To the Honorable Federal reserve board.
The petition of the First national bank and the Clarksville national bank, both of Clarksville, Tenn. that the geographical limits of the 6th district be changed.

#96

To the Honorable Federal Reserve Board.

The petition of The First National Bank and The Clarksville National Bank, both of Clarksville, Montgomery County, Tennessee; and The Springfield National Bank, and The Peoples National Bank, both of Springfield, Robertson County, Tennessee, do respectfully petition that the Geographical limits of the Sixth Federal Reserve Bank District, be changed by the detachment of the northern boundary of said Reserve Bank District of the Counties of Stewart, Montgomery and Robertson, in that these counties be attached to the Eighth Federal Reserve Bank District of St. Louis, so as to form a portion of the southern part of said Eighth District Reserve Bank or in such manner as your Board may determine.

A map is attached as Exhibit "A" to this petition, showing the line as prayed by your petitioners to be run.

The Federal Reserve Bank Organization Committee did not in the selection of the several Reserve Bank Districts follow state lines or boundaries, and the Counties enumerated herein can easily be detached. Clarksville, Montgomery County, Tennessee,an is a City of about Nine thousand population; its principal commercial crop being Dark Leaf Tobacco; the major portion of which is exported to European Countries, involving an exchange operation via New York City, or through letters of credit established in New York City,— wheat,corn and hay being auxiliary crops.

Its Banking Capital, Five institutions, two of which are National Banks, have a combined Capital of Three hundred and Eighty Three Thousand Dollars, and a combined deposit of One Million Five Hundred Thousand Dollars. It is served by the Louisville and Nashville Railway Company, with a direct connection to St. Louis, within a twelve, hour run, and in direct connection with Louisville, Kentucky, within a six hour run either point being accessible for the transacton of business on the following day.

Springfield, Robertson County, Tennessee, has a population of about Twenty five Hundred; its Banking Capital, Four Institutions, two of which are National Banks, with a combined Capital of Two Hundred and Fifteen Thousand Dollars, with a combined deposit of about Nine Hundred and Seventy Thousand Dollars;has also as its principal commercial crop Dark Leaf Tobacco,- with wheat, corn and hay as auxiliary crops.

It is served by the Louisville & Nashville Railway Company, with direct connection with either St.Louis, or Louisville,Kentucky, either point being accessible for the transaction of business on the following day.

Considered from any standpoint, Geographical convenience, Commercially, Transportation Facilities, Rapid and easy communication between points, the territory served by Clarksville, Tennessee, and Springfield,Tennessee, belongs in a District of which Kentucky, and particularly Louisville, Kentucky is a part, and Louisville, Kentucky is a part of the Eighth District, or a part of the St. Louis Reserve Bank.

Your petitoners constitute all of the National Banks in the territory sought to be changed, and respectfully submit;

FIRST:- Unmistakably the trend of the business of the two communities is Northward, less than one per cent of the business being South of Nashville, Tennessee.

SECOND:- Tobacco being our Commercial Crop, and principal money producing commodity,- seventy five per cent of which is Exported to European Countries, and the business transactions resulting therefrom having heretofore been handled throughLouisvile, Kentucky, St. Luis, Mo, and New York City, every effort should be made to promote business convenience and normal movements by attaching this territory to the St,Louis Reserve Bank District, its natural,convenient and normal course.

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Third:- Petitioners respectfully represent that St.Louis, Mo. and especially Louisville, Kentucky, is familiar with the conditions the customs and transactions originating in this territory and that they can best serve our needs, being throughly familiar with the whole course of business, the times and amount needed, the methods in which the transactions arising from this community are handled, to say nothing of the very much more convenient handling of the business arising therefrom.

Fourth,- The St. Louis Reserve Bank has on its Board of Directors two men lon connected with and quite familiar with the business requirements of this section, in the person of Mr. Oscar Fenley of Louisville, Kentucky, and Mr.F.O.Watts of St. Louis.

Fifth:- Your petitoners would respectfully represent that the business of this section sought to be removed, can not be served conveniently by Atlanta Reserve Bank, not only on account of Geographical situation, but ease of access, familiarly with the business and the fact that the Directory of the Atlanta Reserve Bank is composed of men with out any experience, not familiar with or knowledge of, regarding the transacions arising from tobacco, its marketing, the export business in connection with it, or the needs and repuirements of this section in relation to it.

Sixth:- Your petitioners would further represent, that the petitioning banks can be withdrawn from the Atlanta Reserve Bank without weakening it in regard to the Capital requirments under the Federal Reserve Law.

Seventh;- Petitoners submit that it is true that seven eights of the tobacco territory of Kentucky and Tennessee has been attached to the St.Louis, Federal Reserve Bank, while only one eighth has been attached to the Atlanta Federal Reserve Bank, this one eighth comprising the tobbaco District located in Stewart, Mongomery and Robertson Counties splitting these counties off of and taking them out of the natural, ordinary and customary course of the business, the main business originating within these counties, taking them from that District which comprises nearly all of the sections inwhich this commodity constitues ni main money commodity, and putting them in a district unnatural inconvenient and ignorant of the needs of this particular section, and deprived of the benefit of the cooperation naturally resulting and the efficacy of the rangements naturally resulting in the districts in which the transaction arising from the tobacco business, constitute one of the main parts of banking transactions and banking facilities.

A division of the tobbaco section of Kentucky and Tennessee in such proportion as between the Eight and Sixth Reserve Bank District can serve no good purppose the withdrawal of the one eight allotted to the ATLANTA Bank would place this interest where it naturally and normally belongs.

Eight:- Petitioners would respectfully submit, that putting them in the Atlanta Reserve District causes a wholly unnecessary and useless discrimination against them as against State Banks in these Counties as these State Banks can make their own arrangements with the natural course of the trade, and with Bankers whose officials are familar with the repuirements of these districts, and it places them at a very grave inconvenient and disadvantage as compared with the State Banks in the same two towns of Clarksville and Springfield.

And it discriminates also against the interest of this particular section of the tobacco District, Stewart, Robertson and Montgomery Counties, putting this Distric at a disadvantage as to their tobacco handling facilities as against the State Banks in these same three counties who can as stated make their own arrangement and follow the usual channels of trade: naturally they should be handled by men familiar with the conditions, the values, the securities arising from this industry, so that the facilities may be given the different parts of the tobacco district, and not discriminate against one eighth of that District, and put it at a disavandtage, not only with the balance of the tobacco district, which was and should have been allotted to the St. Louis District, but also places the National Banks in the District at a grave disadvantage as compared with the State Banks.

Ninth:- While it is suggested that the true contention of the Federal Reserve Bank is to hold the legal reserve requirements of its member banks, your petitioners respectfully state that they believe, and it is the belief of the Banking interests, that the system of reserve banks will eventually cover a greater field of usefulness to its member banks in that it is destined to be the depository not only of the legal reserve requirements, but will be used as a depository for any excess reserve that may accrue in course of business.

And it is believed in a few years that the domestic exchange of the country will be drawn on the several Reserve Banks instead of New York, Chicago and other points.

If this is true, petitioners represent,surely the business of this tobacco section, so vitally linked to Louisville, or a district of which Louisville is a part, should not be divorced from its natural course.

Briefly, reserves, either legal or excess reserves would accumulate more redily following a natural course of business to the Reserve Bank center than if diverted to follow an unnatural course.

Finally your petitioners would respectfully represent, that the tobacco interest represented by the Clarksville and Springfield District would cover something like fifty million pounds of tobacco, at an approximate price of about eight cents per pound, requiring banking transactions as to these alone in the purchase of the crop of some four million of dollars; that the demand for this comes at a time when it is in conflict with the cotton demand, and your petitioners, whose main business is derived from the tobacco industry, directly or indirectly, are put in a district of business of whch they constitute only a small part as opposed to the enormous transactions involving in the cotton business, and which would constitute a large part of, or one of the main parts of the banking business of the Atlanta District, and that they can not, and will not have, as they believe, the same facilities, the same protection and the same care taken of their interest, and the interest of these counties in the Atlanta District as they would have in a St. Louis Reserve District, of which they are naturally and normally a part by reason, not only of geographical conditions, railroad connections, but the normal and natural course of the movement of the trade, and the long habit and course of the same.

In support of the contention that this section is best served by a District of which Louisville, Kentucky, is a part, petitioners beg leave to refer to the fact that the Secretary of the Treasury, has recently allowed the National Banks located in and doing business at Clarksville, to become members of the National Currency Association of Louisville, Kentucky, and this was allowed notwithstanding that a currency association had been formed and put in operation at Atlanta, Georgia, a recognition in our opinion of the fact that the Northern portion of Tennessee could not be served conveniently by an association located in Atlanta, Georgia.

And that just such a contingency as has arisen, and just such a condition as confronts your petitioners was contemplated in the Federal Reserve Act, where there was an express provision, "that the Districts shall be apportioned with due regard to e convenience and customary course of business and shall not necessarily be coterminus with any State of States".

Respectfully submitted,

First National Bank.
Clarksville,Tennessee.

(Signed) WESLEY DRANE.
Pres,

Clarksville National Bank.
Clarksville,Tennessee.

(Signed) ARCHER HOWELL.
Pres.

Springfield National Bank.
Springfield Tennessee,

(Signed) W. E. RYAN.
Pres.

Peoples National Bank.
Springfield Tennessee,

(Signed) H. T. STRATTON.
Pres.