
All other States	13.18%

WHITNEY-CENTRAL NATIONAL BANK OF NEW ORLEANS

Hon. Wm. G. McAdoo.

Sheet No. 2.

February 29th, 1914.

These figures have been compiled with great care and are as nearly accurate as could possibly be obtained. Three copies of the statement are enclosed for your inspection.

I beg to call your attention to figures recently submitted to me by one of the leading Express companies doing, in addition to a merchandise express business, a very large financial business, in which it is shown that the volume of financial transactions done by this company in the City of New Orleans is the third largest of that done in any city in the United States, being exceeded only by New York and Chicago. This company has requested the withholding of its name, otherwise the same would be cheerfully furnished, together with the exact figures in the premises.

It appears to me proper to make at this time some mention of the fact that the port facilities of New Orleans, occupying 14 miles of river front, of which more than 7 miles have been developed, together with a belt line of railroad, are owned respectively by the State of Louisiana and the City of New Orleans, for the benefit of the whole country, and that access to these facilities is practically free to the commerce of the World, only such charge being levied as is necessary to cover the actual expense of operation and fixed charges.

Since your recent visit, \$3,000,000. have been appropriated for the purpose of erecting modern Cotton Warehouses for the storage of cotton, which is certain to attract to New Orleans the storage of a large quantity of this important commodity for distribution throughout the World, in the same manner that it is now handled at the port of Liverpool. The extending of this system of public warehouses, public wharves and public freight transportation will be made as rapidly as financial conditions and requirements of trade permit.

WHITNEY-CENTRAL NATIONAL BANK OF NEW ORLEANS

Hon. Wm. C. C. Adoo.

Sheet No. 3.

February 22th, 1914.

When it is considered that the high cost of living is to some extent due to the increased consumption of foodstuffs without a proportionate increase in production, and the fact is given due weight that, in the territory claimed by New Orleans, not exceeding fifteen (15%) percent of the arable land is in cultivation, every effort should be made on the part of the Federal government to attract the greatest possible attention to a territory offering such tremendous facilities for increased production of food products, in which the laborer can live at the minimum of cost, and the establishment of a regional bank in this section will undoubtedly have this very desirable effect and focus in a sense the eyes of the desirable emigrant population of Europe, as well as the land seekers in this country, to the advantages of soil, transportation and climate which this section affords.

I take the liberty of furthermore calling your attention to the Report of the Board appointed to inspect and report to the Secretary of the Navy on the general conditions existing at the Navy Yard at New Orleans, which is dated July 29th, 1913, and is addressed to the Hon. B. R. Tillman, Chairman of the Committee on Naval Affairs, and signed by the Hon. Josephus Daniels, Secretary of the Navy. This report was made by Rear Admiral John R. Edwards, U.S.N., President of the Board of Inspection for Shore Stations, and is the result of a most careful examination.

In the said report on page 6, paragraph 26, reference is made to the sanitary condition at New Orleans as being excellent, and to the expenditure of \$30,000,000. for drainage, sewerage and purification of water.

On page 8, article VI, reference is made to the pier facilities, as well as to the fact that no difficulty would be ex-

WHITNEY-CENTRAL NATIONAL BANK OF NEW ORLEANS

Hon. Wm. C. Coadoo.

Sheet No. 4.

February 28th, 1914.

perienced in the construction of wharves with platforms for unloading and loading at any part of the river under the jurisdiction of the Dock Commission; and, in paragraph 36, the statement is made that from a military, as well as from industrial and maritime standpoints, the possession of the river frontage by the Dock Commission of the port gives NEW ORLEANS a remarkable advantage as a shipping and embarkation port, and particularly when there is taken into consideration the number of trunk rail and steamship lines that make this point a terminal.

On page 10, paragraph 43, reference is made to the coal supply and distribution as being an extremely important factor for the commerce and manufacturing of any city, and the definite statement that New Orleans and Philadelphia are the only points on the Atlantic and Gulf where unlimited supplies of both fuel oil and coal could be procured in times of emergency.

On page 12 of the same report, reference is made to the depth of water and the ability of vessels of the largest draft to pass thru the mouth of the Mississippi River and harbor in front of the City of New Orleans.

The importance of NEW ORLEANS as a port is demonstrated by the fact that during the Revolutionary War supplies were transported up the Mississippi River by General Galves to the American forces under General Washington.

The transfer of New Orleans and the Mississippi Valley to the United States by Napoleon is historically stated to have been made in order that England might be prevented from ever increasing her possessions in America. In 1814 the British Government, after mature deliberation, came to the conclusion that NEW ORLEANS was strategically, at that time, the most vital point in the United States of America, and that the capture of that city and the control of the great

WHITNEY-CENTRAL NATIONAL BANK OF NEW ORLEANS

Hon. Wm. C. Cade.

Sheet No. 5.

February 28th, 1914.

Mississippi River meant the eventual destruction of the Union. It was stated by President Jefferson in urging the purchase of the territory of Louisiana that NEW ORLEANS was not only the key to the Gulf, but to the Caribbean and the West Indies. During his administration of office, President John Tyler recommended a naval station at NEW ORLEANS. During the Mexican War the bulk of the arms for both Generals Taylor and Scott went thru NEW ORLEANS, and that city was one of the important distributing supply centers of that War. In 1862 the capture of NEW ORLEANS was regarded as a fatal stroke to the Confederacy. This City has, therefore, figured in every large war in which the United States has participated. It was regarded as of inestimable value by Mr. Jefferson when he bought it; by England, who tried to seize it; and by the northern forces, who captured it.

On page 17, paragraph 76, the statement is made that NEW ORLEANS is the terminus of six (6) trunk lines of railroads. The communication by water with the vast extent of territory embraced in the valley of the Mississippi is unsurpassed. It is the principal commercial port of the Gulf States and possesses great facilities for obtaining every class of building material, skilled and unskilled labor, and supplies; coal is abundant and cheap. The amount of commerce that passes in and out of the Gulf of Mexico is a very large portion of the total commerce of the United States.

On page 18, paragraph 87, it is stated that the inland transportation facilities are not exceeded by more than a few cities in the United States. Paragraph 90, states that NEW ORLEANS is one of the large wholesale markets of the country. As evidence of appreciation of this phase by the Army, it may be stated that the Quartermaster's Department maintains an officer at this port, who acts as

WHITNEY-CENTRAL NATIONAL BANK OF NEW ORLEANS

Hon. Wm. C. Cheadle.

Sheet No. 8.

February 25th, 1914.

purchasing agent for the Quartermaster Corps. The same officer acts for the Isthmian Canal Commission and also for the commissary department of the Panama Railroad.

On page 25, paragraph 125, the statement is made that NEW ORLEANS is probably the only port in the world where battleships drawing 30 feet of water could replenish their oil-fuel compartments in a few hours, and that the export of oil from New Orleans during the past fiscal year surpassed even that of Philadelphia.

Much more could be said upon the subject of the importance of NEW ORLEANS as a commercial and financial centre, but we feel that you are sufficiently conversant with the facts on the subject and, with the brief previously filed and the additional information furnished herein, the matter is respectfully submitted.

Very truly yours,

Dis. SW-1-5.

Enclosures.

ARTICLE	TOTAL VALUE	EXPORT VALUE	DOMESTIC DISTRIBUTION (percentage)							
			La.	Miss.	Tex.	Ala.	Ga.	Fla.	Tenn.	All other
Furniture	\$19,470,000.	294,799.	25	10	30	5	5	5	5	15
Fertilizers	259,094.	112,548.	20	20	40	10	5	5		
Flavoring extracts	500,000.		50	20	10	5	2	5	3	5
Flour	8,178,000.	4,898,252.	50	20	10	5	2	5	3	5
Food products	8,640,000.	89,365.	50	20	10	5	2	5	3	5
Fruits & nuts	9,550,000.	125,234.	50	20.	10	5	2	5	3	5
Fish, oysters & sea foods	7,540,000.	40,120.	40	20	10	5	5		5	15
Ferro manganese	864,853.		10			20				60
Feeds (animal)	12,000,000.	199,319	35	10	20	5	5	15		10
Groceries	27,000,000.	180,039.	50	20	10	5	2	5	3	5
Grease & tallow	1,780,000.	108,344.	50	10	20	5	5	5		
Glass & glassware	1,125,000.	27,345.	40	20	15	5	5	8	2	5
Game & poultry	3,270,000.	12,873.	60	20	10	10				
Hay	675,000.	68,055.	75	15	5	5				
Hardware, mill sup- plies & Machinery	17,530,000.	696,285.	25	20	20	7	5	9	1	3
Holiday goods & toys	4,312,000.		20	20	10	5	5	10	5	15
Hats	1,500,000.		35	25	10	10	10	5	2	3
Harness & saddlery	12,278,000.	58,902.	30	20	20	10	5	5	5	5
Hosiery & knit goods	1,000,000.		40	20	15	5	5	8	2	5
Hops	240,000		90		10					
Iron & steel (unclassified)	9,750,000.	980,352.	65	5	25	5				
India Rubber crude	262,175.									100
Jewelry	6,740,000.		30	20	10	5	5	10	5	15
Lard	20,000,000.	4,137,933.	50	20	10	5	2	5	3	5
Lard compound	4,000,000.	1,400,327.	20	15	10	5	5	5	5	25
Linen clothing	4,875,000.		35	5	15	5	10	15	10	5
Liquors (except malt)	12,500,000.	107,279.	60	20	10	5	5			
Live Stock	2,650,000.	618,052.	70	20		10				
Lumber & lumber products	20,208,897.	15,687,846.	10	10	20	5	5	5	5	40
Linseed Cake & meal	2,300,000.	2,017,709.	70	30						
Mattresses & bed springs	670,000.		25	10	30	5	5	5	5	15
Millinery & lace goods	4,500,000.		40	20	15	5	5	8	2	5
Macaroni	950,000		50	20	10	5	2	5	3	5
Machinery (see hardware)										
Marble	1,000,000.		60	20	10	5		5		
Molasses & syrups	50,000,000.	19,008.	50	20	10	5	2	5	3	5
Matting	2,500,000.		25	10	30	5	5	5	5	15
Medicines (patent)	7,500,000.	92,492.	20	20	10	5	5	10	5	15
Men's apparel	125,000,000.		40	20	20	10	5	5		
Nahogany	1,028,600.		10							90
Nitrate of soda	1,658,341.		5		5	5		5		80
Paints, oil & varnish	2,500,000.	121,136.	25	10	10	10	10	10	5	10
Plumbing supplies	4,390,000.	258,433.	35	10	10	10	10	10	5	10
Paper & paper stock	3,500,000.	132,080.	25	15	20	15	10	5	5	5
Packing House & meat products	14,790,000.	1,773,980.	50	20	10	5	2	5	3	5
Pile (mineral & all its products)	16,500,000.	8,401,297.	35	30	10	5	5	5	5	5
olive oils	275,000.		50	20	10	5	2	5	3	5
Oleo & Oleo- margarine	435,796.	319,542.	50	20	10	5	2	5	3	5
Oats	1,235,000.	74,028.	60	20	10	5		5		
Refrigerators	300,000.		25	15	20	10	5	5	5	15
Rice	7,700,000.	716,549.	50	20	10	5	2	5	3	5
Rice flour	252,000.		50	20	10	5	2	5	3	5
Rice bran & polish	1,500,000		5	5	20	5	20			

ARTICLE	TOTAL VALUE	EXPORT VALUE	DOMESTIC DISTRIBUTION							
			% La.	% Miss.	% Tex.	% Ala.	% Ga.	% Fla.	% Tenn.	% All other
Rosin and turpentine	\$2,500,000.	\$ 1,190,208.	10	5	15	5	5		10	50
Trunks, bags & cases	400,000		35	10	20	5	5	5	5	15
Toilet articles	700,000.		30	20	10	5	5	10	5	15
Tea	560,000.		50	20	10	5	2	5	3	5
Tobacco & all manufacturers	36,000,000.	10,514,788.	30	15	10	5	5	5	5	25
Seeds	2,400,000.		50	10	20	15	5	5	5	
Stationery, paper bags, etc.	2,000,000.		50	10	20	10	5	5		
Sheet metals	25,869,000.		20	10	30	10	5	5	5	15
Show cases	300,000.		40	10	30	5	5	5	5	
Soap	2,750,000.	61,035.	50	20	10	5	2	5	3	5
Soap Stock	500,000.	275,695.	30	5	30	5	10	5	5	10
Spices	150,000.		50	20	10	5	2	5	3	5
Stencils & stamps	100,000.		80	10	5	5				
Sugar	65,000,000.		10	10	15	5	5	5	5	45
Sisal Grass	7,888,320.									100
Surgical appliances	350,000.		30	10	25	10	5	5	10	5
Salt	750,000.	181,695.	20	5	20	10	10	5	5	25
Sewing machines	425,000.	207,592.	40	10	30	5	5	5	5	
Staves	6,325,000.	4,205,159.	40	5	10	10	5	5	5	20
Upholstering material	100,000.		50	5	25	10	5	5		
Umbrellas & canes	175,000.		15	5	20	10	10	10	15	15
Vegetables	3,500,000.	390,100.	30	5	15	10	5	5	5	25
Wooden & willow ware	450,000.		15	10	15	10	10	5	15	20
Wagons & carriages	2,117,000.	98,847.	35	10	20	10	5	5	5	10
Window shades	150,000.		30	10	25	10	10	10	5	
Wood preserving	1,500,000.		15	5	25	5	10	5	10	25
Wheat	14,500,000.	14,355,985.	70	30						
Wood pulp	111,893.									100
Wool & woollen goods	850,000.	34,884.	30	15	20	10	5	5	5	10
Women's apparel	7,500,000		40	20	15	5	5	8	2	5
	1,088,291,426.	174,063,000.								
All other articles	40,000,000.	4,015,569.	20	10	20	10	5	5	5	25
Total % of distribution			39.54	14.35	13.95	6.38	4.41	4.77	3.42	13.18
Total value	\$ 1,128,291,426.	\$178,078,569.								

NOTE Of the total distribution of \$1,128,291,426.00 the sum of \$124,000,000 is represented in value of articles manufactured in the city of New Orleans, or 12% + of the total valuation.

The above figures are based on the most reliable information obtainable, including government reports. The domestic distribution is figured on a basis of information obtained from numerous authoritative sources and while estimated are substantially correct.

Respectfully submitted,

W. G. Freyerant
General Manager

NEW ORLEANS ASSOCIATION OF COMMERCE.

VALUE AND DISTRIBUTION OF COMMODITIES BY NEW ORLEANS TO STATES OF LOUISIANA, MISSISSIPPI, TEXAS, ALABAMA, FLORIDA AND TENNESSEE, TO ALL OTHER STATES AND EXPORTED YEAR 1913.
COMPILED BY THE NEW ORLEANS ASSOCIATION OF COMMERCE AS EXHIBIT FOR ORGANIZATION COMMITTEE
FEDERAL RESERVE BANK, FEBRUARY 26, 1914.

ARTICLE	TOTAL VALUE	EXPORT VALUE	DOMESTIC DISTRIBUTION								
			La.	Miss.	Tex.	Ala.	Ga.	Fla.	Tenn.	All other	
Agricultural implements	5,890,000.	975,886.	25	15	20	15	10	10	5		
Automobiles & accessories	1,575,000.	78,557.	75	20	5						
Alcohol	8,975,000.		10	10	10	10	10	10	10	30	
Artificial limbs	150,000.		35	15	15	10	10	5		10	
Awnings, tents & sails	9,750,000.		20	15	20	10	15	10	5	5	
Asphaltum	225,000.	19,391.	75	15	10						
Boots & shoes	13,750,000.	888,041.	20	15	20	5	5	3	2	30	
Bakery products & confectionery	8,453,000.	46,233.	60	20	15	5					
Brooms & mops	750,000.		20	10	20	5	10	10	5	20	
Bldg. material	6,700,000.	57,153.	35	10	10	10	10	10	5	10	
Bagging (cotton)	2,170,000.		10	10	25	10	5	10	10	20	
Bags (other than paper)	6,435,000.	35,614.	10	10	25	10	5	10	10	20	
Burlap	3,648,638.		75				10			15	
Baking powder	1,450,000.		50	20	10	5	2	5	3	5	
Barrels	350,000.	64,701.	30	20	20	10	10	10			
Basket ware	170,000.		50	20	10	5	2	5	3	5	
Beer	3,573,000.	131,577.	75	20	5						
Boats & boat supplies	500,000.	14,533.	35	20	15	10	5	10	5		
Boilers	1,925,000.		70	20	5	5					
Boxes (wood & paper)	750,000.		30	10	20	15	5	10	5	5	
Brass & Bronze	870,000.	31,375.	70	20	5	5					
Brushes	200,000.		50	20	10	5	2	5	3	5	
Bananas	4,966,373.		10	10	10	5	3	2	10	50	
Butter	15,000,000.	88,103.	50	20	10	5	2	5	3	5	
Carbonated beverages	6,000,000.		75	20	5						
Cereal Coffee	100,000.		50	10	25	10	5				
Chains	250,000.		40	10	25	10	5	5	5		
Chewing gum	1,250,000.		50	10	20	5	2	5	3	5	
Cisterns & tanks	300,000.		20	15	25	10	20	5	5		
Coffee	32,853,894.	84,726.	10	5	15	5	10	5	5	45	
Coffins	3,000,000.		75	10	10	5					
Culverts	100,000.		20	10	40	5	15	5	5		
Corn	3,100,000.	2,488,034.	65	25	5	3	2				
Chemicals	5,400,000.	87,855.	20	10	25	10	5	10	5	15	
Cotton goods (exports include D. goods)	3,000,000.	814,014.	35	25	20	5	2	3	5	5	
Cresosote	1,200,000.		60		10	10				20	
Cheese	270,000.	84,501.	30	20	10	5	2	5	3	5	
Corn-meal	1,000,000.		50	20	10	5	2	5	3	5	
Copper	1,200,000.	101,659.	40	20	5	20	5	5		5	
Cotton	106,509,852.	86,215,487.	10	5	10	5				70	
Cotton seed products	7,700,000.	2,572,722.	35	25	5	10	5	5	5	10	
Cotton seed oil	13,000,000.	3,258,822.	30	25	5	5	5	5	5	20	
Clay products	3,500,000.		70	20		10					
Coal	3,500,000.	42,249.	90	10							
Drugs (for exports see chemicals)	11,200,000.		30	20	10	5	5	10	5	15	
Dry goods	12,640,000.		40	20	15	5	5	8	2	5	
Electrical supplies & fixtures	4,500,000.	124,216.	40	10	20	10	5	5	5	5	
Enamel & tinware (for exports see hardware)	4,250,000.		40	20	15	5	5	8	2	5	
Eggs	98,740,000.	522,156.	80	15	2	3					

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Exhibit No. 723
Hearing at
Shreveport, La. New Orleans

FEB 3 1914

Hon. W. F. McAdoo, Chairman, and members of the
Organization Committee of the Federal Reserve Bank.

Gentlemen:--

Being unable to be present in person to testify before your committee in behalf of the City of New Orleans, I desire to state that our section of Louisiana most heartily favors the establishment of a regional reserve bank in New Orleans for the following reasons:

1st- It is the great Commercial Metropolis of the South.

2nd- It is a good Port of Entry, having the Custom House, and handling hundreds of millions of dollars of both imports and exports.

3rd- The Sub-Treasury of the United States Government, as well as a Mint have been located in New Orleans.

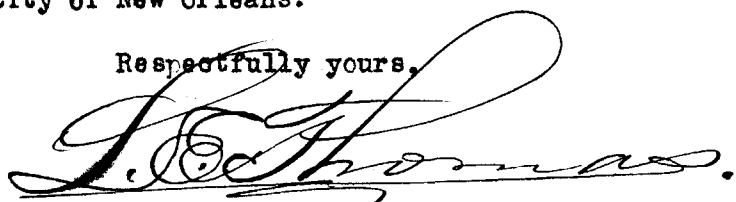
4th- It is the natural gate-way to Central and South America just as soon as the Panama Canal is completed, which will be in the immediate future.

5th- It is of easy access from all points in the South, and can be reached in from ten to fifteen hours from all places tributary to that city.

6th- The business interests of most all of the Southern States largely focalize in New Orleans, and it will be a splendid distributing point for the clearances of Interior Banks.

7th- The banks of this section of the country feel that New Orleans would be more convenient and that a reserve bank is needed there to handle the great sugar, cotton and rice industries of the South, and for these reasons I most heartily endorse the City of New Orleans.

Respectfully yours,



Speaker of the House of Representatives,
President Continental Bank & Trust Company,
Vice Chairman Group "C" Louisiana Bankers Assn.

ANSWERED
FEB 1

Shreveport, La.

Mr. Thomas

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February 17th, 1914.

Sir

I beg to acknowledge the receipt of your letter of February 9th addressed to Honorable William G. Mc Adoo and to advise that your recommendation as to the location of a Federal Reserve Bank to be established has been filed and will be considered by the Committee in determining this question.

Respectfully,

Secretary,
Reserve Bank Organization Committee.

Mr. L. E. Thomas, President,
Continental Bank & Trust Company,
Shreveport, Louisiana.

PORT FACILITIES OF NEW ORLEANS.

10000
Filed 11

Brief
submitted by

No. ~~10000~~
Hearing at *25*

New Orleans

William B. Thompson,
Commissioner of Public Utilities,
City of New Orleans.

Filed by W.B. Thompson
New Orleans

Feb 11, 1914

TO THE RESERVE BANK ORGANIZATION COMMITTEE:—

In discussing the port facilities of New Orleans in connection with the claims of that city for designation as one of the Federal Reserve Cities under the Federal Reserve Act, consideration must be given not only to the existing equipment available for the present great requirements of export and import traffic, but also to the fundamental principles of the organization of these facilities, as these principles affect the possibilities of expansion thereof to accommodate the future greater demands of commerce and trade.

I take it that the purpose of the government in apportioning the several reserve districts, and the object of the Organization Committee in designating the locus of each of the reserve banks therein, is to ~~adjust the new system~~ so adjust the new system that it will best serve the business of the country as a whole. In this view, therefore, the qualifications of the several contending cities should be considered not only with reference to the total volume of business transacted therein and thereabouts, but also with regard to the relation in which such cities stand towards national development and international trade.

Sea Ports.

The sea-ports of the country are the clearing houses for world-wide trade. They are mere. They are important factors in the development of domestic production and industry, and in the expansion of com-

merce with foreign nations. This is true because these sea ports are the gateways through which the teeming productivity from within must discharge its surplus into the great world market beyond, and, they are the gateways through which the creative energy of the other nations must send its surplus output for profitable sale and exchange. These sea ports are not only the gateways, but the toll gateways of commerce, because in the processes of exportation, importation, trans-shipment and distribution, some toll of expense and delay must of necessity be levied upon traffic and trade. The amount and extent of this toll are considerations of paramount importance. The port which offers the maximum of facility at the minimum of cost places the producers and merchants within and behind it in the most advantageous competitive position with regard both to the sale of their products abroad and the purchase of foreign commodities at home. The extent to which the American exporter can compete with or undersell his rivals in foreign markets depends to a large extent upon the cost of placing his products upon such markets; and the price at which domestic consumption shall secure its foreign supplies is materially affected by the costs of importation and distribution. Hence the extent, completeness and availability of port terminal facilities and the cost at which the same are supplied, are items of importance not only to the port city itself but to the entire territory tributary thereto; and hence the consideration of these elements becomes a matter of material importance in the problem of adjusting the government's great plan of currency reform to the needs and the demands of the country's common good.

The Port of New Orleans.

As you have been already advised and as statistics will declare, New Orleans is in point of total export and import traffic the second largest port in the United States. It requires no gift of prophecy to foresee that a tremendous expansion in the volume of this commerce is imminent. Unassisted logical vision will demonstrate the verity of this forecast. Situated near the mouth of the Mississippi River where the great waters are discharged through deep, safe channels into

the Gulf, possessed of a harbor which for security, adaptability and extent is unsurpassed, backed by the prolific Mississippi valley, wherein is produced 62% of the raw material output of the nation, geographically and topographically so located that it is the gateway through which the traffic of the vast territory between the Allegheny and the Rocky Mountains may ~~ship~~^{slide} almost by gravitation to the Southern seas, and directly connected, as it will be by the Isthmian Canal, with the trade of South America, of the islands of the Pacific, and of the Asiatic countries, New Orleans is destined to be, if not the greatest sea port in the world, as some of our more enthusiastic partisans declare, at least one of the greatest, and a port which will materially contribute to the prosperity of the American nation and to the supremacy of American trade.

Port Problems.

In order that these present and prospective demands of commerce may be met, it is necessary that adequate terminal, docking and transshipping facilities shall be provided. In point of present ability to handle its great and rapidly ~~increasing~~ growing export and import tonnage, the New Orleans equipment is inferior to none. In point of adaptability to indefinite expansion and unrestricted encouragement of a broader commerce, the facilities of New Orleans are distinctly superior to any. This is not a modest claim, but it is made advisedly and with deliberation. It is approved both by the philosophy of port terminal development and by the mature judgment of expert authority. The basis of this broad claim is the significant fact that the water front of New Orleans remains unconditionally in the public, and,—except to a fractional extent, which exception exists only under the sufferance of the people,—the facilities of the port are administered exclusively by the public through the instrumentality of ^{State} and municipal boards. In respect to this vital prerequisite to a free commerce, New Orleans (with one possible exception, to-wit, San Francisco) stands unique and alone among the port cities of the United States.

If there be one conspicuous, salient, serious and insurmount-^{almost}able obstacle in the way of the unrestricted growth of our port cities and the progressive development of the commerce that must pass there-through, it lies in the fact that the water front of all the principal ports,—with the exception of New Orleans, and to an extent,—San Francisco, is held within the constrictive grasp of private ownership or control. All of our principal ports, except as stated, have bartered away their priceless possession for the mere temporary favor of the transportation agencies. From Maine to Oregon, with the exceptions noted, the commercial water front of America is held in fee or lease by private transportation corporations or systems. It is unnecessary to state that this ownership and these privileges are utilized by such grantees primarily and often exclusively for their own profit and not for the advantage of the improvident former owners of the same. A private transportation enterprise or system cares little for the business prosperity of its port city so long as its rivals are barred from competition and its profits and power augmented. The phase of the port terminal problem which is today absorbing the attention of these interested and enlisting the best thought and effort of the port authorities and experts, is the question as to the means whereby the water front may be redeemed from private domination for private profit, and restored to public ownership and governmental administration for the common good. This is the vital problem which we claim New Orleans has already solved.

Public Administration at New Orleans.

Formerly the wharves and docks of New Orleans were operated under lease by private individuals and corporations. The results of this system of administration were insufficient and expensive facilities, and deterioration and decay both in the condition of the property and in the shipping business served thereby. Some seventeen years ago our people, realizing the serious consequences of this unsound policy of administration and foreseeing the vast advantage to be derived from the operation of an essentially common property for an