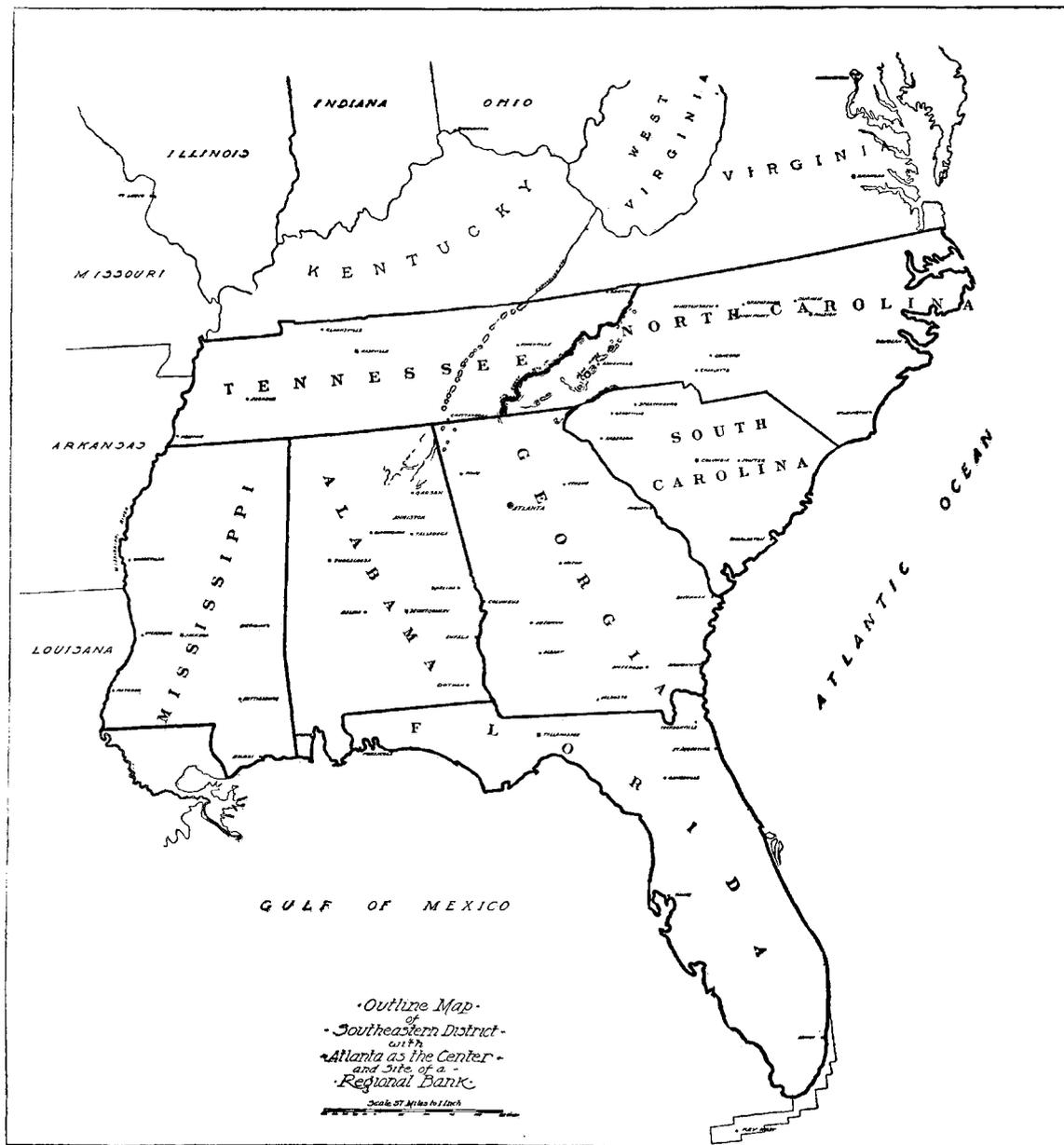
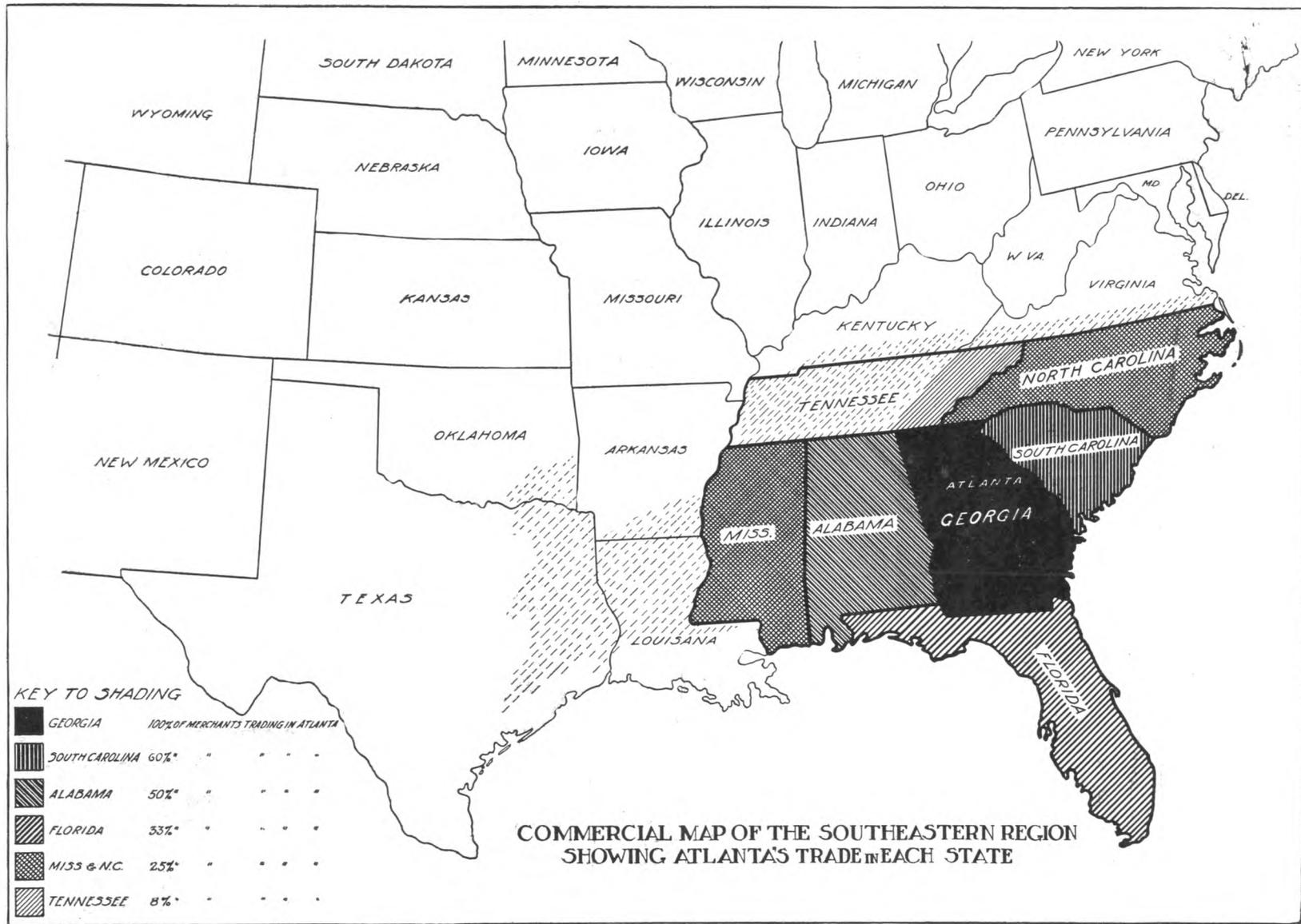


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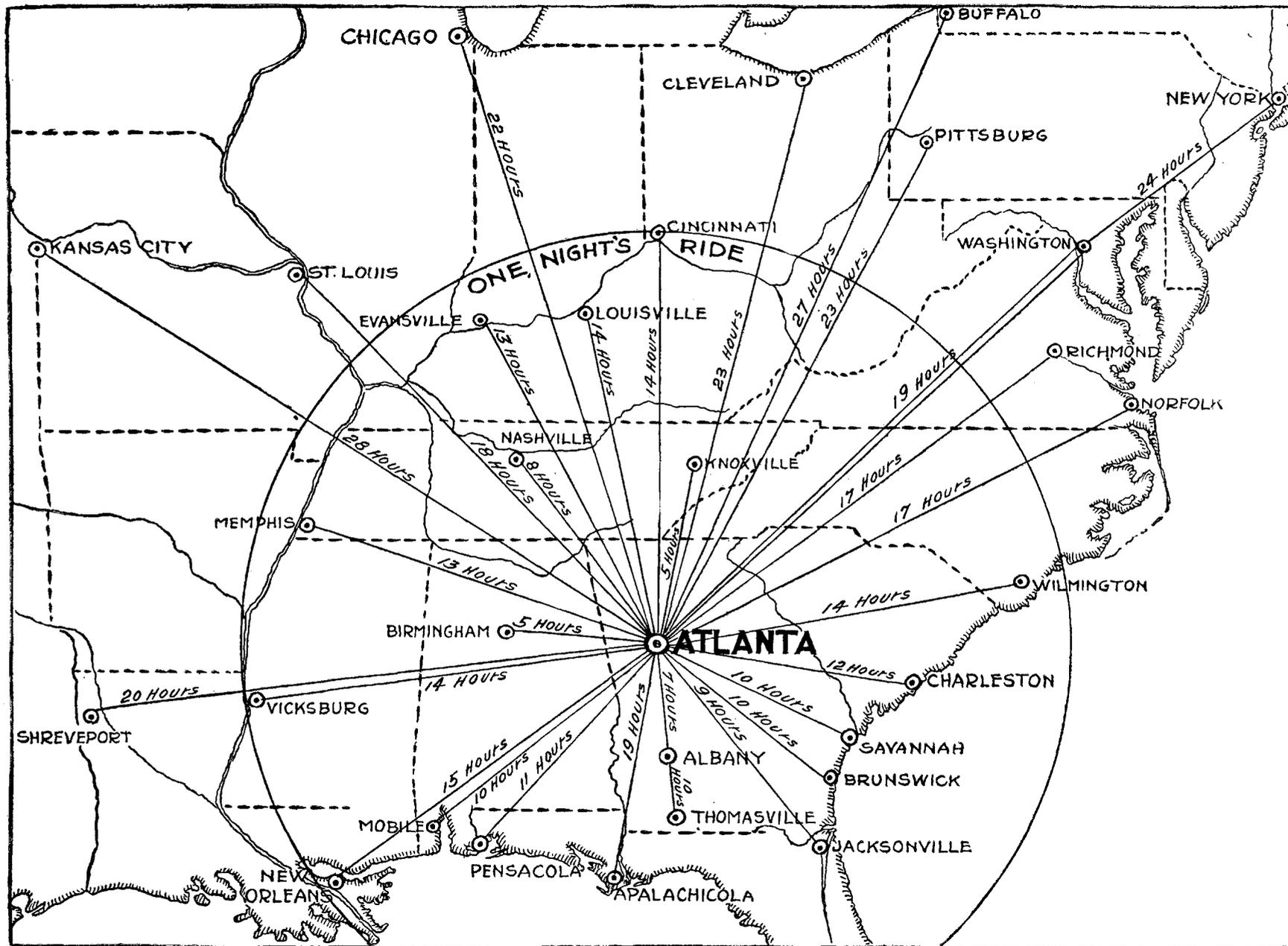
U.S. Federal Reserve Bank Organization
Committee.
Exhibits submitted at hearings...
(Atlanta)

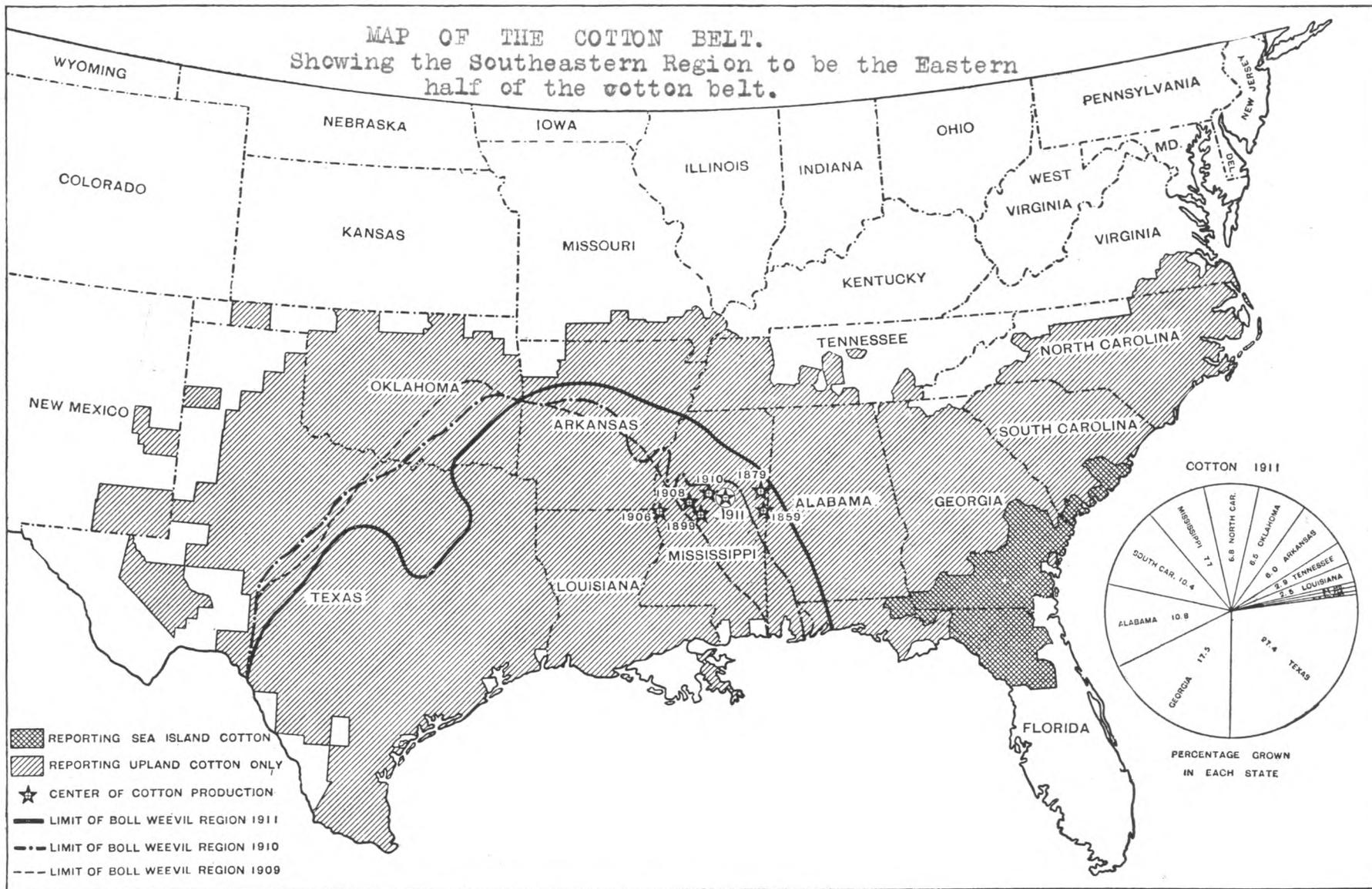
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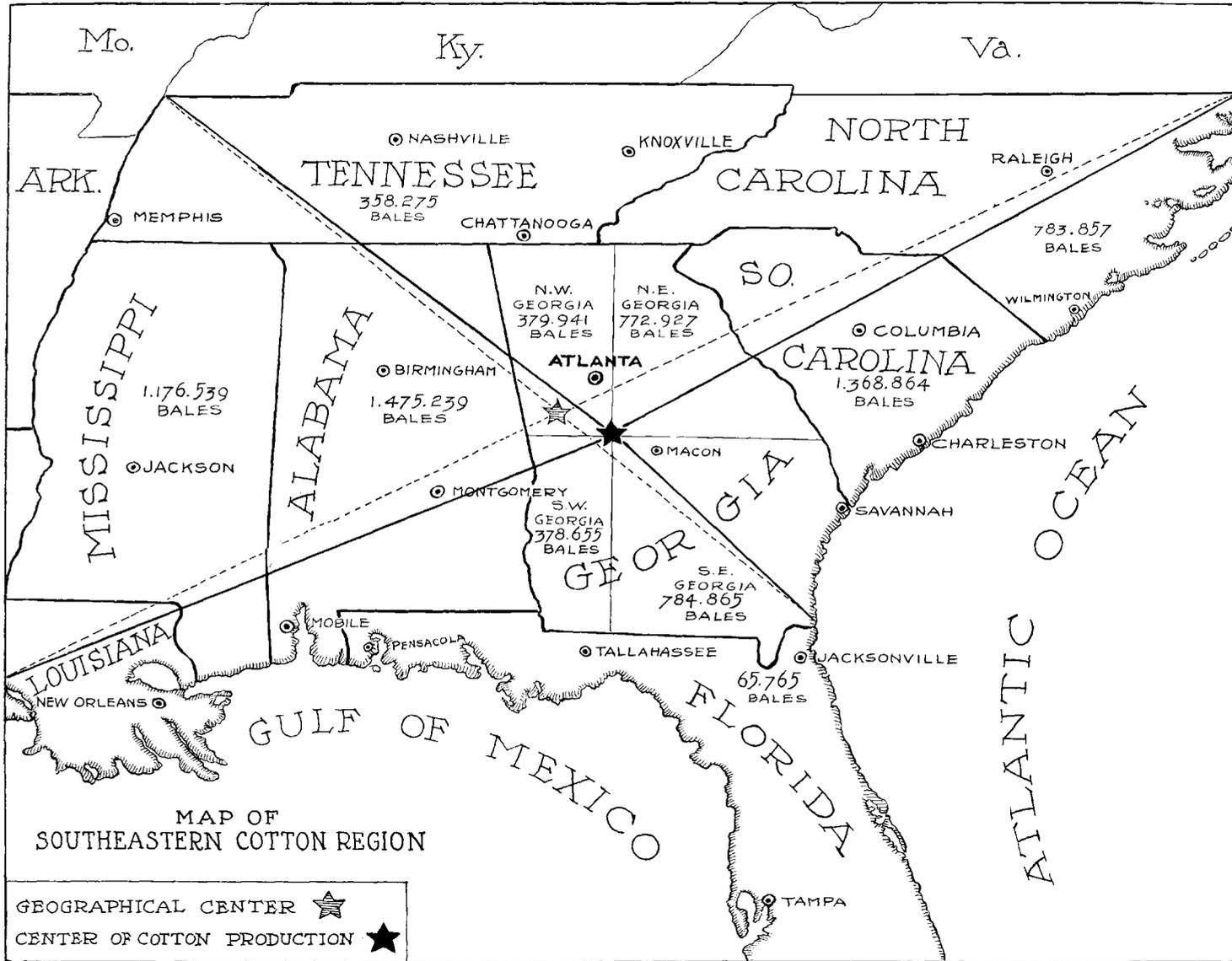




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Atlanta

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I N T R O D U C T O R Y

By J.K.Orr,
President, Red Seal Shoe Factory
and Chairman
of the
Joint Committee from the Clearing House
and the
Chamber of Commerce.

Our Committee desires to offer as part of our case all of the splendid testimony you have heard on yesterday concerning the resources, promise and possibilities of these South Eastern States, which for the sake of brevity, we will hereafter refer to as THE REGION.

As you will see by this blue print, it is composed of Tennessee, North and ^{South} Carolina, Georgia, Alabama, Florida, and Mississippi.

We might speak of it as the heart of the Old South, once a dream of Empire, happily for our country and ourselves, a dream not written in the book of destiny.

Out of the ashes of the past has come indeed a land of promise, its farmers growing richer every year.

Its industrial independence well on the way. Its finance long in darkness, but now groping towards the dawn of a new day.

We believe that day will be hastened by the new currency laws and greatly facilitated by the placing of one of the Regional Banks in some convenient center of this section.

Let's start with agriculture. If it is true that the average rate of interest on farm loans made by the big insurance companies in the States of Illinois and Iowa is five percent, and the same class of loans for the States in our Region is six, this important industry has been carrying a handicap of twenty per cent on its interest account.

You may be told by some of our rich friends that this Region should not have a bank because we are large borrowers.

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That's more the reason we need a bank. Was it not Mr. Harriman who said he used to think a millionaire was a man who had a million? He changed his mind and said it was the man who could borrow a million.

We have several millionaire banks in this immediate part of the Region.

You may hear that we are a one crop Region with a long season of financial dry drouth.

Listen to this juicy Bill of Fare, a monthly tonic to our financial in take.

In January we have the citrus fruits of Florida; in February vegetables of South Georgia; and Florida strawberries of March and April; June peaches; July watermelons; corn by the million bushels in August; September and October cotton; November and December, more cotton.

This takes no account of the minerals our friends from Alabama get out of the bowels of the earth.

We hope to prove by competent witnesses that this Region in and of itself needs a Reserve Bank.

We agree most heartily with ^a your statement made, I think at St. Louis that a Region should not of necessity be ~~out-~~^{defined} ~~lined~~ by the banking business heretofore done in that section by any center, but rather by the convenience and course of its commerce.

We expect to make our case upon the soundness of this principle.

FIRST: As to the merits of the Region itself.

It is one half of the cotton belt.

In population it is one-seventh of the United States.

Its farm products equal one ninth.

Taken together on the average, one-eighth, so if only eight districts are named, our Region is qualified.

The last census shows its manufactures are valued at 1012 millions.

Its crops 959 millions.

Total of practically two billions.

During these ten years it showed a gain of 100 per cent.

We are not building for a day. A section showing this activity has possibilities beyond even a Georgian's imagination.

While we are a large part of the cotton belt, we are by no means a one crop region.

The next witness will show you we have a variety of products bringing in money every month in the year.

We have every confidence that you will be able with the assistance of our witnesses to select some conveniently located central city that will be best able to serve this section as a whole.

Lest they may overlook, it, may I suggest one that within the Biblical term of the Span of one man's life, has grown from a modest hamlet to the metropolitan City that greets you today.

Why is Atlanta? has never been answered. The Railroads first discovered it a good place to get across this peculiar angle of the Piedmont Escarpment.

Then it became a trading center, later a good distributing point. This attracted factories, then Manufacturers' Agents.

These made possible our great office buildings, one of which has come to be a part of our annual product.

What is Atlanta's relation to the Region? "A City shall be known by its Commerce."

Our next witness will tell you that about 90,000 merchants of these seven States are registered as customers of Atlanta, half of them in Georgia, 13,000 in Alabama, ten thousand in South Carolina, 6,800 in North Carolina, the remaining 15,000 in the other three States.

Another witness will show we sell them 145 millions a year, and our manufacturers agents sell 167 millions, making a total of Atlanta's trade in this territory 312 millions a year.

Surely then a Reserve Bank here or hereabouts would do no violence to the convenience and customary course of trade.

If 6,000 merchants of North Carolina and 10,000 in South Carolina are willing to trade with us, we hardly think they will refuse money from their local banks, because it happens to come through the Reserve Bank if it should be located at Atlanta.

We will offer the testimony of eight witnesses each more or less an expert in his line, the first of these is Mr. Wilmer L. Moore.

Table showing cash collections of a wholesale shoe house in percentage by months.

BAROMETOR OF CASH COLLECTIONS made up of consolidated averages of five lines: viz: Hardware, Shoes, Dry Goods, Groceries and Crockery, covering three periods of the year 1913, as follows:

Spring period of five months from January to May, inclusive, shows combined average of 123% of normal month.

Mid-summer period of three months from June to August, inclusive, shows combined average of 61%, of normal month.

Fall period of four months from September to December, inclusive, shows combined average of 132%, of normal month.

Figures for each line, detailing averages for each month, hereto attached.

TABLE SHOWING CASH COLLECTIONS OF A
WHOLESALE MILLINERY HOUSE IN PER-
CENTAGE BY MONTHS

1913

C O L L E C T I O N S

<u>MONTH</u>	<u>PER CENT</u>
January	.392)
February	.383)
March	1.24) 114.
April	1.71)
May	1.96) - - - -
June	.71)
July	.51) 51
August	.31) - - - -
September	.83)
October	1.71) 127
November	1.25)
December	.68) - - - -
	<u>11.69</u>

**TABLE SHOWING CASH COLLECTIONS OF
A WHOLESALE SHOE HOUSE IN PERCENTAGE BY MONTHS**

Showing ebb and flow to be 61% of normal in summer months of June, July and August, 94% in Spring, January to May, and running up to 134% for the harvest season, September to December:

1913

C O L L E C T I O N S

<u>MONTH</u>	<u>PER CENT</u>
January	105.3)
February	82.1)
March	89.1) 94
April	95.5)
May	99.2) - - - -
June	80) 61
July	67.5)
August	44) - - - -
September	71.3)
October	165.3)
November	180.4) 134
December	140.3)
	<u>1200</u>

**TABLE SHOWING CASH COLLECTIONS OF A
WHOLESALE NOTION HOUSE IN PERCENTAGE BY MONTHS**

1913

C O L L E C T I O N S

<u>MONTH</u>	<u>PER CENT</u>
January	129)
February	89.3)
March	85.8) 92 %
April	81.8)
May	73.5) - - - -
June	68.5)
July	54.8) 57 %
August	49.6) - - - -
September	87.7)
October	190.2)
November	126.2) 133.5%
December	163.1)
	<u>1200.00</u>

Showing ebb and flow to be 57 % of normal in summer months of June, July and August, 92 % in Spring, January to May, and running up to 133.5 % for the Harvest Season, September to December.

WHOLESALE GROCERS

TABLE SHOWING OUR CASH COLLECTIONS
IN PERCENTAGE BY MONTHS

1913

C O L L E C T I O N S

<u>Month</u>	<u>Per Cent</u>	
January	1.20) 100.4 - - - - 77 - - - - 119
February	1.00	
March	.94	
April	.86	
May	1.02	
June	.78	
July	.75	
August	.79	
September	1.19	
October	1.29	
November	1.03	
December	1.04	

TABLE SHOWING CASH COLLECTIONS OF WHOLESALE
DRY GOODS CONCERN IN PERCENTAGE
BY MONTHS

1913

C O L L E C T I O N S

<u>MONTH</u>	<u>PER CENT</u>	
January	114.7	
February	75.7	
March	78.2	85
April	92.8	
May	64.8	- - - -
June	72.2	
July	64.6	64
August	56.0	- - - -
September	102.9	
October	203.7	145
November	128.6	
December	145.8	
	<u>1200.0</u>	

TABLE SHOWING CASH COLLECTIONS OF
A WHOLESALE CROCKERY HOUSE IN PERCENTAGE BY MONTHS

Showing ebb and flow to be 58% of normal in summer months of June, July and August, 100% in Spring, January to May, and running up to 131% for the harvest season - September to December.

1 9 1 3

C O L L E C T I O N S

<u>MONTH</u>	<u>PER CENT</u>
January	205%)
February	84%)
March	80%) 100.4
April	70%)
May	65%) - - - -
June	56%)
July	71%)
August	46%) -58-
September	76%)
October	137%)
November	122%) 131.
December	190%)
	<u>1200</u>

2

ATLANTA AS A SITE FOR A REGIONAL RESERVE BANK

Statement on behalf of the Atlanta Chamber of Commerce
Prepared by Walter G. Cooper, Secretary
and presented by
Wilmer L. Moore, President for two years, who took the
initiative in this work for Atlanta .

SUMMARY OF ATLANTA'S CASE

We present as one of the Regional Bank Districts, seven Southeastern States, the Carolinas, Georgia, Florida, Alabama, Mississippi and Tennessee.

It is a harmonious, well balanced economic unit, with varied industries and a succession of crops and market periods following each other the year round. Its farm and factory products are about equal. The size and shape of the territory is such that its extremes may be reached in 12 to 15 hours from Atlanta, the geographic and commercial center. The average time of mail from Atlanta to a central point in each State is 8 hours and 47 minutes; from Richmond 18 hours and 38 minutes. The average distance from Atlanta of 210 railway common points in the seven States is 277 miles. These are all the competitive points in this territory.

The capital and surplus of National Banks in this region is 93 millions, giving a capital of \$5,589,000 for a Regional Bank. The deposits are 262 millions, giving deposits of 13 millions for the bank. Half the State Banks would raise these figures to nine millions capital and ²⁰thirty-two millions of deposits.

The combined capital, surplus and deposits of State and National Banks is 850 millions .

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The real basis upon which the banking system must depend is the resources and productive power of the territory. That is the only sure reliance for the payment of commercial paper and the final redemption of your note issues. For that purpose this region offers more than two billions of farm and factory products.

Back of this are resources so vast and so varied that a chinese wall round this territory would leave a self-sustaining nation complete in all the economic elements of civilization. These resources are being developed with such rapidity that the value of their products has doubled in ten years.

The region had a population in 1910 of 13 1/4 millions, but as only 28 percent of the land is improved it is clear that several times that number could live in comfort in these States. The same area in Europe sustains 110 millions.

As for the center we suggest Atlanta because it has a great commerce highly developed in this region, it is the most convenient and accessible point and it has a far better business equipment than any other City in the territory. More than half the merchants listed by Commercial Agencies for this region buy goods in Atlanta. Our manufacturers, jobbers, and Manufacturers ' Agents doing business here, sell 360 millions a year in the District.

There can be no doubt about the currents of trade in the Southeastern Territory. They flow into and out of Atlanta and there is no other City in the region that even approximates its volume of business. This is shown clearly by the bank clearings, which far exceed those of any other City in this region.

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It is upon commerce and industry that the banking business of a country rests and the banking business should follow the course of commerce. In proportion as it departs from the channels of trade and seeks other channels and other centers, it is an artificial and unscientific system that causes hardship and unnecessary expense. To illustrate, the express rates on currency into this territory are 50 percent higher from Richmond than from Atlanta. The time of mails more than double.

As your note issues are based upon the commercial paper arising from the needs of trade and industry and these are automatically adjusted to the productive power, which is also the purchasing power of the region, your banking system should be closely adjusted to the same things and as closely as possible in touch with all parts of the producing region. That is the main object of the new law.

It has been a general complaint that the producing sections were too much under the domination of the lending sections and to meet this objection and emancipate the productive power of the country you have devised a system whereby the producing sections can secure money, on the basis of their products and trade represented by commercial paper.

The expansion and contraction of currency in proportion to the volume of actual production and distribution is the ideal process for maintaining a wholesome condition of trade and industry. If a producing region has currency issued on the basis of its products, it will not long be a borrowing section. Its resources will develop and accumulate capital rapidly and this is what the Southeast has been doing with great rapidity.

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Its products have ~~increased~~ doubled in ten years and Atlanta's banking business has increased five-fold in the same period.

Our Richmond friends have tried hard to draw the Southeastern States away from Atlanta on the plea that Richmond is a lending City with more idle money than Atlanta and as a consequence a few millions more of deposits in her Banks.

It is because we have a greater commerce, demanding the constant use of our available capital that we have less idle money in bank.

Atlanta's money is active money, far more active than that of Richmond and New Orleans. This is shown by the fact that Atlanta's bank clearings for 1913 were more than twenty times the deposits of her banks at the October call, whereas those of Richmond were only nine times, and those of New Orleans only thirteen times the amount of the deposits. This is tantamount to saying that the efficiency of money in Atlanta is 50 percent more than that of New Orleans and more than double that of Richmond.

Atlanta is the Southern insurance center, the live stock center, fertilizer center, automobile center, the center for this territory of railways, telegraphs, telephones, express, and many other agencies that go to complete the complicated machinery of civilization. These things come here because Atlanta is the geographical, commercial and financial center of the Southeast. They come here after the most careful investigation of the relative advantages of this and other centers.

This is especially true of Manufacturers' Agents. They represent every important industry in the United States.

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This business, amounting to more than 160 millions, is done here by concerns owned by non-residents, who have no sentimental interest in Atlanta. It is the cold calculation of self interest that located their agencies here. The same economic law that brought them to Atlanta keeps them here and constantly adds to their number. There is no such group elsewhere in this region. Cast your eyes upon our warehouses and our office buildings and you can see it without computation.

Our local manufacturers, listed by the census as 548 in the County and making a great variety of articles, did a business of 43 millions four years ago and were increasing then at the rate of 6 percent a year. They must now be turning out over 50 millions of products.

Our postal receipts and parcels by post very much exceed those of any other City in the South, not excepting Louisville and New Orleans.

The railways made their headquarters here for the territory between the Ohio, Potomac and Mississippi Rivers. These railroads are not owned or controlled in Atlanta. They put their headquarters here for the simple reason that Atlanta is the center of their business, and when you come to think of it, their business is everybody's business.

The same thing is true of telegraphs, telephones and express business.

The relation of this territory and its center to others is shown by the fact that if you draw circles of 300 miles radius around New York, Chicago, St. Louis, Washington and Atlanta, you cover practically all the territory East of the Mississippi River

and several States West of it. Within ten to fifteen hours all that territory can be reached from these Cities. Thus Atlanta takes its place with other recognized centers in a complete system of Reserve Banks completely covering the territory East of the Mississippi River.

Our bankers will discuss the relation of the banking business to the cotton crop of this region and the relation of cotton and other products originating in this region to foreign exchange.

These are subjects of tremendous importance, for, as cotton is largely bought with currency in the primary markets, your bank should be so located as to supply that currency quickly from the nearest center, which, for the Eastern half of the cotton region, is Atlanta.

The value of cotton exported is about \$600,000,000 and as cotton is the basis of more foreign exchange than any other single product of this country, and does more to maintain the favorable trade balance than any other item, it is important to do that business with the utmost dispatch and with the least expenditure of money. Our bankers will show what a heavy economic loss to the country is entailed by the present indirect methods which have been fastened on us by obsolete custom. This burden your new system is well calculated to remove.

THE SOUTHEASTERN REGION

Its Productive Power and Rapid Development

- - - - -

The Southeastern District grows more than half the cotton crop. In 1913 its product was 7 1/2 million bales, valued by the Agricultural Department at 457 millions, and a little more than half this cotton went to market through the Ports of this region, mostly through Savannah, Brunswick, Charleston and Wilmington.

The local cotton markets of this region can be reached from the center in nearly every case within 15 hours. The average time is 9 1/2 hours to 23 principal points. There are 210 railway common points and the average distance from Atlanta is 277 miles.

Cotton is by no means the only crop. It is less than half the farm product and corn alone brought 302 million dollars in 1913, according to the Agricultural Department.

R E S O U R C E S .

The productive power of this region, measured by the value of its output, more than doubled in ten years between the census of 1900 and 1910. Its resources are indicated by these figures taken from the census and government reports, excepting State Bank returns, which were furnished by State Officers:

AREA	332,149 Square miles One-ninth of the United States.
POPULATION	13,203,423 One-seventh of the United States.
FARM PRODUCTS	\$1,114,200,734 One-seventh of the United States

FACTORY PRODUCTS

\$1,012,579,000
 One-twentieth of the
 United States.

COTTON CROP-1913-Bales 7,518,000 Value \$457,834,000
 CORN CROP -1913-Bushels 353,977,000 Value 302,318,000
 Hay,Oats,Wheat and Potatoes,1913 Value 99,399,000

Total Six Crops - - - - - \$859,551,000 - -

To these must be added annual, daily and poultry products, small crops, fruits and vegetables, which are not reported for 1913, but will turn out about \$300,000,000.

BANKING POWER .

The banking power of this territory is furnished by 3,103 banks, 522 National and 2,583 State, with capital, surplus and deposits as follows:

	<u>CAPITAL AND SURPLUS</u>	<u>DEPOSITS</u>	<u>TOTAL BANKING POWER</u>
	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
National Banks -	93	262	355
State Banks	<u>131</u>	<u>364</u>	<u>495</u>
	<u>224</u>	<u>626</u>	<u>850</u>

This information is compiled from returns for October 21st, 1913, with the exception of State Banks in Tennessee and Mississippi, whose returns date June 4th, 1913.

PRODUCTIVE POWER DOUBLED IN TEN YEARS

The rate of progress in this region is indicated by these figures from the census and United States Agricultural Department:

	<u>INCREASE OF POPULATION</u> <u>U. S. CENSUS</u>	
	<u>1910</u>	<u>1900</u>
North Carolina	2,206,287	1,983,810
South Carolina	1,515,400	1,340,316
Georgia,	2,609,121	2,216,331
Florida,	752,619	528,542

Increase of population, Con't.

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	<u>1910</u>	<u>1900</u>
Alabama,	2,138,093	1,828,697
Mississippi	1,797,114	1,551,270
Tennessee,	2,184,789	2,020,616
(GAIN)	<u>13,203,423</u>	<u>11,459,582</u>

INCREASE OF MANUFACTURES
United States Census

	<u>1909</u>	<u>1899</u>
North Carolina,	\$216,656,000	\$85,274,000
South Carolina,	113,236,000	53,336,000
Georgia,	202,863,000	94,532,000
Florida,	72,890,000	34,184,000
Alabama,	145,962,000	72,110,000
Mississippi,	80,555,000	33,718,000
Tennessee,	180,217,000	92,749,000
	<u>\$1,012,379,000</u>	<u>\$465,903,000</u>

INCREASE OF CROPS
United States Census

	<u>1909</u>	<u>1899</u>
North Carolina,	\$122,890,192	\$68,624,912
South Carolina,	141,983,354,	58,890,413
Georgia,	226,595,436	86,345,343
Florida,	36,141,894	13,498,580
Alabama,	144,287,347	73,190,720
Mississippi,	147,315,621	84,883,776
Tennessee,	120,706,211	70,745,242
	<u>\$ 959,920,055</u>	<u>\$ 456,178,986</u>

These figures do not include animal industries or dairy and poultry products.

RAPID PROGRESS OF FARMING

Within four years there has been tremendous progress by the farmers of this region. The corn crop increased over 50 percent and these States produced in 1913 one-seventh of the total crop, against one-eleventh in 1909.

In those four years the average yield of corn per acre rose from 14.3 to 18.4 bushels.

The increase by States and for seven States is here given:

INCREASE OF THE CORN CROP
UNITED STATES CENSUS & DEPARTMENT OF AGRICULTURE

	<u>PRODUCT IN BUSHELS</u>		<u>VALUE OF THE CROP</u>	
	<u>1909</u>	<u>1913</u>	<u>1909</u>	<u>1913</u>
North Carolina	34,063,531	55,282,000	\$51,286,102	\$48,648,000
South Carolina	20,871,946	38,512,000	20,682,632	37,357,000
Georgia,	39,374,569	63,023,000	37,079,981	57,531,000
Florida,	7,023,767	10,125,000	5,709,009	8,302,000
Alabama,	30,695,737	55,360,000	28,677,032	49,270,000
Mississippi,	28,628,667	63,000,000	26,030,376	48,510,000
Tennessee,	67,682,489	68,675,000	45,819,093	52,880,000
Crops of)	228,140,706	353,977,000	\$195,284,225	\$302,498,000
7 States)	Per acre 14.3 Bu)Per acre 18.4 Bu)			
U. S.)	2,552,189,630	2,446,988,000	-\$ 1,438,553,919	\$ 1,692,092,000
Crop)				

SEQUENCE OF CROPS

The fact that the use of money is distributed through the year by the maturing at different seasons of a series of crops is shown by these figures:

(From the census of 1910 and Department of
Agriculture Bulletin for 1913 crops)

Citrus crops of Florida) (Varying with season)	6 to 12 millions
Vegetables 7 States,	\$ 40,360,578
Small fruits 7 States	5,276,637
Oats 7 States	25,356,000
Wheat 7 States	19,492,000
Potatoes 7 States	10,003,000
Orchard fruits 7 States	13,970,501
Hay 7 states	44,548,000
Corn 7 States	302,318,000
Cotton 7 States,	457,834,000

To these are to be added the animal, dairy and poultry products, and small crops about \$300,000,000.

ECONOMIC GRAVITYForcing men and capital Southeastward

The foregoing facts indicate the present status and past growth of the Southeastern District.

As to the future, there is an economic gravity forcing men and money into this region from the territory North, East and West of it.

The return to the farmer for his investment and labor are greater in the South Atlantic States than in any other part of the country.

PROPORTION OF VALUE TO RETURNS

	<u>Farm Value</u> <u>Per Acre</u>	<u>Average Crop</u> <u>Value Per Acre</u>	<u>Per</u> <u>Cent .</u>
New England	\$43.99	\$ 24.56	56
Middle Atlantic	68.52	20.74	30.5
E. North Central	85.81	17.55	20.6
W. North Central	58.18	12.24	21.1
South Atlantic	28.44	22.23	80
<hr/>			
E. South Central	26.78	19.77	73
W. South Central	22.69	15.28	66.4
Mountain	29.52	17.20	60
Pacific	54.17	20.07	37

These facts show that the Southeast is pre-eminently the land of opportunity.

EMINENT AUTHORITIES ON THE SOUTHEAST

Concerning this and other resources, Dr. A. M. Soule, President of the Georgia State College of Agriculture says:

"This territory produces practically every crop useful for the nutrition and development of man in his highest perfection. Here indeed may the land owner sit under his own vine and fig bush and eat the luscious orange of the tropics surrounded by every comfort which a temperate climate affords.

"There is resident in the heart of the hills the raw materials out of which great industries are developed, and thus agricultural and manufacturing enterprises can be carried on most economically and successfully, the one sustaining and fostering the other to the best possible advantage. Cheap power is to be derived from a thousand streams in their downward course to the sea.

"In no other section of equal territorial area within the United States or any other part of the world, so far as is now known, can such a variety of useful crops and animals be produced with greater economy and under more favorable soil, climatic and economic conditions. The civilization of the Southeastern States is bound to exert a dominating influence on the history of the nation and of the world at large".

Of the same region, Dr. W. S. McCallie, State Geologist of Georgia says:

"Within these States are to be found every variety of climate and soils met with in the temperate zone, and a variety of mineral wealth nowhere to be surpassed in this country. It might be truly said of this region that if surrounded by an impassible wall its people would find every condition at hand to enable them to live and prosper without any outside aid, whatsoever".

Professor N. S. Shaler, in his famous book, "Nature and Man in America", has given this Southeastern region the first rank in his summary of the elements which constitute the physical basis of civilization on this continent.

The same testimony has been given by other authorities of international reputation.

The area of these seven Southeastern States is approximately the same as that of Germany and the British Isles, which support 110 millions of people, whose condition and vigor are the best in Europe.

You are, therefore, dealing, not with the present status merely, but with a country whose resources will make it in a few decades one of the most populous and productive regions on the face of the earth.

ATLANTA'S COMMERCE IN THE SOUTHEASTERN REGION

The extent of Atlanta's commerce in the seven States composing the Southeastern District is indicated by the fact that 88,742 merchants doing business in these States have bought goods in Atlanta during the past five years from a minority of our wholesale dealers.

This fact is shown by the card index of the Atlanta Credit Men's Association, composed of 170 merchants and manufacturers who have combined their information for mutual benefit.

The ledgers of these firms and companies contain the names of 92,140 merchants, of whom 88,742 are ^{located} in the Southeastern District, distributed as follows:

Georgia	43,300
Florida	6,853
Alabama	13,167
Mississippi	5,614
Tennessee,	2,623
South Carolina	10,380
North Carolina	6,805
	<u>88,742.</u>

This is certified to by the American Audit Company, who counted the cards in the Credit Men's index.

This list contains an accumulation of four years, and in order to fully cover the business mortality of that period, we write off twenty percent. As the number of failures reported by the Commercial Agencies for this territory during the past four years is less than four percent, it will be seen that twenty percent is a liberal allowance for the total of failures, retirements from business, changes of firm names, liquidated firms, Etc.

After taking off this allowance, we get the net list of merchants buying goods, and this we compare with the total number

- 14 -

of merchants listed by Bradstreet's and Dun's Agencies at the latest report, placing the two side by side in parallel columns as follows:

	<u>MERCHANTS LISTED BY BRADSTREETS</u>	<u>R.G.DUN'S LIST</u>	<u>ON LEDGERS OF ATLANTA 170 FIRMS</u>	<u>LESS 20 PERCENT</u>
Alabama ,	20,336	20,253	13,167	10,534
Georgia,	33,295	29,184	43,300	34,640
Florida,	12,610	12,745	6,853	4,483
Mississippi,	18,238	15,916	5,614	4,492
Tennessee,	25,295	23,432	2,623	2,109
South Carolina,	14,349	13,577	10,380	8,304
North Carolina,	23,604	23,817	6,805	5,444
	<u>147,727</u>	<u>138,924</u>	<u>88,742</u>	<u>70,006.</u>

Thus it appears that about half the merchants in the Southeastern District are customers of one-fifth of Atlanta's merchants, manufacturers and agents. Many more than this number could be shown if we had returns from all the merchants and manufacturers of Atlanta. Only 170 of these firms are represented in the card index of the Credit Men's Association, whereas there are 914 merchants, manufacturers and Manufacturers' Agents doing a wholesale business here.

It will appear from this list that Atlanta sells in Georgia a few more merchants than the number in Bradstreet's list. This need not cause surprise because neither Commercial Agency has an absolutely complete list. For example R. G. Dun and Company report for Georgia 29,184 against 33,295 reported by Bradstreet's Agency, and a still larger number appear on the ledgers of Atlanta firms.

The books of Atlanta wholesale dealers and manufacturers contractors contain the names of many commissaries and ~~some of the country merchants~~, who do not appear in the lists of the commercial agencies.

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THE VOLUME OF ATLANTA'S TRADE IN THE
SOUTHEASTERN DISTRICT

In order to arrive at the volume of Atlanta's trade in the seven States of the Southeastern region, letters were sent to merchants and manufacturers doing a wholesale business and to Manufacturers' Agents selling goods from Atlanta for non-resident manufacturers who were asked for the amount of business done by each concern in each State.

Returns were received from a minority of those doing business in Atlanta and this is not surprising when it is remembered that the information sought is one of the secrets of business which men guard with the utmost care.

There are in Atlanta 429 merchants and manufacturers doing a wholesale business here, and of these we have returns from 219, or 51 percent.

There are also in Atlanta 485 Manufacturers' Agents selling from here for non-resident concerns and we have returns from 150 or 31 percent.

These returns total \$74,388,617 of sales by merchants and manufacturers, and \$51,784,151 by Manufacturers' Agents.

DISTRIBUTION BY STATES

The business of these concerns in the District is distributed as follows:

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	<u>MERCHANTS AND MANUFACTURERS .</u>	<u>MANUFACTURERS' AGENTS</u>	<u>TOTAL</u>
Georgia ,	\$44,502,336	\$18,882,677	\$63,385,013
Alabama,	8,353,562	6,337,641	14,673,203
Florida,	3,536,070	5,600,187	9,136,257
South Carolina,	4,218,523	4,971,108	9,189,631
North Carolina	2,583,511	3,181,733	5,765,244
Tennessee,	3,068,805	4,446,973	7,515,778
Mississippi,	1,765,282	2,062,589	3,827,871
Undistributed,	6,378,528	6,301,243	12,679,771
Total 7 States - -	\$74,388,617	\$51,784,151	\$126,172,768

THE BUSINESS INDICATED

At the same average volume of business reported by these concerns, all those doing a wholesale business in the City would show the following total:

<u>MANUFACTURERS AND JOBBERS ,</u>	\$145,860,000
<u>MANUFACTURERS' AGENTS</u>	<u>167,045,600</u>
	\$312,905,600

DISTRIBUTION OF TOTAL BY STATES

This total, distributed among the States in the proportion of the sales actually returned, would give these totals for each State:

	<u>INDICATED TOTAL FOR 914 CONCERNS</u>
Georgia,	\$158,000,000
Alabama,	36,000,000
Florida,	23,000,000
South Carolina,	23,000,000
North Carolina,	14,000,000
Tennessee,	19,000,000
Mississippi,	9,000,000
Undistributed,	31,000,000
	\$ 313,000,000

S U M M A R Y

Summarizing these items of trade other than retail we find the figures to be as follows:

MERCHANTS AND MANUFACTURERS,	\$145,860,000
MANUFACTURERS' AGENTS,	167,045,600
COTTON SEED PRODUCTS,	11,027,168
FERTILIZERS NOT INCLUDED ABOVE,	5,000,000
HORSES, MULES, CATTLE AND HOGS	16,000,000
INSURANCE PREMIUMS,	<u>20,000,000</u>
	\$ 364,932,768

As the total is less than half Atlanta's Bank Clearings, it is clear that the estimate is not exaggerated.

Even the Bank Clearings of \$725,000,000 do not measure the volume of business. They are only about one-third, for the total business done by the seven Clearing House Banks was \$2,025,611,801.69 .

In addition to this is the vast volume of business transacted by Railroad Companies, Telegraph and Telephone Companies, Insurance and Express Companies, newspapers and publications. The combined circulation of Atlanta newspapers in the Southeast is about equal to the population of Atlanta. This mighty engine of development has no equal in the South.

It is impossible to say what is the volume of railroad business done in Atlanta, for there are no separate statistics available, but the Georgia Railroad Commission reports the total amount of railroad earnings for this State as \$51,559,583.06 for the year ending June 30th, 1913:

TELEGRAPH AND EXPRESS COMPANIES	\$1,916,705.08
EXPRESS COMPANIES,	1,222,581.64
STREET RAILWAY, POWER AND LIGHT COMPANIES -	9,998,490.37
TELEPHONE COMPANIES,	<u>3,164,212.74</u>

The total earnings of all public utility corporations in Georgia during the fiscal year ending in 1912, as reported to the Railroad Commission, was \$67,198,472. A large part of this passed through the banks of Atlanta.

VOLUME OF RAILROAD BUSINESS

Atlanta is the headquarters of the Southeastern Freight Association and the Southeastern Passenger Association, whose territory includes the States South of the Ohio and Potomac East of the Mississippi. This includes nearly all of groups 4 and 5 of the Interstate Commerce Commission, excepting West Virginia. For these groups the United States Bureau of Railway Economics gives the following figures:

<u>GROUP # 4</u>	<u>GROUP # 5</u>
West Virginia,	Kentucky
Virginia,	Tennessee,
North Carolina,	Georgia,
South Carolina	Alabama,
	Mississippi,
	Florida.

MILEAGE OPERATED ALL TRACKS -	55,425 Miles
POPULATION -	18,817,072
AREA -	439,395 Square Miles
FREIGHT REVENUE -	\$166,352,819.00
NUMBER OF REVENUE PASSENGERS CARRIED -	83,490.783
PASSENGER REVENUE -	\$ 72,459,675.00

A T L A N T A ' S _ G R O W T H

Atlanta's rapid growth is indicated by the following facts:

Atlanta's population increased from 89,832 to 154,839 in ten years, and is now 190,000.

Its bank clearings grew from \$60,753,911 in 1893 to \$725,604,192.65 in 1913. These are by far the largest in the territory, as shown by the following statistics for 1913 furnished by the New York Financial Chronicle:

BANK CLEARINGS OF SOUTHERN CITIES

1913		
New Orleans	\$980,583,873 - Savannah	\$280,538,332
Atlanta	725,604,193 - Norfolk	214,966,911
Louisville	715,731,855 - Macon	190,313,093
Galveston	519,101,000 - Jacksonville ...	174,971,596
Memphis	421,987,372 - Birmingham	173,857,773
Richmond	419,121,313 - Austin	131,608,482
Fort Worth	418,619,830 - Chattanooga	128,745,099
Nashville	366,657,389 - Charleston	101,660,117
Houston	357,821,194 - Columbia	57,383,538

TWENTY YEAR'S GROWTH IN BANKING

BANK CLEARINGS OF 20 YEARS

(Furnished by Darwin G. Jones, Manager of
The Atlanta Clearing House)

1893	\$ 60,753,911.13
1894	56,569,228.04
1895	65,318,254.71.
1896	69,026,033.17
1897	72,005,161.52
1898	71,964,809.03
1899	83,058,397.11
1900	96,375,251.22
1901	111,755,849.98
1902	131,200,457.25
1903	144,992,037.59
1904	158,022,303.15
1905	185,525,644.98
1906	235,997,696.02
1907	254,965,803.94
1908	230,067,592.55
1909	406,049,538.55

Con't.

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1910	\$ 574,164,916.77
1911	653,130,420.35
1912	691,941,254.20
1913	725,604,192.65

ATLANTA LEADS IN 1914COMPARATIVE CLEARINGS FOR MONTH OF JANUARY 1914

(Furnished by J. E. C. Pedder,
Division Superintendent, Bradstreets Agency)

New Orleans - 1914	\$111,974,545
" " - 1913	<u>103,412,499</u>
Gain	8,562,046
Richmond - 1913	\$ 39,524,158
" - 1914	<u>38,735,090</u>
Loss	789,068
Atlanta - 1914	\$ 78,931,054
" - 1913	<u>69,563,168</u>
Gain	9,368,886

BANK CLEARINGS FOR FIRST WEEK IN FEB. 1914

New Orleans	Increase	11.7%
Atlanta	"	23.2%
Richmond	Decrease	.1

In percentages of increase for first week in February, Atlanta leads forty principal Cities in the United States with 23.2% increase.

ATLANTA LEADS IN POST OFFICE RECEIPTS

In Post Office receipts and outgoing packages by Parcels Post, Atlanta exceeds any other City in the South, as will be seen by these figures:

PARCELS HANDLED

	<u>TOTAL RECEIPTS</u>	<u>OUT GOING</u>	<u>IN COMING</u>
Atlanta	\$1,328,011.24	77,693	32,605
New Orleans	1,182,761.72	47,163	33,838
Louisville	1,163,598.18	43,014	27,048
Richmond	828,810.49	37,154	20,627
Memphis	747,936.72	25,631	13,694
Nashville	653,202.36	20,179	15,281
Birmingham	485,801.48	37,237	65,072
Jacksonville ...	511,186.68	9,681	9,750
Oklahoma City ..	377,007.68	13,083	9,310

" EXHIBIT A "

NATIONAL BANKS IN PROPOSED SOUTHEASTERN DISTRICT.

OCTOBER 31, 1913

	<u>NUMBER</u>	<u>CAPITAL</u>	<u>SURPLUS</u>	<u>DEPOSITS</u>
North Carolina,	72	\$8,460,000	\$2,859,525	\$35,619,751
South Carolina	48	6,365,000	2,151,400	21,824,859
Georgia	117	15,168,500	9,333,000	52,295,249
Florida,	53	7,505,000	3,087,677	33,104,644
Alabama,	90	10,180,290	5,851,293	43,555,062
Tennessee	109	13,217,500	5,552,655	62,895,220
Mississippi,	33	3,385,000	1,644,653	14,643,356
	<u>522</u>	<u>\$64,281,290</u>	<u>\$30,480,263</u>	<u>\$264,138,629</u>
		30,480,263		
		<u>\$ 94,761,553</u>		

STATE BANKS - OCTOBER 21, 1913

	<u>NUMBER</u>	<u>CAPITAL</u>	<u>SURPLUS</u>	<u>DEPOSITS</u>
North Carolina	412	\$11,018,271. ⁸⁷	\$3,016,348. ⁹³	\$65,337,481. ⁹⁷
South Carolina	322	12,778,000	4,621,000	51,000,000
Georgia	697	28,895,513. ⁶⁷	16,514,360. ⁶⁵	91,441,535. ²⁷
Florida,	189	6,427,220	3,061,665. ⁶⁰	27,542,385. ⁹⁷
Alabama,	258	12,800,000	6,800,000	52,500,000
Mississippi,	295	10,341,696. ⁵⁵	2,356,812. ⁵²	38,860,727. ⁵⁹
Tennessee,	410	9,380,258. ⁷⁹	3,294,409. ⁸⁸	36,137,434. ¹⁶
	<u>2583</u>	<u>\$ 91,640,960</u>	<u>\$ 39,664,597</u>	<u>\$ 362,819,564</u>
		39,664,597		
		<u>\$ 131,305,557</u>		

June 4, 1913.

BANKING POWER OF THE SOUTH EASTERN DISTRICT

	<u>NUMBER</u>	<u>CAPITAL AND SURPLUS</u>	<u>DEPOSITS</u>	<u>TOTAL</u>
National Banks	<u>522</u>	<u>\$94,761,553</u>	<u>\$264,138,629</u>	<u>\$358,900,182</u>
State Banks,	<u>2583</u>	<u>131,305,557</u>	<u>362,819,564</u>	<u>494,135,121</u>
	<u>3105</u>	<u>\$ 226,067,110</u>	<u>\$ 626,958,193</u>	<u>\$ 853,035,303</u>

"EXHIBIT B"

TIME OF MAIL IN TRANSIT FROM ATLANTA AND BIRMINGHAM TO SOUTHERN CITIES

(From Official Sources)

	<u>From Atlanta</u>	<u>From Birmingham</u>	Hours
To Jacksonville	10	16	
" Pensacola	12	14	"
" Palatka	10	18	"
" Tampa	18	24	"
" Savannah	9	15	"
" Macon	3	9	"
" Augusta	6	14	"
" Brunswick	9	16	"
" Columbus	6	6	"
" Charleston	13	21	"
" Columbia	11	19	"
" Greenville	6	14	"
" Charlotte	9	19	"
" Wilmington	15	28	"
" Montgomery	5	5	"
" Mobile	10	12	"
" Anniston	3	2	"
" Opelika	3	5	"
" Meridian	11	5	"
" Vicksburg	15	9	"
" Memphis	15	10	"
" Chattanooga	4	4	"
" Nashville	10	6	"
Total	213 hours	289	Hours
Average time	9.26	12.5	

EXHIBIT "C"RATIO OF CLEARINGS TO DEPOSITS

	<u>DEPOSITS</u> <u>OCT. 21, 1913</u>	<u>CLEARINGS</u> <u>YEAR 1913</u> (000 omitted)	<u>CLEARINGS TO</u> <u>DEPOSITS</u>
Atlanta	35.90	725,604	20.2 Times
Birmingham	25.05	173,857	6.9 "
Macon	7.98	190,313	23.8 "
Savannah	22.11	280,538	12.7 "
Louisville	51.45	715,731	13.9 "
New Orleans	75.18	980,685	13. "
Chattanooga	17.58	125,745	7.1 "
Knoxville	11.49	87,812	7.6 "
Nashville	24.12	366,857	15.2 "
Houston	38.51	357,821	9.3 "
Richmond	48.12	419,123	8.7 "
Charleston	19.82	101,660	5.1 "

Columbia not given)

Montgomery not given)

TWENTY YEARS GROWTH OF THE SOUTHEAST
 (Additional compilation by Mr. Wilmer L. Moore)

<u>1910</u>			<u>1880</u>	
<u>VALUE IN MILLIONS</u>			<u>VALUE IN MILLIONS</u>	
Alabama	287			79
Florida	117			20
Georgia	477	Value of Farm Lands		112
Miss.	330	and Improvements		92
N. C.	455			135
S. C.	331			68
Tenn	479			206
	<u>\$2436,000,000</u>			<u>\$712,000,000</u>

VALUE OF TWELVE LEADING CROPS

<u>1910</u>		<u>1880</u>
<u>VALUE IN MILLIONS.</u>		<u>Value in Millions.</u>
136		62
15		6
210		73
134		75
122		57
140		51
<u>102</u>		<u>56</u>
859		376

Cotton	Buckwheat
Corn	Flaxseed
Wheat	Rice
Oats	Potatoes
Barley	Hay
Rye	Tobacco

P O P U L A T I O N

<u>1880</u>	<u>1910</u>
1,262	2,138
269	752
1,542	2,609
1,131	1,797
1,399	2,206
995	1,515
<u>1,542</u>	<u>2,184</u>
8,140	13,201

P I G I R O N

	<u>1880</u>
	<u>TONS</u>
Alabama	69,000
Georgia	24,394
Tennessee	63,279
	<u>156,673</u>

	<u>1910</u>
	<u>TONS</u>
	1,939,147
	64,215
	397,569
	<u>2,400,931</u>

VALUE OF MINERAL OUT-PUT

	<u>1880</u>
\$	779,000
	1,500
	703,000
	40,000
	575,000
	794,000
	1,115,000
	<u>\$3,007,000</u>

	<u>1910</u>
\$	47,751,000
	9,284,000
	6,048,000
	840,000
	2,616,000
	8,021,000
	21,396,000
	<u>\$89,476,000</u>

LUMBER CUT

	<u>1900</u>
	1,096,000
	788,000
	1,308,000
	1,202,000
	1,278,000
	466,000
	939,000
	<u>7,071,000 feet</u>

	<u>1910</u>
	1,465,000
	992,000
	1,041,000
	2,122,000
	1,824,000
	706,000
	1,016,000
	<u>9,176,000 feet</u>

MELL R. WILKINSON, PRESIDENT

THOS. D. MEADOR, TREASURER

WALTER G. COOPER, SECRETARY

V. H. KRIEGSHABER, 1ST VICE PREST.
BROOKS MORGAN, 2D VICE PREST.
W. L. PEEL, 3D VICE PREST.
ALBERT HOWELL, JR., 4TH VICE PREST
H. G. HASTINGS, 5TH VICE PREST

JOHN S. OWENS
LYNN FORT
THOS. K. GLENN
JOHN MORRIS, SR.
JACOB W. PATTERSON

DIRECTORS
IVAN E. ALLEN
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GEO. W. HANSON
B. M. GRANT
THOMAS EGLESTON

W. J. DAVIS
FRANCIS E. KAMPER
W. H. WHITE, JR.
C. A. WICKERSHAM
S. A. KYSOR

Finlay

ATLANTA CHAMBER OF COMMERCE

February 17th, 1914.

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

Mr. Secretary:

Complying with your request at the Atlanta hearing last Friday, I hand you herewith a statement showing the sequence of crops in the Southeastern District with the market period of each.

You are no doubt aware of the fact that most of the corn, oats and hay crops are used on the farm and the proportion of these crops sold in the market is comparatively small.

Trusting that this additional data will serve your purpose, I am, with high regard,

Very respectfully,

W. G. Cooper
SECRETARY.

ANSWERED
FEB 20 1914
tmc

1-enc.

*Atlanta
129*

February 20th, 1914.

Sir:

Your letter of February 17th, addressed to the Secretary of the Treasury, enclosing data to supplement your statement before the Reserve Bank Organization Committee at the time of its hearing in Atlanta has been referred to this office and in reply you are advised that the additional information will be filed so that it may be considered in connection with your other exhibits.

Respectfully,

Secretary,
Reserve Bank Organization Committee.

Mr. Walter G. Cooper, Secretary,
Atlanta Chamber of Commerce,
Atlanta, Georgia.

SUPPLEMENT TO ATLANTA CHAMBER OF COMMERCE BRIEF

(Information called for by the National
Organization Committee)

SEQUENCE OF CROPS

In the Southeastern Region composed of the Carolinas,
Georgia, Florida, Alabama, Mississippi and Tennessee.

<u>CROPS</u> <u>Seven States</u>	<u>VALUE</u> <u>Census 1909</u> <u>And Department Agricul-</u> <u>tural Bulletin for 1913</u>	<u>MARKETING</u> <u>PERIOD</u>
Citrus Crops (Estimated at)	6 to 12 Millions \$10,000,000	November 1st to April 1st
Vegetables	40,360,578	November 15th to July 1st.
Small Fruits	5,276,637	February 15th to May 15th
Oats	25,356,000	May 1st to July 1st.
Wheat	19,492,000	June 1st to July 1st.
Potatoes	10,003,000	April 1st to July 15th.
Orchard Fruits	13,970,000	June 1st to August 15th.
Hay	44,538,000	October 1st to April 1st.
Corn	302,318,000	September 1st to December 1st
Cotton	457,000,000	August 1st to December 1st.
Cotton Seed #	90,000,000 \$ 1,008,324,215	October 1st to January 1st.

Cotton seed averaging 1,000 pounds per bale at \$24.00 per ton, estimated at \$12.00 per bale, this region growing 7,500,000 bales.

Active period of cotton seed oil mills October 1st to January 1st; product \$67,810,000,000.

Active period of Commercial Fertilizer Factories December 1st to March 1st; product \$59,000,000.

TREND OF BANKING

Jno.K.Ottley

Vice-President, Fourth National Bank, Atlanta,

President, Clearing House Section of

American Bankers' Association.

The President of Princeton University (now President of the United States) in an address before the American Bankers' Association at Denver in 1908 laid down the principle that all of the people of this country are entitled to equal banking facilities. The present Currency Law, with its provision for the establishment of Federal Reserve Banks, is the realization of what then seemed but an idle dream.

The law undoubtedly contemplates giving to the people of ALL SECTIONS of the United States the largest possible benefits derivable from the operation of such Banks. This involves a distinctive-ly territorial distribution of the centers; or, in other words, it necessitates such a division of the country into REGIONS, as will give each region an individual significance from a geographical standpoint. The indicated region is then to be served by a RESERVE BANK located within its confines at such a point as will be proven both geographically central and commercially adequate.

Let us consider, first, the division into REGIONS. I submit the proposition that a "region", in order to secure the maximum advantage of the new system, should be territorially compact.

If within such a region the natural resources are such as to make possible a diversity of activities - commercial, agricultural, mining and manufacturing - so much the better.

GEOGRAPHICALLY, it appears logical that there should be created a SOUTHEASTERN REGION, to embrace, say, the seven States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi and Tennessee.

It meets the desired requirements in point of geographical compactness and physical outline. It certainly is such an area as I have described in regard to its sources of wealth. It is an ideal illustration of a territory in which agricultural, mining, manufacturing and commercial interests flourish.

May I call your attention to the fact that if only those Cities recognized under the old system as money centers be selected as Regional Bank Cities, the territorial division of the country unquestionably contemplated by the Law cannot be achieved? Would the spirit of the Act be realized by dividing the country into wedge-shaped slices running VERY THIN at the center? Would it not unquestionably further the intent of the Law to divide the country into solid, compact areas, each of these to be served by a Federal Reserve Bank? If so (and I assume that the logic of the claim is readily apparent) the creation of the SOUTHEASTERN REGION, composed of the seven States named, is a foregone conclusion.

ATLANTA IS THE GEOGRAPHICAL CENTER of this Southeastern Region - a fact of which you have ocular demonstration. ATLANTA IS THE COMMERCIAL CENTER of the Southeastern Region - a statement I believe you will consider incontestable after hearing the evidence presented.

A moment since I spoke of the resources of this region. Commerce is inclined to follow natural laws. Banking follows Commerce. The barometer of banking is Clearings and it is with Atlanta's bank Clearings I wish to engage your interested attention. The bank clearings of Atlanta for 1913 were \$725,604,193, remarkable indeed for a City whose population, by the United States Census of 1910, was 154,000. The 1913 Clearings are twelve times as large as those of 1893.

The following table shows the clearings of leading Southern Cities, including Cities located in seven of the States mentioned as the SOUTHEASTERN Region:

TABLE SHOWING BANK CLEARINGS

From Records of Commercial and Financial Chronicle

	<u>1893</u>	<u>1903</u>	<u>1913</u>	<u>% of Inc. 1903-1913</u>
Atlanta	60,753,911	144,992,037	598,688,766 #	312
Galveston	145,404,778	220,266,000	519,101,000	135
Memphis	84,962,497	214,009,558	421,987,372	97
Richmond	114,957,217	208,177,595	419,121,313	101
Fort Worth	28,714,310	84,453,619	418,619,813	396
Nashville	60,499,365	124,589,656	366,657,389	194
Houston	134,774,530	348,464,433	357,821,194	2.7
Savannah	95,639,437	195,926,562	280,538,332	43
Norfolk	49,091,728	85,013,127	214,966,911	152
Macon		40,782,000	190,313,093	366
Jacksonville		26,112,717	174,971,596	570
Birmingham	17,907,337	63,146,885	173,857,773	175
Austin			131,608,482	
Chattanooga	16,003,120	37,102,107	128,745,099	247
Charleston			101,660,117	
	<u>1896</u>			
Knoxville	21,500,000	58,500,000	87,800,000	50
Columbia			57,383,538	

In the clearings of Atlanta for 1913 the sum of \$126,915,426 has been deducted, representing country checks collected through Clearing House in order to make correct comparison.

ATLANTA BANK STATISTICS

Volume of business done during year	
1913 by seven Clearing House Banks	\$2,025,611,801.69
Volume of business done during year	
1909 by six Clearing House Banks	<u>1,378,985,864.25</u>
Increase in five years - - -	<u>646,625,937.44</u>

Bradstreet reported Clearings 1912 - 1913, decrease New Orleans 7.3%; Richmond 2.4%; increase Atlanta 4.8%.

RATIO OF CLEARINGS TO DEPOSITS

	<u>DEPOSITS</u> <u>OCT. 21, 1913</u> (ooo omitted)	<u>CLEARINGS</u> <u>YEAR 1913</u> (ooo omitted)	<u>CLEARINGS</u> <u>TO DEPOSITS</u>
Atlanta	\$35,900	725,604	20.2 Times
Birmingham	25,050	173,857	6.9 "
Savannah	22,110	280,538	12.7 "
Louisville	51,450	715,731	13.9 "
New Orleans	75,180	980,683	13. "
Chattanooga	17,580	125,745	7.1 "
Knoxville	11,490	87,812	7.6 "
Nashville	24,120	366,657	15.2 "
Houston	38,510	357,821	9.3 "
Richmond	48,120	419,121	8.7 "
Charleston	19,820	101,660	5.1 "

PERCENTAGE OF RESERVES CARRIED BY
NATIONAL BANKS OF ATLANTA IN THE FOLLOWING CITIES

New York - - - - -	56,1483	Percent
Boston - - - - -	3,3983	"
Philadelphia - - - - -	10.62	"
Chicago - - - - -	7,791	"
Cincinnati - - - - -	3,845	"
New Orleans - - - - -	1,7666	"
Baltimore - - - - -	6.3	"
Louisville - - - - -	.716	"
ST. Louis - - - - -	4,173	"
Pittsburg - - - - -	1,316	"
Albany - - - - -	.95	"
Cleveland - - - - -	.366	"
Detroit - - - - -	.166	"
Indianapolis - - - - -	.216	"
Kansas City - - - - -	.6	"
Washington - - - - -	1.623	"
	<u>99,9952</u>	"

**FIGURES FOR ONE ATLANTA BANK,
WHICH WILL BE TYPICAL OF BANK IN THE SOUTH-
EASTERN REGION**

AVERAGES 1913	DAILY AVERAGE
BILLS PAYABLE	\$352,670.00
DUE FROM RESERVE AGENTS	\$459,320.00
DUE FROM EASTERN AND WESTERN BANKS (Other than Reserve)	\$ 58,290.00
DUE FROM OTHER BANKS (INCLUDING ATLANTA CLEARING HOUSE)	\$358,950.00

**COMPARATIVE CLEARINGS FOR
MONTH OF JANUARY**

(Furnished by J.E. C. Pedder, Division Superintendant, Bradstreet's Agency)

New Orleans	-	1914	\$111,974,545
"	-	1913	<u>103,412,499</u>
		GAIN - - - - -	8,562,046
Richmond	-	1913	\$ 39,524,158
"		1914	<u>38,735,090</u>
		LOSS - - - - -	789,068
Atlanta	-	1914	\$ 78,931,054
"	•	1913	<u>69,563,168</u>
		GAIN p - - - - -	9,368,886

BANK CLEARINGS FOR FIRST WEEK IN FEB. 1914

New Orleans	Increase	11.7%
Atlanta	"	23.2%
Richmond	Decrease	.1%

In percentages of increase for first week in February, Atlanta leads forty principal Cities in the United States with 23.2% increase.

The commerce of Atlanta was of sufficient magnitude, and her mail facilities of such convenience, as to warrant our Clearing House in 1909 in adopting the plan of clearing direct the States of Georgia, Alabama and Florida, three of the States suggested as properly belonging to this Region, which means that Atlanta deals direct with 1062 Banks.

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Atlanta was the second City in the country to adopt the system of clearing country checks direct and today, with the exception of Boston, Atlanta has the most complete system of its kind. This organization and trained force would be at the disposal of a Federal Bank when needed to carry out this feature as contemplated in the Law. Business transacted with Augusta, Macon, Savannah, Birmingham, Montgomery and Anniston is handled in the usual way, - on the reciprocal basis. All other cash items on towns in the three States are cleared direct, the amount being in 1913 \$126,915,426.34. Deducting this amount leaves the sum of \$598,688,766.31, a greater volume than that listed in any other Southeastern City. This sum is practically equal to the total Clearings of Columbia, Charleston, Chattanooga, Birmingham and Jacksonville; also practically equal to the combined Clearings of Nashville and Savannah.

Atlanta's suitability as a Clearing center is forcibly illustrated by the fact that two of the greatest public utility corporations operating in the South thus employ it.

The Western Union clears through its fiscal Agent in this City 4854 points in the States of Alabama, Florida, Georgia, North Carolina, South Carolina, Mississippi and Tennessee (the seven States suggested as a Southeastern Region) and, in addition, Kentucky and Virginia. Incident to their method of remittance, only a small portion of this business passes through our clearings.

The Southern Bell Telephone and Telegraph Company clears 266 points in Alabama, Florida, Georgia, North Carolina and South Carolina (five of the seven States of the Southeastern Region).

I Submit, gentlemen, that this use of Atlanta as clearing headquarters by two such astute and well organized corporations, is tangible evidence of her accessibility and the convenience of her facilities.

It is pointed out by some Cities remote from the center of the region desired that they lend some money in portions of this region. Such sums as they do lend, however, are trifling compared to maximum borrowings for crop moving.

The banks of Atlanta have used their finances to promote commerce and commerce has produced our clearings. We have also extended liberal accommodations to the banks throughout Georgia. Under the old law we have not striven to compete with reserve cities outside of the State. A Southeastern Region, under the new law, would put us, for the first time, in a position to compete. New York is the real money market for this southeastern region and only a RESERVE BANK can replace this long powerful money center.

The moving of our cotton and other great southern crops requires at certain seasons a large amount of ready cash and the southeast is thus a heavy borrower, - another strong reason for the establishment in this great active region of a Reserve Bank which shall meet this need with benefit both to the borrower and to the Reserve Bank.

In this connection I may say that under the old system it has been necessary to create borrowing capacity with the recognized money centers, and in order to do so heavy reserves have had to be lodged in banks in the North and East. A Southeastern Region would eliminate this necessity, because, our reserves and credit security would be on the ground, so to speak.

No city in the United States has proven a stronger advocate to National Banks than Atlanta. With one exception, all the members of the Clearing House are National Banks. That they are in sympathy with the new Law is indicated by the fact that Atlanta signified, through her Clearing House, her endorsement of the plan before the BILL has actually been passed. She was the first City in the United States to take this action.

The Clearing House Banks are all strong and successful institutions and in a position to command an increase of capital to any reasonable amount that might be desired.

From all that has been said it will be easy, gentlemen, for you to gather that a SOUTHEASTERN REGION with a RESERVE BANK in ATLANTA is, in our minds, an important feature of the new banking system, - a system whose fundamental idea is that all the people of the entire country shall be afforded equal banking facilities.

BANKING IN THE SOUTHEAST
UNDER THE FEDERAL RESERVE SYSTEM

By

Robert F. Maddox

Vice-President American National Bank

NATIONAL BANKS IN PROPOSED SOUTHEASTERN DISTRICT

October 31 1913

	<u>NUMBER</u>	<u>CAPITAL</u>	<u>SURPLUS</u>	<u>DEPOSITS</u>
North Carolina	72	\$8,460,000	\$2,859,525	\$35,619,751
South Carolina	48	6,365,000	2,151,400	21,724,859
Georgia	117	15,168,500	9,333,000	52,295,249
Florida	53	7,505,000	3,087,677	53,104,644
Alabama	90	10,180,290	5,851,293	43,555,062
Mississippi	33	3,385,000	1,644,653	14,643,856
Tennessee	109	13,217,500	5,552,655	62,895,220
- -	- -	- - - - -	- - - - -	- - - - -
	552	\$64,281,290	\$30,480,263	\$264,138,629
		30,480,263		
		- - - - -		
		\$94,761,553		

STATE BANKS - OCTOBER 21, 1913

	<u>NUMBER</u>	<u>CAPITAL</u>	<u>SURPLUS</u>	<u>DEPOSITS</u>
North Carolina	412	\$ 11,018,271. ⁸⁷	\$ 3,016,348. ⁹³	\$65,337,481. ⁹⁷
South Carolina	322	12,778,000	4,621,000	51,000,000
Georgia	697	28,895,513. ⁶⁷	16,514,360. ⁶⁵	91,441,535. ²⁷
Florida	189	6,427,220	3,061,665. ⁶⁰	27,542,385. ⁹⁷
Alabama	258	12,800,000	6,800,000	52,500,000
Mississippi	295	10,341,695. ⁵⁵	2,356,812. ⁵²	38,860,727. ⁵⁹
Tennessee	410	9,380,258. ⁷⁹	3,294,409. ⁸⁸	36,137,434. ¹⁶
- -	- -	- - - - -	- - - - -	- - - - -
	2583	\$ 9 1,640,960	\$9,664,597	\$362,819,564
		3 9,664,597		
		\$13 1,305,557		

June 4, 1913.

BANKING POWER OF THE SOUTHEASTERN DISTRICT

	<u>NUMBER</u>	<u>CAPITAL AND SURPLUS</u>	<u>DEPOSITS</u>	<u>TOTAL</u>
National Banks	522	\$ 94,761,553	\$264,138,629	\$358,900,182
State Banks	2583	131,305,557	562,819,564	494,135,121
	<u>3105</u>	<u>\$226,067,110</u>	<u>\$626,958,193</u>	<u>\$853,035,303</u>

Our territory, as shown by the map, has located within its boundaries 522 National Banks and 2,583 State Banks and Trust Companies, making a total of 3,105.

These institutions have a combined capital and surplus of \$226,067,110, with combined deposits of \$626,958,193.

The National Banks have a capital and surplus of \$94,761,583 and individual deposits of \$264,138,629 .

The State Banks and Trust Companies have capital and surplus of \$131,305,557, and deposits of \$362,819,000.

Should only the National Banks become members, they would furnish the Federal Reserve Bank, on a six percent subscription basis, a capital of \$5,685,000, and estimated deposits of \$13,250,000.

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Should the State Banks and Trust Companies become members, they would furnish additional capital \$7,878,000, making the total maximum capital available \$13,563,000, and the additional deposits of \$18,100,000, making the total available deposits, exclusive of such funds as the Government might place with it, \$31,350,000,

Should all the National Banks go in the new system and half the State Banks, the capital of the Reserve Bank for this district would be \$9,625,000, and the estimated deposits would be \$22,300,000.

From the above figures, we believe that the Banks in the States mentioned would unquestionably provide the capital required under the Federal Reserve Act for a Reserve Bank to be located in this territory. The National Banks have with practical unanimity signified their desire to enter the new system, and while the State Banks seem to be "watchfully waiting", we believe a large number will soon realize the benefits to be derived and take advantage of the opportunity to become members.

The real object of locating the Regional Reserve Banks is to establish a more accessible market where banks may be able to rediscount their bills and to meet quickly the demand for emergency currency during the seasonable period of the year, without the doubt of its availability which has existed in the past.

It seems to be generally agreed that it will be desirable to have the new banking centers at points that will be not more than a night's travel from the outlying points where business is being done by member banks. In the East, where communication is easy, population dense, and the districts necessarily smaller, the case is comparatively simple, and we recognize the difficulties your committee will probably have in dividing the country into -

eight or more districts, each of which will be commercially strong, banking intercourse easy, demand for loans diversified, and the section segregated to the satisfaction of its people.

We believe that a region consisting of at least a portion of the States we mention would come as near filling the object of the bill, considering all its phases, as any other district which may be designated in the United States.

We believe that the Organization Committee will be more inclined to look to the possibility of a readjustment and improvement of banking facilities under the new system rather than be guided by the forced trend of banking under the old system.

In normal years, even under the old currency bill, there was a sufficient amount of currency to conduct the commerce of our country; and even at present there is no particular demand for additional currency. It is therefore apparent that under the operation of the new currency bill, there will really be but little need for additional currency, as under the power of the Federal Reserve Board, the surplus funds of the several regional Banks may be diverted and used where most needed.

While the region we have outlined has many diversified lines of business, we recognize that for a few months in the year it may be regarded as a borrowing district. This we do not believe is a reflection upon its establishment, but rather an argument in its favor.

If, under the old system, the loanable funds of certain regions were forced by lack of demand in those regions to move the other regions in order to find employment, it is not unreasonable to suppose that the deposits in the Federal Reserve Banks to be located in those regions will be forced to find borrowers in other regions.

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It would be almost impossible to so divide our great country into eight or twelve regions where the supply of money would at all times equal the demand for loans. This was recognized by Congress when it gave the Reserve Banks the right of open market operations, and gave to the Federal Reserve Board the right to use the surplus funds of one district to meet the unsupplied demand in another district.

The total loans and discounts of the National Banks, as shown by the report to the Comptroller on October 21, 1913, was \$6,260,877,000. Of this amount only \$16,516,347 were rediscounts for National Banks; and only \$83,943,695 was bills payable of National Banks - making a total of \$100,450,042, or less than 1-6/10% of the total loans of National Banks.

At the same time the United States had on deposit in National Banks, including postal savings deposits and deposits of disbursing officers, \$111,059,215. In other words, the United States had on deposit in the National Banks \$11,000,000 more than the entire amount the National Banks had found it necessary to borrow.

If the Federal Reserve Banks had been in operation at this time, presuming they would have had a capital of \$100,000,000 and deposits of \$500,000,000 made up exclusively from the National Banks, they would have had, after deducting the gold reserve required against deposits, a loanable fund of \$425,000,000 or more than four times the amount required to supply the necessary loans to the National Banks, leaving \$325,000,000 for open market operations:

The total amount of bills payable and rediscounts of the National Banks in the States suggested as a district for the Southeast on October 21, 1913 (which is about the maximum for the year) was \$23,801,000.

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Judging by the past, it is reasonable to presume that for about half of the year the banks of this section will not find it necessary to call heavily upon the regional bank for rediscounts, but for the other half, may find it convenient to use the discount privilege freely, and even beyond the available deposits of the Regional Bank. Government deposits could then be transferred to this region, as was recently so wisely done, or the Federal Reserve Board might find it advisable to have the surplus funds of another region meet the demands here; and lastly, the new currency could be issued, which automatically retire when the demand for it ceased.

We admit that this section has but little idle money. Since the war, the reconstruction of the South has required all our energy and all our capital. The rapid development of our farms, our factories, our mines, our Cities and our commerce has called for even more capital than our banks could supply; and unlike some of our richer or more finished sections, our banks have not been forced to go into other sections for desirable loans.

Figures and facts have been shown, and, will be presented later, illustrating the wonderful growth of the South, its diversified industries, and what the "Atlanta Spirit" has done for the Gate City of the South; also the accessibility of Atlanta from all points in the region suggested. The geographical location and railroad facilities of this City have been the means of our merchants developing a remarkable trade with surrounding States, which is but a forerunner of the convenience and benefit a Reserve Bank in Atlanta would be to the banks of this region.

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We do not believe that it will be the wisdom of your honorable committee to consider where the banks of this region have borrowed in the past or so much importance as from what convenient center these banks may be supplied in the future.

Under the old regime, the Banks of the nation were dependent upon a single and uncertain money center, and the nation was a slave to the system. When President Wilson signed the new Currency Bill the shackles which had bound the banking business in narrow limitations fell asunder, and the people received it as the Emancipation Proclamation of a New Freedom from currency panics.

The Southeastern States we have suggested as a region under the new system are throbbing with new life. Its people, while true to the traditions of its past, are justly proud of the prosperity of its present. They are loyal to the Nation and dauntless in their democracy. No other section of the country has risen above such adversities to such commercial importance. In the veins of its men and women there flows the purest Anglo-Saxon blood to be found in any part of this Republic. For what we have accomplished in the past, we ask your help in the future.

Georgia has more National banking capital than any State in the region suggested; and Atlanta has more National banking capital than any City in the States included. If Atlanta and this region is given a Federal Reserve Bank, we can face the future with renewed strength and approach with confidence the continued development of our section to the credit of the New South and to the glory of the Nation.

E X H I B I T : A :
OPINIONS OF STATE BANKING COMMISSIONERS
ON
ELIGIBILITY OF STATE BANKS UNDER FEDERAL RESERVE ACT

ALABAMA:

A. E. Walker, Montgomery, Superintendent of Banks:

"I know of no legal barrier which would prevent the State Banks of Alabama from entering the Federal Reserve System."

GEORGIA:

W. J. Speer, Atlanta, State Bank Examiner:

"My opinion about the legal right of the State Banks of Georgia to enter Federal Reserve System is that I do not think our State Laws would bar such action on the part of any State Bank which may desire to join the system. While we have a statute which prohibits one corporation from owning stock in another corporation, I do not think it applies to the banking business, at least it has never been so construed in this State, and in my opinion will not be. I believe our State Banks have the right to subscribe for stock in the System. The law enacted by Congress provides for their participation in it, and there will be no objection from this Department if the Banks choose to exercise that privilege."

MISSISSIPPI:

Thos. H. Dickson, Secretary Mississippi Bankers' Association, Jackson.

"My understanding of our present laws is that a general prohibition exists against any Mississippi Corporation owning stock in any other corporation. We have, however, a Banking Law for supervision and examination of State Banks which is just on the eve of passing our Legislature. In this law specific exception will be made, whereby our State banks may, if they so elect, subscribe to stock in a Federal Reserve Bank."

NORTH CAROLINA:

Corporation Commission by A. J. Maxwell, Raleigh:

"I am directed to advise that the Corporation Commission does not know of any legal barrier that will prevent the State Banks of North Carolina from entering the Federal Reserve System."

SOUTH CAROLINA:

B. J. Rhame, Columbia, State Bank Examiner:

"I am of the opinion there is no legal barrier preventing State Banks from entering the Federal Reserve System."

TENNESSEE:

J. L. Hutton, Nashville, Superintendent of Banks:

"The Attorney General of Tennessee, Hon. Frank M. Thompson, has, at the request of this Department, rendered an opinion on the subject of State Banks subscribing to the capital stock of Regional Banks, and is of the opinion that there is no legal barrier to such action."

FLORIDA:

W. V. Knott, Comptroller:

"Florida has no law interfering with State
Banks joining the Federal Reserve System."

Statements by
Robt F Maddox
Vice Pres American Nat Bank
via Atlanta Ga

CONSOLIDATED STATEMENT
 ATLANTA CLEARING HOUSE BANKS
 FEBRUARY 6, 1914

RESOURCES	
Loans and Discounts	\$30,153,103.00
Bonds, and other securities	6,131,038.00
Real Estate (Banking houses and Fixtures)	1,856,656.00
Redemption Fund	190,000.00
Due from Banks	8,917,931.00
Cash in Vaults	3,243,626.00
	\$50,492,354.00
LIABILITIES	
Capital Stock	\$ 5,700,000.00
Surplus and Undivided Profits	5,655,204.00
Circulation	3,799,991.00
<i>Notes & checks</i> Deposits	35,337,159.00
	\$50,492,354.00

E & O E

Capitals - 6 states - 89,000 = \$ 534,000

Our territory as shown by the map has located within its boundaries, 520 national banks and 1391 eligible state banks, making a total number eligible of 1911. These institutions have a combined capital of \$156,638,000, combined surplus \$78,367,000, combined deposits \$623,730,000.

Should only the national banks join the system the capital of the reserve banks for this system would be \$5,685,000, and if all the eligible national and state banks join, the capital would be \$14,100,000. Deposits of the regional bank, should only the national banks join would be \$13,791,000. Combined deposits if all eligible banks join, \$31,186,000.

F I N A N C I N G T H E C R O P S
WHY ATLANTA SHOULD BE A RESERVE
CENTER

By

Joseph A. McCord, Vice-President, Third National Bank
of Atlanta

Member of the Currency Commission,

American Bankers' Association

C O T T O N

Cotton is the greatest producer of value of any commodity in the Southern States.

Fifty-three 2% is grown East of the Mississippi River, Department of Commerce, Bureau of Census of the United States, shows Ginners' Reports of 1913 crop up to January 16th 1914, East of the Mississippi River to be 7,544,927 bales. Valued at \$65.00 per bale, and seed at \$10.00 per bale, gives a money value of \$565,869,525, or one sixth (1/6) of all the money in the United States.

Georgia is the centre of this territory, producing of the above amount, 2,316,388 bales, or 30.7%.

A. THE ROCK, 64 miles South East of Atlanta, in Upson County, near the corner of Upson, Pike and Monroe Counties, Georgia, being the numerical center of the crop of Cotton for 1913, East of the Mississippi River.

Moreland, 45 miles West of Atlanta being the geographical center of the cotton producing territory.

Atlanta is the central City of this Cotton Belt, taken from a numerical, as well as a geographical point of view. Cotton is purchased in small towns and money payments are necessarily made at these towns. Buyers classify, mark for export, and ship from interior towns and Cities, to ship side at ports, hence the banking facilities should be nearer the centre to benefit the greatest number of people.

B. There are 27 Congress points in Georgia, where cotton is concentrated and export bills are issued; 2,126,803 bales compressed.

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Other States have similar concentrating points, but as all of these will equalize, Georgia is taken because it is the centre of pivoted State.

To locate a Reserve Bank at a Port would not serve the interior as well as if located nearer the producers; to locate at any extreme would not serve the whole section.

Currency can be shipped to any town or City on any main line of Railroad in the seven Southeastern States from Atlanta Georgia after five o'clock in the afternoon of one day, and delivered by not later than ten o'clock next morning to the farthest point in these States. This cannot be done from any of the competitive Cities.

As evidence as to the value of Cotton to a local community, up to January 16th, two Counties in Georgia produced more than 50,000 bales; Laurens leading with 52,551 bales, and Burke following with 52,397 bales. The cotton crop in Laurens in a single year is worth more than all the farm land and other real estate of the County. While in Burke County the value of this year's cotton crop almost exactly equals the total wealth of all sorts accumulated upon the tax digest during the whole history of the County.

While it is true this vast amount of wealth came into this locality, it is also true that nearly all of it went out for the purchase of Fertilizers, supplies, food and clothing for the producers of this enormous wealth; hence the necessity of financing a community thus situated.

It requires more actual money to produce the cotton crop, than any of the leading crops of the United States, because of the necessity of the hand cultivation and gathering, and the tenancy system.

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Farmers, merchants and manufacturers require an extension of credit to produce it. These credits can best be served and investigated from some central point than from any border point of the territory.

The exportation of cotton to my knowledge has restored normal conditions in two money panics, namely in 1893 and 1907.

The values already stated, are for the crude product, but we must not lose sight of the fact that a constantly increasing proportion of this product is being manufactured into yarn, cloth and other needs of trade and commerce within the territory suggested by us, for this banking district. The State of North Carolina manufactures into these products more bales of cotton than grows on her soil. Georgia manufactures into yarn and cloth one-third of her entire crop.

The States named in this territory, for which we ask a Regional Bank, manufacture the following number of bales by States namely:

North Carolina - - - - -	876,359
South Carolina - - - - -	775,851
Georgia - - - - -	648,131
Alabama- - - - -	299,924
Mississippi (estimated)- - -	100,000
Tennessee- - - - -	<u>81,790</u>
Total - - - - -	<u>2,782,055</u>

When thus manufactured, it is estimated to be worth 25¢ per pound, equivalent of \$125.00 per bale, or giving a total worth of \$347,756,875.

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The financing of these mills takes an enormous amount of credit; the banks located in this territory have done a great deal of this; Banks under State Charters handling vast amounts of it.

The necessity of money and credits to finance the crops of this territory can best be illustrated by dividing the year on September 1st, when the movement of the main crop (that is cotton) commences.

The first demand the City Banks have is from interior Banks for currency to start the movement of the crops, that is in the purchase of advance bales, with which to get money to pay the laborer for gathering of the crop, and of the cotton seed mill industries for money to buy the first cotton seed, the value of which product is used in paying for picking of the cotton; both of these come on the City Banks about September 1st, and continue until the first of December, at which time there is a lull, and then again starts up about December 15th, running through to January 1st.

The next demand we have for money is from the Cotton Mills and the Cotton Manufacturers, who begin to make their loans about the middle of October, continuing to the first of January; they want these loans until April, May and June.

When we have supplied the country banks and the Oil Mills, then comes the demand from the Fertilizer Manufacturers, starting in say about the 1st of December, continuing to the first of February; their request is for accommodation until June and July; we have thus served these immediate interests.

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Then, as they begin to return to us advances made to them, commencing with the Country Banks paying back their loans in October and November; the Oil Mills and Cotton Manufacturers from the middle of January to May and June, gives us money and credits to re-invest for the benefit of the Wholesale Trade, which starts in February, continuing on through the summer until late in the fall. Our greatest borrowing period is possibly in the early spring before we get the returns from the Cotton Oil and Cotton Mills, and Fertilizer Manufacturers; we are called upon to finance this other line of trade. Then again before the Wholesale Merchants and country banks can replace us with funds loaned to them, comes the demand already referred to for the movement of crops; therefore our other borrowing season is largely from August until November.

The crops of the Southeastern territory covered by the States asked for this Regional Bank, shows an annual production in dollars of 1114 millions; manufactured products of all kinds in this same territory for the same period amounts to 1012 millions.

These figures show amount of crops and manufacturers for the year 1909, and have doubled in ten years.

It will, therefore, be seen that money and credits in this Southeastern territory is very evenly balanced between the crop movement and that of the manufacturers.

It is also shown that this money is kept in constant use during the entire period of the year.

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The admitting of State Banks to the Reserve Banks, and the liberalizing of the National Bank Act by Section 13, of the Federal Reserve Act, will materially aid in the financing of these various products ~~of nature~~. From the preponderance of evidence given above and furnished by the other speakers, it is shown that a Reserve Bank of sufficient capital would result from your selection of Atlanta, and we believe that a great number of our larger State Banks will enter the system as soon as the rules are published, and the location named.

F O R E I G N E X C H A N G E

By

A. P. Coles

Vice-President, Central Bank and Trust Corporation.

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In recent years quite a number of banks located in Cities and towns in the Cotton Belt have added to their regular banking business a Foreign Exchange Department for the purpose of purchasing 60 and 90 day bills of exchange drawn with documents attached against shipments of cotton and other products. These bills are drawn on foreign banks and bankers for acceptance, but are only purchased by the banks on commission, or brokerage, for account of banks and foreign exchange buyers in New York.

Atlanta is the only City between Baltimore and New Orleans that purchases these bills and deals direct with European financial centers in international banking. That is to say, Atlanta has accounts abroad and daily transactions with banks in London, Liverpool, Paris, Havre, Bremen and Berlin. This business has developed by reason of the large volume of bills of exchange drawn against exports that originate in this territory, and the bills are offered for sale here for the reason that Atlanta affords quick reimbursement in currency at the time of the heavy movement of the cotton crop when need for cash is imperative.

During the year 1913 the total amount of foreign exchange bought and paid for in Atlanta and remitted direct to Europe for account and credit of Atlanta was \$19,444,145.18. Against these credits abroad the Atlanta bank reimburses itself in the regular course of business by the sale of Bankers' Checks and Cable Transfers wherever the demand for foreign credits is the greatest. In addition to this means of reimbursement, during the year 1913 the banks here disposed of credits

abroad to the extent of four and a half million dollars:

FIRST: By open letters of credit furnished importers.

SECOND: By Bankers' Acceptances arranged abroad against delivery of shipping documents for imported goods.

THIRD: By sale of checks or cable transfers in payment of importers' bills due abroad.

FOURTH: By credits in Atlanta opened by foreign banks for their customers who export goods through their representatives or agents.

Just at this time credits in Berlin have been arranged to take care of twenty-six vessels already cleared for the following ports:

Charleston - - - - -	5
Savannah - - - - -	9
Pensacola- - - - -	2
Mobile - - - - -	2
New Orleans- - - - -	3
Norfolk- - - - -	1
Wilmington - - - - -	2
Brunswick- - - - -	1
Jacksonville - - - - -	1
	<u>26</u>

The amount involved in the importation of fertilizer material on these twenty-six vessels amounts to One and a Half Million Dollars.

Any exporter in this territory can get reimbursement in cash for his foreign exchange sold in Atlanta within thirty hours from the time he mails his bills. Whereas, sales made in New York cannot bring returns in less than five days. Therefore, the natural market for foreign exchange should be near the point of origin, as quick returns in cash for bills of exchange facilitates the business of the community, eliminates time and interest for the seller, and is the essence of financial economy. A foreign exchange market created, for original bills, far removed from the source is

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artificial, and has only been maintained and controlled through the power of concentrated capital.

SECTION 14 of the Federal Reserve Act relative to open market operations will be of immense advantage to all this section if the Reserve Bank is conveniently located, for the reasons as stated above; and the volume of business in foreign exchange that a Reserve Bank can do in this district is practically unlimited, when it is considered that there was exported from this district out of the cotton crop for the year 1912-1913, 1,935,000 bales of cotton (Shepperson's Cotton Facts), against which foreign bills of exchange were drawn to the amount of \$135,000,000.00. The export of other products will bring these figures well above \$150,000,000.

DURING THE PAST season, that is to say from September 1st, 1913, to date, foreign bills of exchange have been sold in Atlanta originating in Georgia, Alabama, South Carolina, Tennessee and Mississippi; and the volume of this business done in Atlanta was limited, not by the price, but by lack of sufficient capital, which will be entirely overcome if a Federal Reserve Bank is established here.

THE NET PROFIT resulting from foreign exchange transactions originating in this territory, and handled direct from Atlanta, averages \$1.20 per thousand, as against the average normal profit resulting in foreign exchange transactions in New York of 35 cents per thousand; the difference being exactly the average cost of transportation on currency from New York to this district.

All export cotton is covered by marine insurance policies covering the risk at and from point of purchase in the interior through the port to the port of destination.

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This form of insurance has been recently perfected by Marine Insurance Companies on account of the demand for insurance covering shipments on through bills-lading. Therefore, all marine insurance is now perfected in the interior and not at the ports, as formerly.

There is a difference of cost to the exporter of 65 cents per thousand in favor of insurance on through shipments from the interior as against local insurance to the port and marine insurance from the port to the port of destination.

A FEDERAL RESERVE BANK located here would find this particular branch of its business very profitable, bringing in a better net result than that derived from the discounting of commercial paper at a rate of interest lower than 4%.

DURING THE CROP moving period when naturally there will be a heavy demand upon the Reserve Bank for its circulating notes, against which they are required under the law to carry a 40% gold reserve, their purchases of foreign exchange will be particularly desirable for the reason that it will give the Reserve Bank the power to draw gold from abroad for their increased reserve requirements without depleting or shifting the gold supply of this country.

A FEDERAL RESERVE BANK located in the center of the Atlantic and Gulf States cotton district handling foreign exchange originating in this district would naturally command the respect and consideration of all foreign bankers, more on account of the volume of business that they could offer European bankers than the amount of capital employed in its operation.

COTTON SEED PRODUCTS AND COMMERCIAL FERTILIZERS

By

Mell R. Wilkinson

President of the Atlanta Chamber of Commerce

and

President of the Ashcraft-Wilkinson Co.

The cotton seed industry is only about thirty-five years old and the first mention of it in the census is for the year 1886, when it was but a very small figure.

The crush of seed at different period is given as follows:

TONS OF SEED CRUSHED

1899.....	2,479,386
1904.....	3,308,930
1909.....	3,798,549
1911.....	4,921,073

The increase in the value of products was much more rapid, owing to the improvement in the process of manufacture and the advance in the market price of the seed and products:

1899.....	\$58,726,632
1904.....	96,407,621
1909.....	147,867,894.

As the seed averages about half a ton to the bale of cotton, the crush of 4,921,072 tons in 1911 represented the seed from 9,842,144 bales.

As the cotton crop was 16,250,000 bales, it is clear that 60 percent of the seed grown that year was manufactured.

The proportion varies with the season and the condition and price of seed. In 1909 the mills crushed 71 percent of the crop.

COTTON SEED PRODUCTS OF THIS REGION

The census abstract does not give the product of this industry by States, but the cotton bulletin shows that 56 percent of the crop is grown in the seven States of the Southeastern region. Applying that ratio we get these figures:

VALUE OF COTTON SEED PRODUCTS 1909

	<u>Millions</u>
Cotton States	148
Southeastern Region	83

The census bulletin for Georgia gives the product of this one State as \$23,000,000.

This product is clear gain to these States, for it is so much added to the crop for seed which were worth less as fertilizer under the old method than they are after being fed to animals. The value of the meal is realized when it is fed to animals and the fertilizer value of the manure is fully as great as that of the meal before it was fed.

This product is gradually linking a cattle industry to the cotton crop and is thus incidentally aiding to diversify farming and enrich the soil. Cotton Oil Manufacturers have learned this secret and frequently combine cattle feeding with seed crushing.

Our returns from local manufacturers to the Chamber of Commerce show a total of \$13,607,000 for this County during the last fiscal year of the companies reporting. The American Audit Company certifies \$11,607,000 and one return from a large corporation received after the compilation add \$2,000,000.

An important fact in connection with this industry is that the oil, its chief product, is largely exported and becomes the basis of an immense amount of foreign exchange.

COMMERCIAL FERTILIZERS

Georgia is the largest consumer of fertilizers among the States of the Union and the Southeastern region takes more than half of the annual consumption of the United States.

Of 114 millions reported by the census bulletin on Agriculture as the amount spent by farmers of the United States for the purchase of fertilizer during the year 1909, the seven States of the Southerastern Region spent 59 millions, distributed as follows:

North Carolina	\$12,262,533
South Carolina	15,162,017
Georgia	16,860,149
Florida	3,609,853
Tennessee	1,216,296
Alabama	7,630,952
Mississippi	2,703,271
	<u>\$59,445,071.</u>

Closely connected with the fertilizer industry is that of cotton seed products. They are so related that most concerns combine the two industries, because the same capital which is used in the cotton seed industry during the months of October, November and December is released to serve the fertilizer industry during the months of January, February, March and April.

It is an interesting and important fact that the use of capital in these industries begins at a time when the great pressure of cotton upon the financial institutions of the country has begun to pass off.

This is well illustrated by the fact that the banks of Atlanta, which now serve the fertilizer companies, would find it difficult to do so if the demand came before the end of the cotton season.

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When it is remembered that the two industries have total products amounting in round numbers to 140 millions, or nearly one-third of the cotton crop of this region, the sequence of time in this demand for capital is manifest.

Money which has been financing the cotton movement will be released in time to handle the cotton seed oil products and fertilizers in their season.

INTERNATIONAL CHARACTER OF THE TRADE

One firm in Atlanta imports fertilizer material and at this time has vessels unloading at Norfolk, Wilmington, Charleston, Savannah, Jacksonville, Pensacola, Mobile and New Orleans. All this material is distributed and shipped from the Ports and the bills of lading with drafts attached are deposited in the Atlanta Banks for collection. This Company used 36 Vessels in the business this year, 11 of which arrived in January, 25 to arrive in February. The volume of business done by this firm and one other in Atlanta amounts to \$5,000,000 annually, through Atlanta Banks, although little of the material is brought to Atlanta.

ATLANTA'S FERTILIZER TRADE

The Atlanta Chamber of Commerce has returns from the following Fertilizer Companies doing business here:

Armour Fertilizer Works,
Porter Fertilizer Works,
Chickamauga Fertilizer Works,
Swift Fertilizer Works,
Old Dominion Fertilizer Works,
International Agricultural Corporation,
Ashcraft-Wilkinson Company,
A. A. Smith Fertilizer Company,
Empire Cotton Oil Company.

These firms report a business for 1913 aggregating \$14,867,910.

With \$13,027,168 for Cotton Seed Products, the combined business of the two industries is \$27,895,078.

M A N U F A C T U R E R S ' A G E N T S

BY

R. S. Wessels, Manager Pittsburgh Plate Glass Company

There are 485 Resident Manufacturers' Agents or Representatives in Atlanta.

Our reports from 150 of these show the following volume of business handled in the year 1913 for the States indicated:

North Carolina	.....	\$3,181,733.00
South Carolina	.....	4,971,108.00
Georgia	.....	18,882,677.00
Florida	.....	5,600,187.00
Alabama	.....	6,337,641.00
Mississippi	.....	2,062,589.00
Tennessee	.....	4,446,973.00
Undivided	.....	<u>6,301,243.00</u>
TOTAL	.....	\$ 51,784,151

It is fair to assume that those who have not reported their volume of business have secured their proportion of orders and on the above basis the figures would approximate for the whole list a grand total of \$167,000,000.00.

Atlanta is generally selected by the most prominent manufacturers throughout the country as the best point from which to conduct or handle business in this section and therefore place their Representatives or Agents here.

There has been an enormous increase yearly in the addition of Manufacturers' Agents. Strong evidence of this exists in the fact that for a City the size of Atlanta there is an unusually large number of fine office buildings, which are unable at this time to supply the demand for space.

There is now in course of construction and nearing completion one of the largest and finest office buildings in the entire South and plans have been drawn and accepted for several more.

Our experience shows that in many cases after the Manufacturers' Agent has operated here for a time either a stock or factory branch is installed by his principal.

It is a fact that there are many articles of general use carried in Atlanta which are not distributed from any other City in the Southeast. Notably among these are certain brands of well-known cereals, one firm alone traveling twenty four salesmen whose orders are sent to Atlanta and shipped and billed from here. Also certain makes of adding machines, gentlemen's linen collars; also polished plate glass and mirrors, dental supplies and large stocks of various repair and fill-in equipment of one of the largest cotton machinery manufacturers in the United States. Also large stocks of two of the most prominent electrical companies in this country, whose annual business in this section runs into the millions. Atlanta is also headquarters for the large passenger and freight elevator companies whose business for this region is very extensive. Fifteen of the largest millinery houses in the United States send their representatives here twice yearly with samples, and the buyers of this region come here for their purchases in this line.

Traveling Agents all over the United States who cover this section quite generally speak in glowing terms of the business here and splendid hotel facilities for their accommodation.

A G R I C U L T U R A L I M P L E M E N T S

Atlanta's trade in the Southeast and its relation to
Agriculture

by

Clyde L. King, President, Atlanta Agricultural
Works.

AGRICULTURAL IMPLEMENTS

By

Clyde L. King, President, Atlanta Agricultural
Works.

From the view point of a manufacturer of Agricultural Implements and being closely in touch with the development of the farming interests of the Southern States, Atlanta appeals very strongly to me as the best and most logical location for any enterprise looking to the general upbuilding of this section. The central location and already progressive spirit and beneficial influences so unselfishly thrown out by Atlanta bankers and business men over the entire Southern States marks her in a class by herself in the Southeastern States as an upbuilder of home and Southern industrial enterprises, and places her advantages more at the command of all the surrounding territory than any other Southern City.

There are now manufactured at or sold from Atlanta annually more than eight million, four hundred and eighty five thousand dollars worth of farming implements to approximately thirty thousand substantial buyers in seven Southern States embraced in this region and divided as follows:

Annual sales to 14645 buyers in Georgia	\$3,500,000
Annual sales to 5200 buyers in Alabama	1,140,000
Annual sales to 3050 buyers in S. Carolina	1,050,000
Annual sales to 1750 buyers in N. Carolina	950,000
Annual sales to 1400 buyers in Tennessee	720,000
Annual sales to 2200 buyers in Mississippi	600,000
Annual sales to 1100 buyers in Florida	525,000.

Adding to this the sales made over this region by the General Southern Agents of Eastern and Western manufacturers whose offices are located here on account of Atlanta's accessibility to the whole region, the total amount of annual sales will easily reach more than ten million dollars.

And yet, there are within reach of Atlanta thousands of acres of undeveloped farming lands awaiting assistance for development and notwithstanding Atlanta's present resources and her progressive influence and readiness to lend assistance, they are quite inadequate to meet the demands upon her.

These undeveloped farming lands are located throughout the entire Southern States from the northern boundary line of North Carolina to the Western boundary line of Mississippi and to the Gulf of Mexico and yet they are within easy reach of Atlanta with her eight systems of railway operating over thirteen different lines, crossing each other and connecting with other lines throughout the South until the lines radiating out of Atlanta cover the Southern States as a piece of poultry netting, and there is hardly a town of any size in the South but is reached by one or more of these lines of railway radiating out of Atlanta, or are in close proximity to them.

Over these thirteen lines of railway there are daily running out of Atlanta seventy-five passenger trains operated by these eight systems of railway, averaging a train leaving Atlanta every twenty minutes during every day and night of the year. The same number of passenger trains run into Atlanta daily, enabling the residents of any section of the Southern States to easily reach Atlanta at almost any minute of the day or night, losing very little time from home, as the farthest points within this territory mean only about a ten hour journey.

With seventy odd regularly scheduled freight trains leaving Atlanta daily (not taking into consideration the numerous extra trains operated during the busy seasons) and each road loading daily from Atlanta package cars to almost every point from the Potomac to the Gulf, Atlanta enjoys the most advantageous facilities for reaching any point in the Southern States with solid cars or less than car load shipments in almost express time.

Any enterprise looking to the development of the farming interests of any section is but laying an indestructable foundation for the upbuilding of that section and the establishment of any such enterprise at such a point, central of location, easily accessible and with the unselfish determination to utilize its facilities in the best manner for the greatest good to the largest number, is aiding materially in meeting the demand which is steadily growing throughout the Southern States.

The cry of the Southern farming interests for higher development is growing louder and louder every year; the efforts of the Southern manufacturers of farming implements and kindred lines is growing greater and greater every year, but both the farming interests and the manufacturers of improved farm machinery need more encouragement in the general development of their interests, and such encouragement and assistance distributed from the central location which Atlanta only affords in this region, on account of her superior facilities for quickly reaching every section of the Southern States, will greatly further the accomplishment of this development.

In other words, gentlemen, it is my honest belief that the builders of farm tools and agricultural machinery in the South, can not build up their businesses and serve the greatly increasing demand for good goods and good service, unless your Honorable Committee assist our now broad guaged bankers in their efforts to help us, by the establishment of a Regional Bank in the City of Atlanta.

**MANUFACTURES IN THE
SOUTHEAST**

THE FOLLOWING TABLE SHOWS INCREASE FOR TEN YEARS
IN MANUFACTURES IN THE SEVEN STATES

U. S. CENSUS

These Census Figures Show the Growth of
Manufacturing in the Southeast:

	<u>1909</u>	<u>1899</u>
North Carolina,	\$216,656,000	\$ 85,274,000
South Carolina	133,236,000	53,336,000
Georgia	202,863,000	94,532,000
Florida	72,890,000	34,184,000
Alabama	145,962,000	72,110,000
Mississippi	80,555,000	33,718,000
Tennessee	180,217,000	92,749,000
	<u>\$1,012,379,000</u>	<u>\$ 465,903,000</u>

The strength of Atlanta's manufacturing interest is in its diversity. It has been impossible to obtain complete lists of all the articles made in Atlanta, but as there are 548 manufacturing establishments, a large proportion making several articles, it is readily seen there must be more than 1,000 different articles made here.

The fact that this list of leading products given by the Census Bureau does not include fertilizer and cotton seed products, representing two of our largest industries, seems astonishing until it is explained that these industries are nearly all located outside the City Limits in the County.

It has been the tendency of large plants to locate outside the City Limits in order to escape taxation, and a large proportion of increase within the last decade does not appear in

the census report on Atlanta's industries for the reason stated.

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The County outside the City shows a product of \$9,939,883 for the year 1909.

The liberal policy of the banks to manufacturers has had a great deal to do with the strength and development of this industry. The City takes a pride in her industries and the municipality has encouraged a low assessment for manufacturing plants in order to minimize their burden.

The great variety of natural resources set forth in the brief of the Atlanta Chamber of Commerce shows the foundation for the varied manufacturing industries of the Southeastern Region.

The variety of industries which constitute Atlanta's chief strength in manufacturing is also true to a very large extent of the Southeastern Region as a whole.

ATLANTA'S INCREASE

The increase of manufacturing at Atlanta is shown by the following figures for the industries within the corporate limits of the City and excluding about \$10,000,000 of products made in the County outside the City.

VALUE OF PRODUCTS

1899	\$14,419,000
1904	25,746,000
1909	33,038,000

As new industries tend to locate outside the City Limits it is necessary to take the County as the unit.

The census shows the manufacturing business for the County to have been as follows:

	<u>1899</u>	<u>1909</u>
Capital	\$19,188,286	\$44,094,782
Product	20,049,206	42,977,883
Number establishments	441	548
Wage earners	10,803	15,877
Wages,	\$3,494,947	10,203,517
Total persons engaged	12,145	19,095
Wages and salaries	\$ 4,464,773	13,460,801

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VALUE OF PRODUCTS

1899	\$14,419,000
1904	25,746,000
1909	33,038,000

As new industries tend to locate outside of the City Limits it is necessary to take the County as the unit

The census shows the manufacturing business for the County to have been as follows:

	<u>1899</u>	<u>1909</u>
Capital	\$19,188,286	\$44,094,782
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Number Establishments	441	548
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Total persons engaged	12,145	19,095
Wages & Salaries	4,464,773	13,460,801

F I R E I N S U R A N C E.

By

Milton Dargan, Manager

Southern Department, Royal Insurance Co. Ltd.

of Liverpool.

ATLANTA is the only City in the Southeast, and with the one possible exception of Dallas, Texas, in the entire South that has been selected by the Fire Insurance Companies as the center from which their business is controlled. No other City in the South has more than one or two controlling offices, and these are for a limited territory only, - a few small General Agencies handling the State in which they are located, or perhaps one or two additional States, - whereas in Atlanta are located fifteen General Offices, representing thirty-seven Companies; the number of agencies reporting, and the premiums and losses reported to them being as follows for the year 1913, viz:

<u>STATE</u>	<u>NUMBER OF AGENCIES</u>	<u>PREMIUMS</u>	<u>LOSSES</u>
Alabama	967	\$1,170,837	\$593,863
Arkansas	223	288,584	436,447
Florida	766	738,653	328,473
Georgia	2,777	2,473,389	1,243,035
Kentucky	241	285,904	120,720
Louisiana	543	873,441	311,726
Mississippi	698	896,228	445,498
North Carolina	854	598,294	198,347
Oklahoma	157	172,991	32,715
South Carolina	730	625,628	457,349
Tennessee	222	413,571	182,475
Texas	799	1,205,759	505,909
Virginia	552	567,558	301,777
West Virginia	35	40,702	17,915
California		15,432	.....
Missouri		34,622	3,387
	<u>9,564</u>	<u>10,401,593</u>	<u>\$ 5,179,636</u>

NOTE: There are more than one Agency in each town. The number of towns reporting to Atlanta is about 3,000.

All these premiums are remitted to Atlanta, and losses are paid from Atlanta. Atlanta Banks must handle all these transactions.

In order to avoid exchange charges, these losses are now paid largely by New York drafts, thus necessitating the maintenance of bank accounts in New York as well as in Atlanta. But if Atlanta be given a Regional Bank, it would doubtless become a par point, and all these losses would be paid through Atlanta.

Outside of Atlanta, in the State of Georgia, there are Local Companies and General Agencies at the following points:

Athens
 Augusta
 Columbus
 Savannah
 Macon.

The number of Agencies reporting, and the premiums and losses reported, to these points are as follows:

<u>STATE</u>	<u>NUMBER OF AGENCIES</u>	<u>PREMIUMS</u>	<u>LOSSES</u>
Alabama	164	\$112,935	\$91,842
Arkansas	...	.....	.....
Florida	150	83,133	37,885
Georgia	527	853,707	342,203
Kentucky	...	.....	.....
Louisiana	41	48,859	14,620
Mississippi	126	77,804	42,750
North Carolina	166	73,526	39,653
Oklahoma	...	.....	.....
South Carolina	132	49,692	41,968
Tennessee	1	1,742	5
Texas	...	.....	.....
Virginia	78	111,476	72,523
Undivided Business	399	211,911	192,313
	<u>1,784</u>	<u>\$1,624,785</u>	<u>\$875,762</u>

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In addition to the above figures, Atlanta local premiums for Companies who have no General Offices in Georgia amount to \$739,697.

These figures are to be added to those above given as reported to Atlanta, and to other points in Georgia, the total being \$12,766,075.

It may be desirable to give separately the figures for the Southeastern District suggested, viz:

North Carolina
South Carolina
Tennessee
Georgia
Florida
Alabama
Mississippi.

reported to Atlanta and the other points in Georgia named, and also the figures from the States not included in the Southeastern District. These are as follows:

<u>TOTAL SOUTHEASTERN DISTRICT</u>			
<u>STATE</u>	<u>NUMBER OF AGENCIES</u>	<u>PREMIUMS</u>	<u>LOSSES</u>
Alabama	1,131	\$1,283,772	\$ 685,705
Florida	916	821,786	366,358
Georgia	3,304	3,327,096	1,585,238
Mississippi	824	974,032	488,248
North Carolina	1,020	671,820	238,000
South Carolina	862	675,320	499,317
Tennessee	223	415,313	182,480
	<u>8,280</u>	<u>\$8,169,139</u>	<u>\$4,045,346</u>

<u>TERRITORY OUTSIDE SOUTHEASTERN DISTRICT</u>			
<u>STATE</u>	<u>NUMBER OF AGENCIES</u>	<u>PREMIUMS</u>	<u>LOSSES</u>
Arkansas	223	\$ 288,584	\$ 436,447
Kentucky	241	285,904	120,720
Louisiana	584	922,300	326,346
Oklahoma	157	172,991	32,715
Texas	799	1,205,759	505,909
Virginia	630	679,034	374,300
West Virginia	35	40,702	17,915
Missouri		34,622	3,387
California		15,432
Undivided business	399	211,911	192,313
	<u>3,068</u>	<u>\$3,857,239</u>	<u>\$2,010,052</u>

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In considering the transactions handled through Georgia banks, both premiums collected and losses paid should be taken into account. The total of these items for Atlanta is \$16,320,926 and for the other points in Georgia, named above, \$2,500,547.

NOTE: A grand total of 11,348 Agencies in 3,000 towns reporting \$18,821,473 in transactions.

The custom of all Fire Insurance Companies who operate by Departments, instead of direct from head offices, is to divide the United States into four main districts, viz:- the Eastern, Western, Pacific Coast and Southern. Headquarters for these districts are located, respectively at New York (or Hartford), Chicago, San Francisco and Atlanta. Atlanta is, therefore, fourth in importance as a Fire Insurance center in the United States. This does not mean that the local premiums are fourth in volume, but that premiums reported from territory over which Atlanta General Offices have jurisdiction place it in that position - and this is the important features from the banking standpoint.

Naturally, the headquarters of all subsidiary organizations follow this arrangement. This Southeastern Underwriters Association, handling all questions of rates and practices, from Virginia to Louisiana, inclusive: the Southern Adjustment Bureau, having charge of the adjustment of losses South of the Ohio and Potomac and East of the Mississippi; the Underwriters Salvage Company, handling all salvages from Virginia to Texas and Oklahoma inclusive; the Cotton Insurance Association, receiving a million and a quarter in premiums on cotton exclusively, covering transit risk for railways and owners and inland marine risks - are all located here.

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The figures for the Cotton Insurance Association have been included in the tables previously given.

Eliminating the Companies who have no Departments, their business being reported direct to Head Offices, nearly all of which are located in Eastern Cities, and who, therefore, have no special interest in any bank except in the East, it can be seen that the others handle the great bulk of their Southern business through Atlanta Banks. From a Fire Insurance standpoint, therefore, the establishment of a Regional Bank at any point other than Atlanta would be a positive inconvenience in so far as the Southeast is concerned.

Dallas, Texas, occupies a somewhat similar position in the Southwest to that of Atlanta in the Southeast, but its jurisdiction does not extend East of Louisiana, whereas Atlanta, for many Companies, handles Texas, Arkansas, Oklahoma, Kentucky and Tennessee in addition to the Southeastern territory.

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WE HEREBY CERTIFY That we have checked the returns especially made for this purpose by the General Agents or Managers of the Companies, located in Atlanta and elsewhere in Georgia, and that the compilations herein given are correct.

Atlanta, Georgia,

February 7, 1914.

SUPPLEMENT TO BRIEF ON

FIRE INSURANCEBy Milton Dargan.

Having heard the questions propounded to several of the witnesses at the hearing on Friday, in an endeavor, apparently, to ascertain the proportion which the business transacted through Atlanta bears to the total business of certain States,- I think it well to give the entire premiums of each of the States in the South, and the amounts reported to Atlanta, and the amounts reported to Atlanta, and the percentage which Atlanta business bears to the whole, and that tabulation is shown below:

TERRITORY OF SOUTHEASTERN DISTRICT

<u>STATE</u>	<u>TOTAL PREMIUMS</u>	<u>REPORTED TO ATLANTA</u>	<u>RATIO</u>
Alabama	\$3,399,876	\$ 1,170,837	34.4 %
Florida	2,869,714	738,653	25.7 %
Georgia	5,469,336	2,473,389	45.2 %
Mississippi	2,776,784	896,228	32.3 %
North Carolina	3,175,274	598,294	18.8 %
South Carolina	2,269,485	625,628	27.6 %
Tennessee	4,337,516	413,571	9.5 %
	\$ 24,297,985	\$6,916,600	28.5 %

TERRITORY OUTSIDE SOUTHEASTERN DISTRICT

<u>STATE</u>	<u>TOTAL PREMIUMS</u>	<u>REPORTED TO ATLANTA</u>	<u>RATIO</u>
Arkansas	\$2,638,508	\$ 288,584	10.9 %
Kentucky	4,996,190	285,904	5.7 %
Louisiana	4,322,272	873,441	20.2 %
Oklahoma	3,488,213	172,991	5.0 %
Texas	9,622,827	1,205,759	12.5 %
Virginia	4,133,756	567,558	13.7 %
	\$ 29,201,756	\$ 3,394,237	11.6 %
GRAND TOTAL:	\$ 53,499,751	10,110,837	19.3 %

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The premiums for 1913 were secured direct from the Companies operating through their headquarters in Atlanta. Premiums for all the Companies operating in the various States are not yet public, and, therefore, not available for 1913, but I have used the official 1912 figures for the total business in each State, and as the volume of premiums for 1913 is practically the same as that of 1912, there would perhaps in no State be a variation of one-tenth of 1% in the accuracy of these figures.

L I F E I N S U R A N C E

By

Robert J. Guinn,

General Agent

New England Mutual Life Insurance Co.

The extent of investments made by the people of any section in strictly conservative securities may be safely accepted as a true indication not only of the development, progress and prosperity of the people; but it is as well an almost certain index to the magnitude of the financial transactions, requiring adequate banking facilities, in all the other varied lines of industry and commerce in that section.

Throughout this nation legal reserve life insurance is more generally bought by the whole people than any other conservative asset and thus becomes a true criterion of general business activities and conditions. Hence the figures covering the transactions in this department of our national life reflect with almost unvarying accuracy the relative volume of business in all the other departments of trade.

This test is sound whether applied to a municipality, a state or a larger subdivision of our country.

It is a significant fact worthy of consideration in the matter now engaging your attention, that the legal reserve life insurance companies, supervised and directed as they are by men of profound ability and business foresight, first plant their agencies in those states and sections (laws and health conditions being equal) where there are the surest indications of commercial progress and prosperity.

Assuming the truth of the foregoing premises, the figures that follow may prove of value to the Board in wisely determining where best to locate a Regional Bank in the Southeastern States so that the largest possible benefits may be most conveniently rendered to the people to be served.

There are a total of eighty-five different legal reserve life insurance companies doing business in the States of Georgia, Alabama, Florida, Mississippi, North Carolina, South Carolina and Tennessee. Of these sixty operate in Georgia, forty-eight in Alabama, forty-four in North Carolina, forty-two in Tennessee, forty in South Carolina, thirty-eight in Mississippi and twenty-seven in Florida.

On January 1st, 1913, these companies had in the States named an aggregate insurance in force of \$1,329,812,033.00 on which \$38,205,742.00 in premiums had been paid for the current year.

This insurance by States was distributed as follows:

<u>STATE</u>	<u>INSURANCE IN FORCE</u>	<u>PREMIUMS</u>
1. Georgia ,	\$376,038,397.00	\$10,512,946.
2. Tennessee,	204,423,455.00	6,553,535.
3. Alabama,	190,438,143.00	3,547,662
4. North Carolina	170,972,820.00	5,172,384.
5. South Carolina	164,181,206.00	5,283,366
6. Mississippi,	132,382,552.00	4,199,192
7. Florida,	91,375,460.00	2,936,657.

The State of Georgia which leads in volume in this group of States, is the tenth State in the Union in volume of legal reserve life insurance carried by its citizens, and is the ranking State in this department of business South of the Ohio River, surpassing Texas on the West by \$115,000,000. in volume and \$2,800,000. in premiums; and Virginia on the East by \$160,000,000. in volume and \$3,700,000. in premiums paid.

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Practically every company that operates in Georgia has its principal office in the City of Atlanta, and more than 90% of the premiums paid are cleared through the Atlanta Banks.

These facts clearly point to Atlanta as the commercial and financial center of any grouping that may be made of the Southeastern States.

L I V E S T O C K T R A D E
Of Atlanta with the Southeastern States
By
Jacob W. Patterson,
Of the Patterson Commission Company.
Dealers in Live Stock

LIVE STOCK TRADE

By

Jacob W. Patterson of the Patterson Commission Co.

The horse and mule trade has increased more than 100% in the past ten years, notwithstanding the increasing use of automobile trucks and motorcycles.

Cattle and hog trade has increased more than 100% in last three years.

Increase largely due to the erection of a new Packing House and a new abbatoir; both of which have proven very profitable ventures.

The ST. LOUIS LIVE STOCK REPORTER under the head of Southern cattle, quotes prices and numbers shipped to that market right from our own territory that will astonish those who do not make a business of live stock.

Why does this stock go to St. Louis to be marketed? Why not market it and slaughter it at home where it is needed for our own consumption?

A few years ago the answer would have been:

- 1st. Afraid of the big packers.
- 2nd. A lack of capital.

The first reason does not exist any longer.

The second in my opinion is the real reason.

When we can sell our cattle at home for the price that they bring in Western Markets, and thus save freight. The additional profit saved to the producers will encourage the cattle industry at home and many thousands of acres of unused lands will be used profitably for the raising of cattle. We believe that it has been clearly demonstrated that cattle can be produced as cheaply in our territory as any other section of the UNITED STATES.

We saw train loads of cattle shipped out of our territory to OKLAHOMA and other Western States the past season.

Give us capital to develop the Live Stock and Packing Industry and we will keep these cattle at home where they are needed for consumption.

The magnitude of Atlanta's business in horses, mules, cattle and swine with the Southeastern States is indicated by the returns of the following dealers to the Atlanta Chamber of Commerce:

Jacob W. Patterson Commission Co.
White Provision Company.
Maxwell-Crouch Mule Company of Georgia
Turner Bros.
Jones & Oglesby
Harper & Weathers
Ragsdale Mule & Horse Company
Weil Bros.
A. L. Suttles and Company
Al Carlisle
E. L. Tatum
T. L. Smith
National Stock Yards Commission Co.
L. P. Jernigan
F. S. Hall
Byron Bettis
Herren & Hakey
Coggins & Brother
R. Warfield and Company
Harper Bros.
F. M. Stewart.

The total volume of business which these Atlanta firms did with the Southeastern States during the year 1913 amounted to \$16,435,355.17.

This does not include local slaughter houses.