

**"STAND BY THE PRESIDENT," COUNSELLS MR. RICHARD OLNEY, IN LETTER**

The following letter was read in the house of representatives at the close of the tolls debate in reply to the opponents of the repeal bill who had quoted Richard Olney, secretary of state in Cleveland's second cabinet, as opposed to President Wilson's policy:

Boston, March 28, 1914.

Hon. Andrew J. Peters,  
House of Representatives,  
Washington, D. C.

My Dear Mr. Peters: I have your favor of the 25th instant asking my views as to how a representative in congress should vote on the bill to repeal the free-tolls provision of the Panama canal act.

If I were in your position, I am very certain I should feel that I ought to stand by the president.

The situation is peculiar. Here is a treaty unquestionably obscure and susceptible of two opposite interpretations, as conclusively shown by the conflicting views of two presidents of the United States and by the irreconcilable difference of opinion among eminent lawyers without regard to their political affiliations. Recognizing this situation, and though he might have proposed arbitration, the president, in effect, declares that the merits of the issue are immaterial, and that the repeal of the act which raises the issue is absolutely essential to our good standing with the great powers of the world and to the proper conduct of our foreign relations. He makes this declaration as president and as that branch of the national government especially charged with our foreign relations, and takes the responsibility of assuring congress and the country that, as compared with the results to be gained by repeal, all other matters involved are of slight account. Now, this declaration of the president must be accepted as made in good faith, with absolute sincerity, and with an intimate knowledge of foreign relations that congress can not pretend to. What else, therefore, is there to do but follow the president's lead upon a matter upon which he is entitled to lead both by reason of superior acquaintance with the subject and because our frame of government requires him to lead? It must be borne in mind that for congress not to support such an urgent appeal as the president has made in this instance is not merely to defeat a measure which may be, and which he deems to be, required both by the honor and the well-being of the nation. It is to discredit him for the future, it is to weaken and prejudice him in his subsequent intercourse with foreign nations, it is to give them notice that he is rather a figurehead than a real factor in the national government, and that dealings with him are hardly to be regarded as very serious affairs.

Other pertinent considerations leading to the same result might be mentioned, but in the precise situation now confronting congress they may, I think, be safely passed over because those already given ought to be regarded as decisive.

Very truly yours,  
RICHARD OLNEY.

An investigating committee of the New Jersey assembly has gathered indubitable evidence of the existence of a hard coal trust. The announcement would have caused public indignation to rise a greater height if it had come earlier in the furnace season, but every man who bought a ton last fall will accept the committee report without protest.

Former President Taft has become a frequent contributor to the magazines, and is discussing in turn the various important political policies. There are doubtless some republicans unkind enough to say that if he had been as frank and outspoken, say about six years ago, as he is now, he might not be wearing his present title.

# The Work of the President's Cabinet

## TREASURY DEPARTMENT

### LAST DOLLAR OF CROP-MOVING FUND REPAID

The treasury department during the crop moving season of 1913 deposited in 193 banks in 62 cities in the 28 states of the country where the demand existed, a total of \$37,386,000 for crop moving purposes, upon the security almost wholly of commercial paper. These deposits were repayable to the government in installments, the last one of which matured April 1, 1914. Secretary McAdoo announces that the total amount has been repaid and that the government received as interest, which is clear profit on the transaction, a total, in round numbers, of \$260,000. The secretary says that the amount of money required to move the crops was much less than expected. This resulted undoubtedly from the fact that confidence in the situation was restored by the knowledge that the government stood ready with any amount of money needed for the purpose, and that credits were, therefore, more freely distributed by the banks of the country after the announcement was made.

In addition to assistance in financing the movement of the crops, the deposits also redounded to the benefit of the government by adding \$260,000 to the general fund of the treasury. It will be the policy of the secretary always to come to the assistance of the banks whenever stress incident to prosperous crops make it necessary. The prompt repayment of the deposits by the banks justified the action of the secretary in accepting commercial paper as security for the government funds, and refuted the dire predictions that were made in some quarters that the government would not get the money back. Had the secretary of the treasury insisted upon United States bonds alone as security for these deposits, the offer to the banks would have meant little or nothing, because it would have been necessary for them to have gone to the market and purchased federal government bonds in the same amount as the deposits which they were to receive. The acceptance of prime commercial paper, which the banks already had on hand, made the money easily accessible. Before the money was deposited with the banks all the paper offered as security was passed upon by the secretary of the treasury and the interests of the government properly safeguarded.

### FEDERAL RESERVE BANKS LOCATED

The decision of the reserve bank organization committee, determining the federal reserve districts and the location of the federal reserve banks, under the federal reserve act approved December 23, 1913, was made public April 2. The members of the committee were Secretary of the Treasury McAdoo, Secretary D. F. Houston and Comptroller John Skelton Williams. The following is taken from the report:

The federal reserve act directs the reserve bank organization committee to "designate not less than eight nor more than twelve cities to be known as federal reserve cities," to "divide the continental United States, excluding Alaska, into districts, each district to contain only one of such federal reserve cities," and to apportion the districts "with due regard to the convenience and customary course of business." The act provides that the districts may not necessarily be coterminous with any state or states.

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

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

More than 200 cities, through their clearing house associations, chambers of commerce and other representatives, were heard. Of these, 37 cities asked to be designated as the headquarters of a federal reserve bank.

The majority of the organization committee, including its chairman and the secretary of agri-

culture, were present at all hearings, and stenographic reports of the proceedings were made for more deliberate consideration. Independent investigations were, in addition, made through the treasury department, and the preference of each bank as to the location of the federal reserve bank with which it desired to be connected was ascertained by an independent card ballot addressed to each of the 7,475 national banks throughout the country which had formally assented to the provisions of the federal reserve act.

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

The twelve districts and the twelve cities selected for the location of the federal reserve banks are as follows:

District No. 1. The New England states: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut, with the city of Boston as the location of the federal reserve bank. This district contains 446 national banks, with a total capital stock of \$9,931,740.

District No. 2. The state of New York, with New York City as the location of the federal reserve bank. This district contains 478 national banks, with a total capital stock of \$20,687,616.

District No. 3. The states of New Jersey, and Delaware and all that part of Pennsylvania located east of the western boundary of the following counties: McKean, Elk, Clearfield, Cambria and Bedford, with the federal reserve bank in the city of Philadelphia. This district contains 800 national banks, with a total capital stock of \$12,993,013.

District No. 4. The state of Ohio, all that part of Pennsylvania lying west of District No. 3; the counties of Marshall, Ohio, Brooke and Hancock in the state of West Virginia, and all that part of the state of Kentucky located east of the western boundary of the following counties: Boone, Grant, Scott, Woodford, Jessamine, Garrard, Lincoln, Pulaski and McCreary, with the city of Cleveland, Ohio, as the location of the federal reserve bank. This district contains 724 national banks with a total capital stock of \$11,621,535.

District No. 5. The District of Columbia and the states of Maryland, Virginia, North Carolina, South Carolina, and all of West Virginia except the counties of Marshall, Ohio, Brooke and Hancock, with the federal reserve bank located in the city of Richmond, Virginia. This district contains 475 national banks with a total capital stock of \$6,543,281.

District No. 6. The states of Alabama, Georgia and Florida, all that part of Tennessee located east of the western boundary of the following counties: Stewart, Houston, Wayne, Humphreys and Perry; all that part of Mississippi located south of the northern boundary of the following counties: Issaquena, Sharkey, Yazoo, Kemper, Madison, Leake and Neshoba; and all of the southeastern part of Louisiana located east of the western boundary of the following counties: Pointe, Coupee, Iberville, Assumption and Terrebonne, with the city of Atlanta, Georgia, as the location of the federal reserve bank. This district contains 372 national banks with a total capital stock of \$4,702,780.

District No. 7. The state of Iowa, all that part of Wisconsin located south of the northern boundary of the following counties: Vernon, Sauk, Columbia, Dodge, Washington and Osaukee; all of the southern peninsula of Michigan, viz: that part east of Lake Michigan; all that part of Illinois located north of a line forming the southern boundary of the following counties: Hancock, Schuyler, Cass, Sangamon, Christian, Shelby, Cumberland and Clark; and all that part of Indiana north of a line forming the southern boundary of the following counties: Vigo, Clay, Owen, Monroe, Brown, Bartholomew, Jennings, Ripley, and Ohio, with the federal reserve bank located in the city of Chicago Illinois. This district contains 984 national banks, with a total capital stock of \$13,151,925.

District No. 8.—The state of Arkansas, all that part of Missouri located east of the western boundary of the following counties: Harrison, Daviess, Caldwell, Ray, Lafayette, Johnson,