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REAPPRAISAL OF DISTRICT AND TERRITORY LINES  
AND POSSIBLE NEED FOR ADDITIONAL BRANCHES  
IN THE FIFTH FEDERAL RESERVE DISTRICT

Federal Reserve Bank of Richmond

Trans letter filed 2/18/54 - 122.7(5)

FOR FILES  
ZOE GRASSIAS



REAPPRAISAL OF DISTRICT AND TERRITORY LINES  
AND POSSIBLE NEED FOR ADDITIONAL BRANCHES  
IN THE FIFTH FEDERAL RESERVE DISTRICT

REC'D IN THE DIVISION  
MAR 15 1954

The original Federal Reserve Act provided for the readjustment of the districts initially apportioned and for the establishment of branch banks. These provisions apparently contemplated that modifications in district or territory lines or the addition of branches might well be required from time to time because of population shifts, economic growth and development, changes in transportation facilities and patterns, and other considerations. The flexibility permitted in the apportionment of districts and the establishment of branches apparently was directed to the service aspects of Reserve bank operations; i.e., to enable the Reserve banks to better serve the member and other banks, and the agricultural, business and commercial interests of the country.

CONTINUING SCRUTINY OF QUALITY OF SERVICE

The question of quality of service is under constant scrutiny and appraisal by the Federal Reserve Bank of Richmond, through the routine of operating departments, through regular, individual bank contacts by officers and other representatives, and through attendance at and participation in group and clearinghouse meetings, conferences, clinics and other banker meetings. In addition, special surveys are made from time to time to evaluate the effectiveness of service and to make such changes as may be desirable, feasible and warranted.

Every effort is made to employ air mail, Postal Highway service and other available means to speed the collection of checks and the shipment of currency and coin. Further, this bank fully cooperates and participates in discussions and studies, both within the System and in cooperation with banker associations, directed toward improving the check collection system (Check Routing Symbol program, Direct Routing, etc.).

Intradistrict Changes to Improve Service

The Fifth Federal Reserve District is composed of the District of Columbia and the states of Maryland, North Carolina, South Carolina, Virginia, and all but the northernmost 6 counties of West Virginia. While there have been no changes in the District lines since the establishment of the Federal Reserve Bank of Richmond, on three occasions important intradistrict modifications have been made to improve service to the banks:

On March 1, 1918, a branch was opened in Baltimore, Maryland, and assigned the territory of the State of Maryland and 30 counties in the northern part of West Virginia. (The northernmost 6 counties of West Virginia are in the Fourth District; the 19 counties in the southern part of the State are served by the head office in Richmond.)

On December 1, 1927, a branch was opened in Charlotte, North Carolina, and assigned the territory of the 34 western counties in North Carolina and 21 in South Carolina. (The eastern portions of both states are served by the head office in Richmond.)

On July 1, 1940, the territory of the Charlotte Branch was enlarged moving its North Carolina line eastward to include 16 additional counties. (The head office in Richmond now serves 50 counties in eastern North Carolina and 25 in eastern South Carolina.)

CRITERIA FOR APPRAISAL OF SERVICE

The questions of branch needs and changes in district or territory lines are so interrelated that consideration of the one necessarily involves the other. In appraising the service aspects of Reserve bank operation, it is suggested that certain fundamental criteria should be applied, and in order of importance as listed:

1. Ability to serve the member banks of the areas should be the first consideration, and service to other par banks the second.



The primary service function of the Reserve banks is the collection of checks on par banks and the supplying of currency and coin to member banks. In large measure the efficiency of these services is dependent upon mail schedules, usually rail, rather than upon mileage between points.

2. Due regard should be taken of natural trade areas and the flow of trade, particularly where two or more Reserve banks or branches can serve a particular area with essentially the same results.

3. In the absence of compelling reasons to the contrary, district lines should be coterminous with state lines. This is desirable because of the close working relationships of the Reserve banks with state banking departments and bankers associations. It also takes cognizance of political entities and facilitates compilations of statistical series and other data.

4. Decisions to establish branches should take into account the question of economic operation; i.e., there should be a sufficient volume of business to warrant the additional expense of further decentralization of operations.

#### 1. APPRAISAL OF SERVICE TO BANKS

##### Basis of Current Reappraisal

The Federal Reserve Bank of Richmond has just completed a rather thorough survey of its services to the Fifth District. In applying the first criterion - service to member and to other par banks - an analysis was made of actual experience in the collection of checks on par banks in the week of January 6-12, 1954. It was assumed that the service was satisfactory if the items were collected within 2 days from receipt of the item by the Reserve bank - one day for receipt by the drawee bank plus one day for receipt of payment. Also, money shipments to member banks were analyzed for the month

of November, the longer test period being dictated by the nature of the transaction and the month by a desire to analyze a recent period not subject to the unusual delays occasioned by Christmas mail. In this instance, receipt of shipment on the following day was considered satisfactory service.

It should be emphasized that this survey was based upon actual experience rather than published schedules; in no instance were checks collected or shipments received earlier than such schedules provided, but in several cases it was apparent that banks were not remitting for checks nor receipting for money shipments at the earliest possible time. However, in order to preserve the factual character of the survey no adjustments have been made for even the most obvious instances of this sort. For example, Conway, S. C., is shown as a three-day check collection point, yet Myrtle Beach, S. C., which receives and dispatches its mail through Conway, remits in two days.

#### Findings as to Check Collection Service

The three offices of the Federal Reserve Bank of Richmond handle checks drawn on 816 member and par nonmember banks with 236 out-of-town branches in 664 par points. (Schedule A.) During the test period January 6-12, 1954, the survey showed:

- (1) 82% of the banks effect payment within two days; only 4.3% require more than three days. (Schedule B.)
- (2) 89% of the cash items are paid within two days; only 2.6% are unpaid after three days. (Schedule C.)
- (3) 95% of the dollar amount of cash items is paid within two days; only 1.1% is unpaid after three days. (Schedule D.)

A comparison of check collection service by each of the three offices shows the most favorable situation to exist in the Charlotte Territory: all items in the South Carolina portion of the territory clear within two days and 99.4% of the dollar volume of all items in the North Carolina portion of the territory. In the Baltimore Territory, 88.6% of the number of items and 95.3% of the dollar volume are collected within two days. In the Head Office Territory,



85.6% of the number of items and 91.7% of the dollar amount are paid within two days.

In a comparison by states, Maryland shows up most favorably: only 1% of the dollar amount is unpaid after two days and there are no 4-day points. North Carolina is a close second with only 1.1% requiring three days and none as long as four days. South Carolina is next with 3.5% unpaid after two days and only .7% requiring four days. In Virginia, 7.5% requires three days for collection and 3.2% requires four days. West Virginia makes the poorest showing: 24.1% of the dollar volume is unpaid after two days and 4.4% after three days. All District of Columbia cash items clear within two days.

#### Findings as to Money Shipments

Whereas checks travel as first class mail without limitation, money shipment service is additionally complicated by security measures. Not only are such shipments required to be registered, but limitations as to amounts that may be handled by Star routes and held in Post Offices, and requirements as to protection between train connections impose further difficulties in the way of efficient service to member banks. In spite of the large number of small towns in the District and the restricted mail services available to them, the record of the Reserve Bank in achieving speedy service is highly satisfactory, as shown by the survey of shipments during the month of November 1953:

- (1) 92.9% of all banks receive money shipments the day following receipt of order. (Schedule F.)
- (2) 93.3% of all shipments are received on the day following receipt of order. (Schedule G.)
- (3) 97.7% of the dollar amounts of shipments are received on the day following receipt of order. (Schedule H.)

As in the case of checks, the Charlotte Territory enjoys the best service: 95.7% of the banks, 97.2% of the shipments, and 99.3% of the dollar amount of shipments are received on the day following receipt of the order. Richmond Territory enjoys the next best service: 93% of the banks, 93% of the

shipments, and 96.2% of the dollar amount are received on the day following receipt of the order. In both Charlotte and Richmond Territories, all banks receive their shipments at least on the second day after order. In the Baltimore Territory, 90.8% of the banks, 92.3% of the number of shipments, and 98.7% of the dollar amount of shipments are received within a day from receipt of order; however, 1.3% of the banks do not receive shipments until the third day after receipt of order, but this involves only .3% of the dollar amount of Baltimore Branch shipments and deliveries.

State comparisons of money shipment service show Maryland again the most favored with 99.9% of the amount of shipments received within one day. The same is true of North Carolina but, in this case, 2.4% of the banks receive shipments on the second day whereas in Maryland only 1% of the banks are involved. In Virginia, 1.3% of the dollar amount is received on the second day and in South Carolina 5% is so received. Again, West Virginia presents the greatest problem: 21.4% of the number of banks, 27.2% of the number of shipments, and 15.6% of the dollar amount of shipments are not received on the day following receipt of order. Also, this is the only state in which some shipments are not received until the third day.

Banks in the District of Columbia receive their money stocks directly from the U. S. Treasury; hence, they do not enter into the analysis.

#### Areas of Least Satisfactory Service

A review of the points which require more than two days for the collection of cash items and more than one day for the receipt of money shipments (Schedules E and I), show concentrations in three distinct areas. With these exceptions, other three- and four-day points are scattered and localized problems. While the precise reason for the difficulty may vary in individual instances, the basic problem is one of mail facilities. The situation is graphically presented in Exhibit I, which consists of a map of the district showing state, county and territory lines with an overlay "spot map" of par



points and a second overlay showing mail carrying railroads and Highway Post Office routes.

The three areas of least satisfactory service are:

Southwest Virginia - a mountainous, rather inaccessible section, with mining the chief industry. A branch rail line terminates in Wise County and a Highway Post Office crosses two or three of the counties; mail delivery is chiefly by Star route. Of the 24 Virginia points on which items are not paid in less than four days, 9 are in Lee and Wise Counties, and 4 are in the nearby counties of Buchanan, Dickenson and Washington.

Eastern Shore of Virginia - consisting of Accomack and Northampton Counties at the southern end of the Delaware-Maryland-Virginia peninsula. This is a truck farming and fishing section, accessible by ferry from the Virginia mainland, by the new Bay Bridge at Annapolis, Maryland, and by highway and a Pennsylvania Railroad branch line from the northern end. Mail delivery to most points is by Star route from the rail points. In these two counties are 8 of the remaining four-day points in Virginia.

Central West Virginia - the chief concentration of four-day points is in the area south of the Baltimore and Ohio Railroad from Baltimore through Parkersburg and Clarksburg, and north of the Chesapeake and Ohio Railway from Richmond through Charleston and Huntington. Several four-day points, however, lie north of the B & O. The towns are small, the terrain rugged and no north-south rail lines traverse the central portion of the State. Mail service is almost wholly by Star route, often operating off of another Star route. In contrast to the concentrations in Virginia, the 16 four-day and 3 five-day points in West Virginia are scattered in 15 different counties.

## 2. APPRAISAL OF TRADE AREAS AND FLOWS

The Fifth District is bounded on the East by the Atlantic Ocean, on the South by Georgia (Atlanta Reserve Bank), on the West by Tennessee, Kentucky and Ohio (Nashville, Louisville and Cincinnati Branches), and on the North by Pennsylvania and Delaware (Pittsburgh Branch and Philadelphia Reserve Bank). In view of the generally satisfactory service to banks in the District, the second criterion - consideration of natural trade areas and the flow of trade - has far less significance than might otherwise be the case. Nevertheless, a review of the "border" areas as they might influence decisions to modify district lines is summarized here.

### South Carolina

The excellent service to practically all South Carolina points makes the question of trade flows almost academic. All points in the western half of the State pay checks in two days (Charlotte Territory) and there are only 1 four-day and 3 three-day points in the eastern half (Richmond Territory). None of these points could be served more effectively from Atlanta.

Trade in the northeastern section of the State tends to flow to Charlotte - from Florence, Bishopville, and even Camden - although Columbia draws some of the trade of this area. The Southeastern trade area centers on Charleston. In the southwestern section, there is a limited amount of trade drawn to Augusta, Georgia, from Allendale, Barnwell and Aiken but, except for the Atomic Energy Commission's plant on the Savannah River and the resort area at Aiken, this is chiefly a localized agricultural section. Such cities as Greenwood and Anderson are almost equidistant between Atlanta and Charlotte, but their link is with the other textile cities of Greenville and Spartanburg, and the flow of trade is along this line northeasterly into Charlotte. Inquiry among informed persons confirms the available data that there is relatively little trade between South Carolina points and Atlanta or other points in its territory.

North Carolina

Here again, the question of trade flow is of minor significance because of the highly satisfactory service situation; there are no four-day points and only 4 three-day points, all in the very mountainous western portion of the State. The Appalachian Range, running northeastward across the western tip of the State, rather effectively inhibits trade with points to the west - Chattanooga, Knoxville and other cities in the Nashville Branch territory. As a matter of fact, trade in the western counties flows into Asheville, which is far more accessible to Charlotte than to Nashville.

Virginia

The situation in the westernmost counties of Virginia is among the worst in the District. The problem is essentially one of limited rail and other mail connections in an extremely mountainous section of the Blue Ridge. Insofar as trade flow is concerned, there is almost none with territory to the west (Louisville Branch territory); westward there are no nearby towns of as much as 10,000 population (even the time zone is different). Trade ties are northeastward to Roanoke.

West Virginia

There are a number of points in the State which are closer to Cincinnati or to Pittsburgh than to Richmond or Baltimore; however, with a few exceptions, service to these points is as satisfactory or better than would be available from these Federal Reserve Branches. As has been noted earlier, this State has very limited north-south rail service and because of mountainous terrain the highway system is not as advanced as in some other states. In the southern portion of the State, both Huntington and Charleston are substantial trade centers in themselves (and both are served by excellent mainline, overnight trains to and from Richmond [C & O Rwy]). To some extent there is a trade flow from these cities to Cincinnati and westward, but this is not true of the smaller cities and towns. With rare exceptions, Richmond can serve this area as well or



better than could Cincinnati.

The upper portion of the State is nearer to Pittsburgh than to Baltimore; however, except for a few points, service from Baltimore (via B & O R.R.) is as satisfactory as might be given by Pittsburgh. There is some flow of trade from north of the Clarksburg-Parkersburg line into Pittsburgh, and from these cities as well. South of this line, however, Pittsburgh exerts almost no influence. According to a West Virginia official, unusually well informed about the northern section of the State, Pittsburgh draws trade from along the Ohio as far as Moundsville and possibly down to Sistersville (in Pittsburgh Branch territory), and eastward to Fairmont and Morgantown. Except by motorized transport, however, the Pittsburgh Branch could not improve service to the banks of the area because of the limited mail facilities (almost wholly by Star routes).

#### Maryland

There are no four-day points in Maryland and very few three-day points, which are remotely scattered across the State; in practically all such instances the towns are quite small and located off the main routes. Neither Pittsburgh nor Philadelphia is in a position to better serve these points; in fact, in a few cases, such as York, Pennsylvania, for example, Baltimore is probably able to give quicker service to Pennsylvania points. However, there is very little flow of trade across the state lines, and certainly no justification for breaching the line for the slight advantage that Baltimore might enjoy.

The Eastern Shore of Maryland - and to a lesser extent the Virginia counties on the Eastern Shore - has long had certain trade ties with Philadelphia because of the rail connections and the isolation of the peninsula. For some years, however, a sharp rise in truck transport has led increasingly to Baltimore's dominance as the trading center for the area. With the recent

completion of the Bay Bridge connection to the west shore at Annapolis, this trend has been accelerated. Also, Baltimore is now able to give the same rail service by connecting with the southbound train out of Philadelphia at Wilmington, Delaware.

### 3. COTERMINOUS STATE AND DISTRICT LINES

In the Fifth Federal Reserve District this third criterion is met to an unusual degree. Except for six counties in the "Panhandle" of northern West Virginia, the District lines follow the lines of the several states comprising the Fifth District. These six counties are included in the territory of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland.

The fact that three states of the district are each divided between two offices of the Reserve Bank does not present administrative problems, nor impair in any wise the working relationships with state banking authorities or state banking organizations.

### 4. ECONOMIC JUSTIFICATION FOR BRANCH

The survey having established no need or justification for additional branch operation, this criterion does not now apply.

### CONCLUSION

With the exception of Central West Virginia, the survey reveals no large area in the District where service might be improved by additional Federal Reserve facilities. The situation in West Virginia, however, appears to warrant continuing scrutiny. The rugged terrain practically precludes any improvement except by a much more extensive use of motorized transport. Expansion and improvement of the highway system now engaging the vigorous attention of the State of West Virginia opens up possibilities for extension of Highway Post offices or may make economically feasible the negotiation of contracts with private transport lines. Either development, or a combination of the two, would surely tend to center in the capital city, Charleston. With the

completion of present highway development plans, linking both the northern and southern sections of the state with Charleston, further analysis of the situation might support the establishment of a branch or other facility at that point.

Changes in district or territory lines at this time would not materially contribute to improved service to the banks of the District. An extension of mail service from Baltimore to the Eastern Shore via the Chesapeake Bay Bridge might at some future time justify transfer of the two Eastern Shore Virginia counties of Accomack and Northampton to the Baltimore Territory.



PAR BANKS AND OUT-OF-TOWN BRANCHES\*  
 FIFTH FEDERAL RESERVE DISTRICT  
 As of January 20, 1954

	<u>Member Banks</u>		<u>Par Nonmember Banks</u>		<u>Total Par Banks</u>		<u>Total Par Points</u>
	<u>Head Offices</u>	<u>Branches</u>	<u>Head Offices</u>	<u>Branches</u>	<u>Head Offices</u>	<u>Branches</u>	
RICHMOND TERRITORY							
Dist. of Columbia	15	0	4	0	19	0	1
North Carolina	19	9	16	15	35	24	24
South Carolina	20	10	13	1	33	11	26
Virginia	204	16	108	39	312	55	246
West Virginia	<u>48</u>	<u>0</u>	<u>24</u>	<u>0</u>	<u>72</u>	<u>0</u>	<u>55</u>
Totals	306	35	165	55	471	90	352
BALTIMORE TERRITORY							
Maryland	72	29	82	42	154	71	152
West Virginia	<u>50</u>	<u>0</u>	<u>34</u>	<u>0</u>	<u>84</u>	<u>0</u>	<u>57</u>
Totals	122	29	116	42	238	71	209
CHARLOTTE TERRITORY							
North Carolina	37	19	34	25	71	44	63
South Carolina	<u>14</u>	<u>23</u>	<u>22</u>	<u>8</u>	<u>36</u>	<u>31</u>	<u>40</u>
Totals	51	42	56	33	107	75	103
RECAPITULATION BY STATES							
Dist. of Columbia	15	0	4	0	19	0	1
Maryland	72	29	82	42	154	71	152
North Carolina	56	28	50	40	106	68	87
South Carolina	34	33	35	9	69	42	66
Virginia	204	16	108	39	312	55	246
West Virginia	<u>98</u>	<u>0</u>	<u>58</u>	<u>0</u>	<u>156</u>	<u>0</u>	<u>112</u>
GRAND TOTALS	479	106	337	130	816	236	664

\*Exclusive of Mutual Savings Banks

CASH LETTERS REQUIRING OVER TWO DAYS FOR PAYMENT  
 PAR BANKS AND OUT-OF-TOWN BRANCHES  
 FIFTH FEDERAL RESERVE DISTRICT  
 Test Period - January 6-12, 1954

	<u>Expressed as Percentages of the Respective Totals</u>					
	<u>Requiring THREE (3) Days</u>			<u>Requiring FOUR (4) Days</u>		
	<u>No. of Banks</u>	<u>No. of Items</u>	<u>Amt. of Letters</u>	<u>No. of Banks</u>	<u>No. of Items</u>	<u>Amt. of Letters</u>
<b>RICHMOND TERRITORY</b>						
Dist. of Columbia	0	0	0	0	0	0
North Carolina	8.5	8.0	3.1	0	0	0
South Carolina	15.9	15.9	9.2	2.3	4.5	2.5
Virginia	16.6	11.0	7.5	7.1	4.9	3.2
West Virginia	<u>37.5</u>	<u>23.8</u>	<u>13.2</u>	<u>1.4</u>	<u>.3</u>	<u>.1</u>
Totals	17.8	11.2	6.5	5.0	3.2	1.8
<b>BALTIMORE TERRITORY</b>						
Maryland	5.3	3.1	1.0	0	0	0
West Virginia	<u>33.3</u>	<u>36.6</u>	<u>35.6</u>	<u>21.4*</u>	<u>19.9*</u>	<u>15.0*</u>
Totals	12.9	8.3	3.6	5.8*	3.1*	1.1*
<b>CHARLOTTE TERRITORY</b>						
North Carolina	3.5	2.0	.6	0	0	0
South Carolina	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	2.2	1.4	.5	0	0	0
<b>RECAPITULATION BY STATES</b>						
Dist. of Columbia	0	0	0	0	0	0
Maryland	5.3	3.1	1.0	0	0	0
North Carolina	5.2	3.3	1.1	0	0	0
South Carolina	6.3	5.1	2.8	.9	1.4	.7
Virginia	16.6	11.0	7.5	7.1	4.9	3.2
West Virginia	<u>35.3</u>	<u>29.7</u>	<u>19.7</u>	<u>12.2*</u>	<u>9.3*</u>	<u>4.4*</u>
<b>GRAND TOTALS</b>	13.7	8.4	3.9	4.3*	2.6*	1.1*

\*Includes three (3) five-day points, involving small amounts - See Schedule D

CASH LETTERS COLLECTED FROM PAR BANKS AND  
OUT-OF-TOWN BRANCHES  
FIFTH FEDERAL RESERVE DISTRICT  
Test Period - January 6-12, 1954

Number of Items Collected

	<u>Within 2 days</u>		<u>Within 3 days</u>		<u>Within 4 days</u>	
	<u>Number</u>	<u>% of total for area</u>	<u>Number</u>	<u>% of total for area</u>	<u>Number</u>	<u>% of total for area</u>
<u>BY TERRITORY</u>						
Richmond	1,104,188	85.6	144,918	11.2	41,805	3.2
Baltimore	786,713	88.6	73,955	8.3	27,446*	3.1*
Charlotte	515,079	98.6	7,080	1.4	-	-
<u>BY STATES</u>						
District of Columbia	164,349	100.0	-	-	-	-
Maryland	726,673	96.9	23,496	3.1	-	-
North Carolina	453,040	96.7	15,606	3.3	-	-
South Carolina	221,121	93.5	12,118	5.1	3,421	1.4
Virginia	658,231	84.1	85,962	11.0	37,965	4.9
West Virginia	182,566	61.0	88,771	29.7	27,865*	9.3*
Total Fifth District	2,405,980	89.1	225,953	8.3	69,251*	2.6*

\* Includes 4,789 items collected in 5 days.



CASH LETTERS COLLECTED FROM PAR BANKS AND  
OUT-OF-TOWN BRANCHES  
FIFTH FEDERAL RESERVE DISTRICT  
Test Period - January 6-12, 1954

Amount of Cash Letters Collected  
(000 omitted)

	<u>Within 2 days</u>		<u>Within 3 days</u>		<u>Within 4 days</u>	
	<u>Amount</u>	<u>% of total</u>	<u>Amount</u>	<u>% of total</u>	<u>Amount</u>	<u>% of total</u>
		<u>area</u>		<u>area</u>		<u>area</u>
<u>BY TERRITORY</u>						
Richmond	\$271,937	91.7	\$19,385	6.5	\$ 5,271	1.8
Baltimore	209,538	95.3	7,803	3.6	2,442*	1.1*
Charlotte	208,449	99.5	962	.5	-	-
<u>BY STATES</u>						
District of Columbia	46,563	100.0	-	-	-	-
Maryland	201,500	99.0	2,005	1.0	-	-
North Carolina	206,604	98.9	2,267	1.1	-	-
South Carolina	59,948	96.5	1,730	2.8	463	.7
Virginia	133,094	89.3	11,154	7.5	4,774	3.2
West Virginia	42,216	75.9	10,994	19.7	2,476*	4.4*
Totals Fifth District	\$689,925	95.1	\$28,150	3.9	\$ 7,713*	1.0*

\*Includes \$342,000 collected in 5 days.

## LIST OF PAR POINTS REQUIRING OVER TWO DAYS FOR PAYMENT OF CASH LETTERS

## FIFTH FEDERAL RESERVE DISTRICT

Test Period - January 6-12, 1954

State	County	City or Town	Requiring THREE (3) Days		Requiring FOUR (4) Days		Requiring FIVE (5) Days	
			Number of Items	Amount of Letters	Number of Items	Amount of Letters	Number of Items	Amount of Letters
RICHMOND TERRITORY								
<u>North Carolina</u>								
	Columbus	Whiteville (2)	4,630	\$ 663,954				
	Currituck	Moyock	807	138,367				
	Orange	Carrboro	516	159,596				
	Person	Roxboro	<u>2,573</u>	<u>343,305</u>				
	Totals		8,526	\$1,305,222				
<u>South Carolina</u>								
	Beaufort	Beaufort			3,421	\$ 462,674		
	Calhoun	St. Matthews	997	\$ 183,320				
	Horry	Conway (2)	5,342	878,354				
	Kershaw	Camden (2)	4,748	563,132				
	Orangeburg	Holly Hill (2)	<u>1,031</u>	<u>105,110</u>				
	Totals		12,118	\$1,729,916	3,421	\$ 462,674		
<u>Virginia</u>								
	Accomack	Bloxom	561	\$ 100,903				
		Chincoteague Island			2,025	\$ 209,847		
		Hallwood			2,296	245,782		
		Onancock (2)			3,616	470,473		
		Onley			1,343	146,449		
		Parksley			1,138	210,064		
	Albemarle	Scottsville	907	68,574				

## Schedule E (Conti

State	County	City or Town	Requiring THREE (3) Days		Requiring FOUR (4) Days		Requiring FIVE (5) Days	
			Number of Items	Amount of Letters	Number of Items	Amount of Letters	Number of Items	Amount of Letters
Virginia (Continued)								
	Augusta	Mount Sidney	223	\$ 11,021				
		New Hope	285	14,948				
		Weyers Cave	627	103,333				
	Buchanan	Grundy			3,501	\$ 491,009		
	Buckingham	Dillwyn	1,554	139,830				
	Carroll	Hillsville	1,463	127,385				
	Charlotte	Phenix	1,011	80,038				
	Clarke	Berryville (2)	2,748	475,335				
	Dickenson	Clintwood			1,640	190,117		
		Haysi			1,069	147,634		
	Fluvanna	Fork Union	1,001	138,277				
		Palmyra	543	41,529				
	Franklin	Ferrum	635	44,927				
	Frederick	Gore	526	71,866				
	Giles	Pembroke	364	58,769				
	Grayson	Fries	735	42,192				
		Galax (2)	4,071	565,546				
		Independence	902	59,705				
	Highland	Blue Grass			757	76,765		
		Monterey			848	42,522		
	Isle of Wight	Smithfield (2)	3,384	749,042				
	King George	King George	1,437	88,122				
	Lancaster	Irvington	1,110	143,485				
		Lively	850	36,522				
		White Stone	1,311	142,637				



State	County	City or Town	Requiring THREE (3) Days		Requiring FOUR (4) Days		Requiring FIVE (5) Days	
			Number of Items	Amount of Letters	Number of Items	Amount of Letters	Number of Items	Amount of Letters
<u>Virginia (Continued)</u>								
	Lee	Ewing			624	\$ 41,975		
		Jonesville			2,287	230,583		
		Pennington Gap			807	137,360		
		Rose Hill			254	17,467		
		St. Charles			280	29,054		
	Mecklenburg	Clarksville	2,892	\$ 202,419				
	Middlesex	Saluda	743	54,997				
		Urbanna	873	103,521				
	Northampton	Cape Charles	2,135	318,389				
		Eastville			1,766	148,040		
		Exmore			1,843	262,520		
		Nassawadox			1,220	141,674		
	Northumber- land	Callao	1,410	225,235				
		Heathsville	1,174	91,606				
		Reedville	1,408	138,842				
	Page	Luray (2)	2,802	301,560				
		Shenandoah	1,072	107,661				
		Stanley	797	70,714				
	Powhatan	Powhatan	5,732	391,198				
	Rappahannock	Washington	743	92,185				
	Rockingham	Elkton	1,504	157,852				
		Grottoes	384	16,852				
	Russell	Cleveland	428	25,900				
		Honaker	1,051	82,120				
		Lebanon	1,869	117,773				

State	County	City or Town	Requiring THREE (3) Days		Requiring FOUR (4) Days		Requiring FIVE (5) Days	
			Number of Items	Amount of Letters	Number of Items	Amount of Letters	Number of Items	Amount of Letters
<u>Virginia (Continued)</u>								
	Scott	Gate City	1,292	\$ 238,147				
	Smyth	Marion (2)	3,302	403,790				
	Surry	Surry	1,076	67,401				
	Tazewell	Pocahontas	1,445	315,742				
		Richlands (2)	3,157	419,886				
	Washington	Abingdon (2)	6,785	1,344,895				
		Bristol (2)	6,005	1,433,365				
		Damascus			943	\$ 63,767		
	Westmoreland	Colonial Beach	1,656	128,256				
		Hague	1,382	109,568				
		Montross (2)	2,107	194,739				
	Wise	Appalachia			2,341	638,614		
		Big Stone Gap			2,036	278,357		
		Coeburn			2,429	204,524		
		Norton	1,936	395,326				
		Pound	877	98,562				
		St. Paul	1,677	202,003				
		Wise			1,505	150,971		
	York	Odd (2)			1,397	198,520		
	Totals		85,962	\$11,154,490	37,965	\$4,774,088		

Schedule E (Continued)

State	County	City or Town	Requiring THREE (3) Days		Requiring FOUR (4) Days		Requiring FIVE (5) Days	
			Number of Items	Amount of Letters	Number of Items	Amount of Letters	Number of Items	Amount of Letters
<u>West Virginia</u>								
	Boone	Madison	2,006	\$ 228,867				
		Whitesville	1,266	151,133				
	Cabell	Barboursville	615	38,830				
	Clay	Clay	1,367	98,368				
		Widen			419	\$ 34,227		
	Fayette	Ansted	627	85,324				
		Oak Hill (2)	2,299	981,679				
		Winona	253	35,926				
	Greenbrier	East Rainelle	1,452	106,983				
	Kanawha	Clendenin	1,091	78,061				
	Lincoln	Hamlin	1,921	148,962				
	McDowell	Berwind	981	255,383				
		Iaeger	1,346	186,778				
	Mason	New Haven	2,198	207,334				
		Point Pleasant	2,423	372,327				
	Mercer	Athens	743	35,596				
		Matoaka	980	84,829				
	Mingo	Matewan	1,132	123,548				
		Williamson (2)	5,203	928,315				
	Monroe	Greenville	360	10,160				
		Peterstown	1,191	58,131				
	Pocahontas	Marlinton (2)	2,260	156,293				
	Wayne	Ceredo	1,751	320,209				
	Wyoming	Mullens	2,787	304,343				
		Pineville	2,060	198,033				
	Totals		38,312	\$5,195,412	419	\$ 34,227		
	RICHMOND TERRITORY - Grand Totals		144,918	\$19,385,040	41,805	\$5,270,989		

Schedule E (Con

State	County	City or Town	Requiring THREE (3) Days		Requiring FOUR (4) Days		Requiring FIVE (5) Days	
			Number of Items	Amount of Letters	Number of Items	Amount of Letters	Number of Items	Amount of Letters
BALTIMORE TERRITORY								
<u>Maryland</u>								
	Garrett	Friendsville	867	\$ 76,110				
	Howard	Clarksville	1,697	119,359				
	Kent	Galena	763	59,561				
		Millington	874	84,571				
	Montgomery	Damascus	1,997	203,397				
	Prince George	Seat Pleasant	12,768	911,337				
	Queen Anne	Sudlersville	1,447	181,499				
	St. Mary's	Mechanicsville	559	122,233				
	Talbot	Tilghman	701	63,568				
	Washington	Clear Spring	440	36,474				
		Sharpsburg	282	22,972				
	Wicomico	Pittsville	<u>1,101</u>	<u>123,935</u>				
	Totals		23,496	\$2,005,016				
<u>West Virginia</u>								
	Barbour	Belington	882	43,585				
	Braxton	Gassaway			684	\$ 111,927		
		Sutton			1,042	112,809		
	Calhoun	Grantsville					979	\$ 94,802
	Doddridge	West Union	1,209	56,719				
	Gilmer	Glenville			1,358	79,097		
	Grant	Petersburg			3,860	371,565		
	Hampshire	Romney	3,079	258,749				
	Hardy	Moorefield	1,976	207,280				
		Wardensville	900	162,123				



State	County	City or Town	Requiring THREE (3) Days		Requiring FOUR (4) Days		Requiring FIVE (5) Days	
			Number of Items	Amount of Letters	Number of Items	Amount of Letters	Number of Items	Amount of Letters
<u>West Virginia (Continued)</u>								
Harrison		Bridgeport	617	\$ 124,278				
		Lost Creek			701	\$ 31,431		
		Shinnston			1,320	103,964		
Jackson		Ravenswood	1,833	165,848				
		Ripley	926	57,362				
Jefferson		Charles Town	3,065	475,743				
Lewis		Weston			3,212	417,004		
Marion		Fairview			454	50,460		
		Monongah	600	26,012				
		Mannington	700	67,569				
Mineral		Keyser	2,817	351,785				
		Piedmont	1,561	133,669				
Monongalia		Morgantown	7,168	1,265,179				
Nicholas		Richwood	1,574	193,352				
		Summersville					3,465	\$ 225,790
Pendleton		Franklin	1,500	109,154				
Pleasants		St. Mary's			1,334	163,257		
Preston		Bruceton Mills	698	73,533				
		Kingwood	2,642	356,249				
Randolph		Elkins	4,284	573,088				
		Harman			610	59,967		
		Mill Creek	1,117	45,251				
		Pickens					345	22,216
Ritchie		Cairo	462	19,414				
		Harrisville	1,474	60,588				
		Pennsboro	478	53,593				

State	County	City or Town	Requiring THREE (3) Days		Requiring FOUR (4) Days		Requiring FIVE (5) Days	
			Number of Items	Amount of Letters	Number of Items	Amount of Letters	Number of Items	Amount of Letters
<u>West Virginia (Continued)</u>								
	Roane	Spencer			4,852	\$ 334,554		
		Walton			490	13,884		
	Taylor	Grafton	1,466	\$ 277,754				
	Tucker	Davis	628	81,112				
		Parsons	1,411	97,171				
		Thomas			741	67,553		
	Upshur	Buckhannon	4,318	416,034				
	Webster	Webster Springs			1,265	120,874		
	Wirt	Elizabeth	1,074	46,237				
	Wood	Williamstown			734	61,684		
	Totals		50,459	\$5,798,431	22,657	\$2,100,030	4,789	\$ 342,808
	BALTIMORE TERRITORY - Grand Totals		73,955	\$7,803,447	22,657	\$2,100,030	4,789	\$ 342,808
CHARLOTTE TERRITORY								
<u>North Carolina</u>								
	Ashe	West Jefferson	2,380	339,855				
	Haywood	Waynesville	2,299	304,501				
	Jackson	Sylva	1,814	286,834				
	Macon	Highlands	587	30,354				
	Totals		7,080	\$ 961,544				
	CHARLOTTE TERRITORY - Grand Totals		7,080	\$ 961,544				
	FIFTH DISTRICT - Totals		225,953	\$28,150,031	64,462	\$7,371,019	4,789	\$ 342,808

MONEY SHIPMENTS REQUIRING OVER ONE DAY FOR RECEIPT  
MEMBER BANKS AND OUT-OF-TOWN BRANCHES  
FIFTH FEDERAL RESERVE DISTRICT  
Test Period - November, 1953

Expressed as Percentages of the Respective Totals

	Requiring TWO (2) Days			Requiring THREE (3) Days		
	No. of Banks	No. of Shmts.	Amount of Shipments	No. of Banks	No. of Shmts.	Amount of Shipments
<b>RICHMOND TERRITORY</b>						
District of Columbia	-0-	-0-	-0-	-0-	-0-	-0-
North Carolina	-0-	-0-	-0-	-0-	-0-	-0-
South Carolina	10.0	14.9	3.6	-0-	-0-	-0-
Virginia	5.9	3.1	1.3	-0-	-0-	-0-
West Virginia	<u>16.7</u>	<u>23.9</u>	<u>14.3</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Totals	7.0	7.0	3.8	-0-	-0-	-0-
<b>BALTIMORE TERRITORY</b>						
Maryland	1.0	.6	.1	-0-	-0-	-0-
West Virginia	<u>22.0</u>	<u>25.2</u>	<u>14.5</u>	<u>4.0</u>	<u>.9</u>	<u>4.9</u>
Totals	7.9	6.8	1.0	1.3	.9	.3
<b>CHARLOTTE TERRITORY</b>						
North Carolina	3.6	1.0	.2	-0-	-0-	-0-
South Carolina	<u>5.4</u>	<u>6.1</u>	<u>15.3</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Totals	4.3	2.8	.7	-0-	-0-	-0-
<b>RECAPITULATION BY STATES</b>						
District of Columbia	-0-	-0-	-0-	-0-	-0-	-0-
Maryland	1.0	.6	.1	-0-	-0-	-0-
North Carolina	2.4	.7	.1	-0-	-0-	-0-
South Carolina	7.3	9.6	5.0	-0-	-0-	-0-
Virginia	5.9	3.1	1.3	-0-	-0-	-0-
West Virginia	<u>19.4</u>	<u>24.7</u>	<u>14.4</u>	<u>2.0</u>	<u>2.5</u>	<u>1.2</u>
GRAND TOTALS for District	6.8	6.3	2.2	0.3	0.4	0.1

MONEY SHIPMENTS REQUIRING OVER ONE DAY FOR RECEIPT  
MEMBER BANKS AND OUT-OF-TOWN BRANCHES  
FIFTH FEDERAL RESERVE DISTRICT  
Test Period - November 1953

Number of Shipments

	<u>Requiring TWO (2) Days</u>		<u>Requiring THREE (3) Days</u>	
	<u>Number</u>	<u>% of total for area</u>	<u>Number</u>	<u>% of total for area</u>
<u>BY TERRITORY</u>				
Richmond	65	7.0	-	-
Baltimore	60	6.8	9	1.0
Charlotte	9	2.8	-	-
<u>RECAPITULATION BY STATES</u>				
Dist. of Columbia	-	-	-	-
Maryland	4	.6	-	-
North Carolina	2	.7	-	-
South Carolina	18	9.6	-	-
Virginia	20	3.1	-	-
West Virginia	<u>90</u>	<u>24.7</u>	<u>9</u>	<u>2.5</u>
GRAND TOTALS	134	6.3	9	.4



MONEY SHIPMENTS REQUIRING OVER ONE DAY FOR RECEIPT  
MEMBER BANKS AND OUT OF TOWN BRANCHES  
FIFTH FEDERAL RESERVE DISTRICT  
Test Period - November 1953

<u>BY TERRITORY</u>	<u>Amount of Shipments</u>			
	<u>Requiring TWO (2) Days</u>		<u>Requiring THREE (3) Days</u>	
	<u>Amount</u>	<u>% of total for area</u>	<u>Amount</u>	<u>% of total for area</u>
Richmond	\$1,779,500	3.8	-	-
Baltimore	457,700	1.0	\$ 146,950	.3
Charlotte	124,850	.7	-	-
<u>RECAPITULATION BY STATES</u>				
Dist. of Columbia	-	-	-	-
Maryland	20,000	*	-	-
North Carolina	32,000	.1	-	-
South Carolina	247,850	5.0	-	-
Virginia	371,000	1.3	-	-
West Virginia	<u>1,691,200</u>	<u>14.4</u>	<u>146,950</u>	<u>1.2</u>
GRAND TOTALS	\$2,362,050	2.2	\$ 146,950	.1

\* Only .04%

LIST OF MEMBER BANK AND OUT-OF-TOWN BRANCH POINTS  
REQUIRING OVER ONE DAY FOR RECEIPT OF MONEY SHIPMENTS

FIFTH FEDERAL RESERVE DISTRICT

Test Period - November, 1953

State County	City or Town	Requiring TWO (2) Days Shipments		Requiring THREE (3) Days Shipments	
		Number	Amount	Number	Amount
RICHMOND TERRITORY					
<u>North Carolina</u>					
None					
<u>South Carolina</u>					
Georgetown	Georgetown	4	\$ 82,000		
Kershaw	Camden (2)	7	73,000		
	Totals	11	155,000		
<u>Virginia</u>					
Amherst	Amherst	2	28,000		
Franklin	Rocky Mount	2	4,000		
Henry	Martinsville	2	50,000		
Northampton	Nassawadox	1	9,000		
Nottoway	Blackstone	1	6,000		
Page	Luray	1	6,000		
Rockbridge	Lexington	4	133,000		
Tazewell	Tazewell	2	15,000		
Washington	Bristol	3	44,000		
Wise	St. Paul	1	62,000		
	Wise	1	14,000		
	Totals	20	\$ 371,000		

State	County	City or Town	Requiring TWO (2) Days		Requiring THREE (3) Days	
			Shipments		Shipments	
			Number	Amount	Number	Amount
RICHMOND TERRITORY (Continued)						
<u>West Virginia</u>						
	Boone	Madison	7	\$ 280,000		
	Cabell	Huntington	8	515,000		
	Fayette	Fayetteville	6	164,500		
	Lincoln	Hamlin	4	115,000		
	Mason	Point Pleasant	5	59,500		
	Putnam	Buffalo	2	40,000		
	Raleigh	Beckley	1	48,500		
	Wyoming	Mullens	<u>1</u>	<u>31,000</u>		
		Totals	34	\$1,253,500		
	RICHMOND TERRITORY - Grand Totals		65	\$1,779,500		

BALTIMORE TERRITORY

Maryland

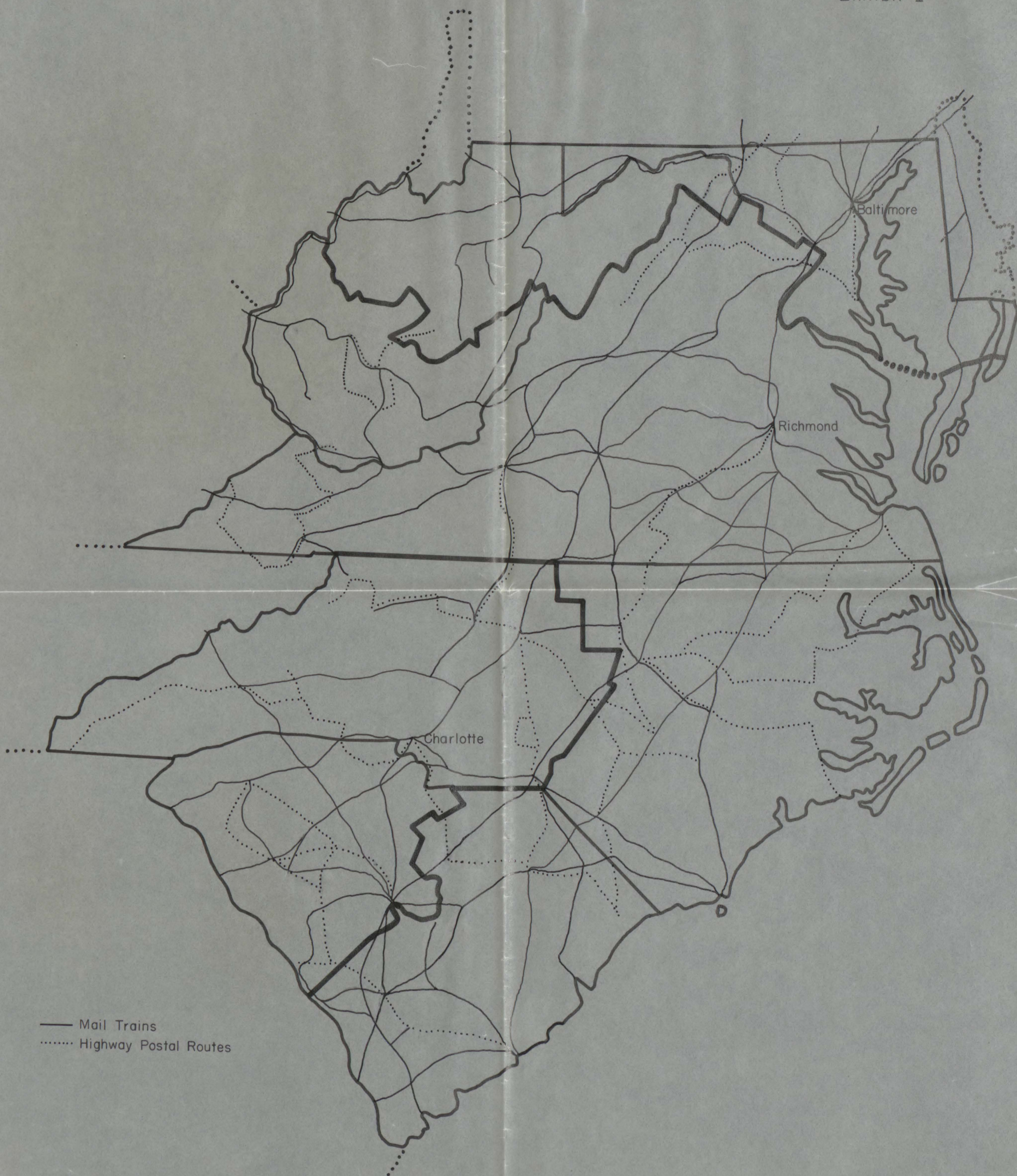
Garrett	Friendsville	<u>4</u>	\$ <u>20,000</u>
	Totals	4	\$ 20,000

West Virginia

Braxton	Sutton	6	30,700		
Hardy	Wardensville	2	8,000		
Jackson	Ripley	2	2,500		
Nicholas	Summersville	5	90,500		
	Richwood			6	\$ 87,800
Pleasants	St. Marys	1	5,000		

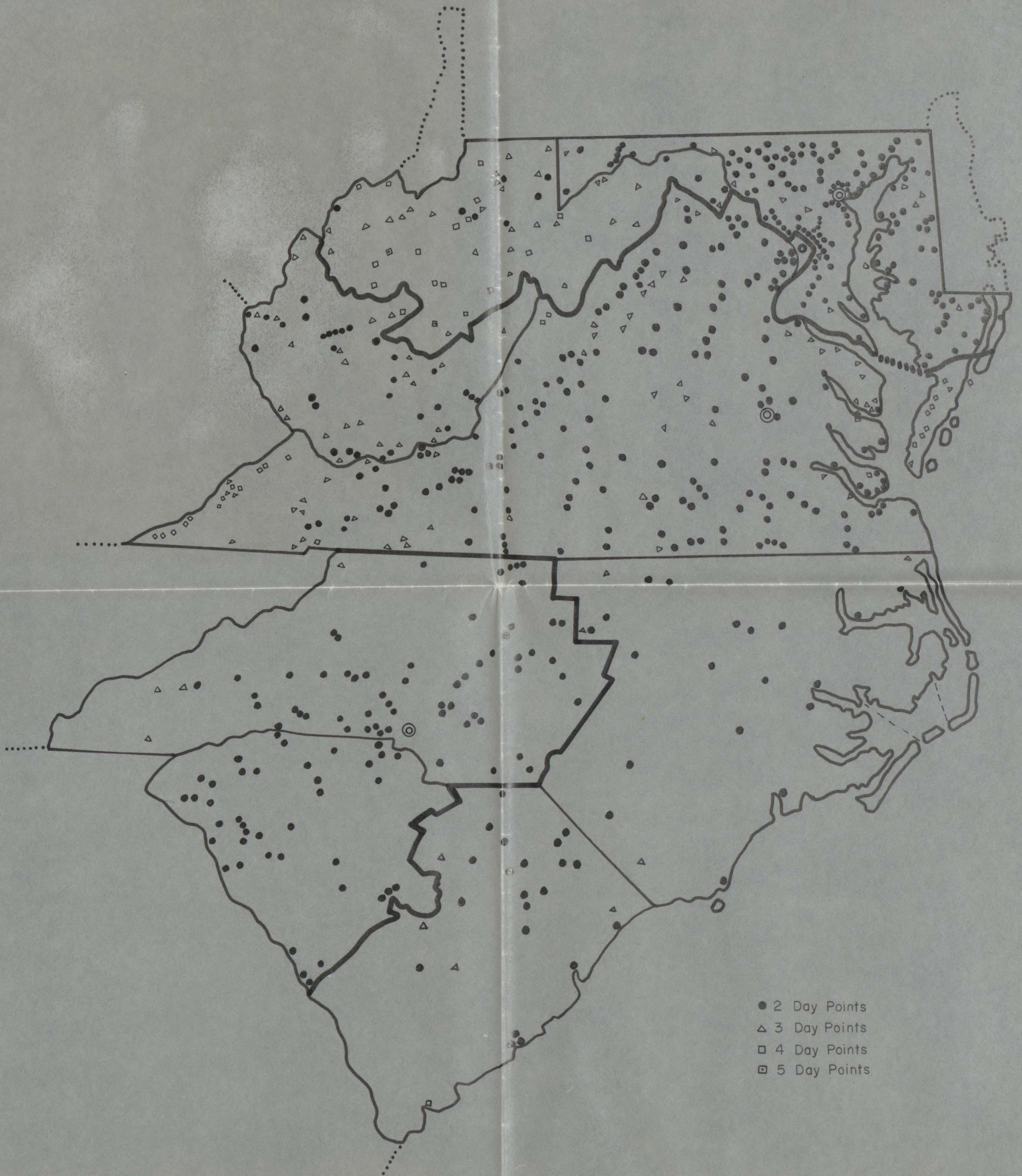
State	County	City or Town	Requiring TWO (2) Days Shipments		Requiring THREE (3) Days Shipments	
			Number	Amount	Number	Amount
BALTIMORE TERRITORY (Continued)						
West Virginia (Continued)						
	Preston	Bruceston Mills	6	\$ 26,700		
	Randolph	Elkins	5	79,000		
	Tucker	Parsons	5	6,500		
		Davis	4	13,000		
	Upshur	Buckhannon	11	148,300		
	Webster	Webster Springs			3	\$ 59,150
	Wood	Williamstown	<u>9</u>	<u>27,500</u>		
		Totals	56	\$ 437,700	9	\$ 146,950
BALTIMORE TERRITORY - Grand Totals			60	\$ 457,700	9	\$ 146,950
CHARLOTTE TERRITORY						
<u>North Carolina</u>						
	Caldwell	Lenoir	1	8,000		
	Haywood	Waynesville	<u>1</u>	<u>24,000</u>		
		Totals	2	32,000		
<u>South Carolina</u>						
	Pickens	Easley	4	76,850		
	Oconee	Seneca	<u>3</u>	<u>16,000</u>		
		Totals	7	\$ 92,850		
CHARLOTTE TERRITORY - Grand Totals			9	\$ 124,850		
RICHMOND TERRITORY			65	\$1,779,500		
BALTIMORE TERRITORY			60	457,700	9	\$ 146,950
CHARLOTTE TERRITORY			<u>9</u>	<u>124,850</u>		
			134	\$2,362,050		





— Mail Trains  
..... Highway Postal Routes





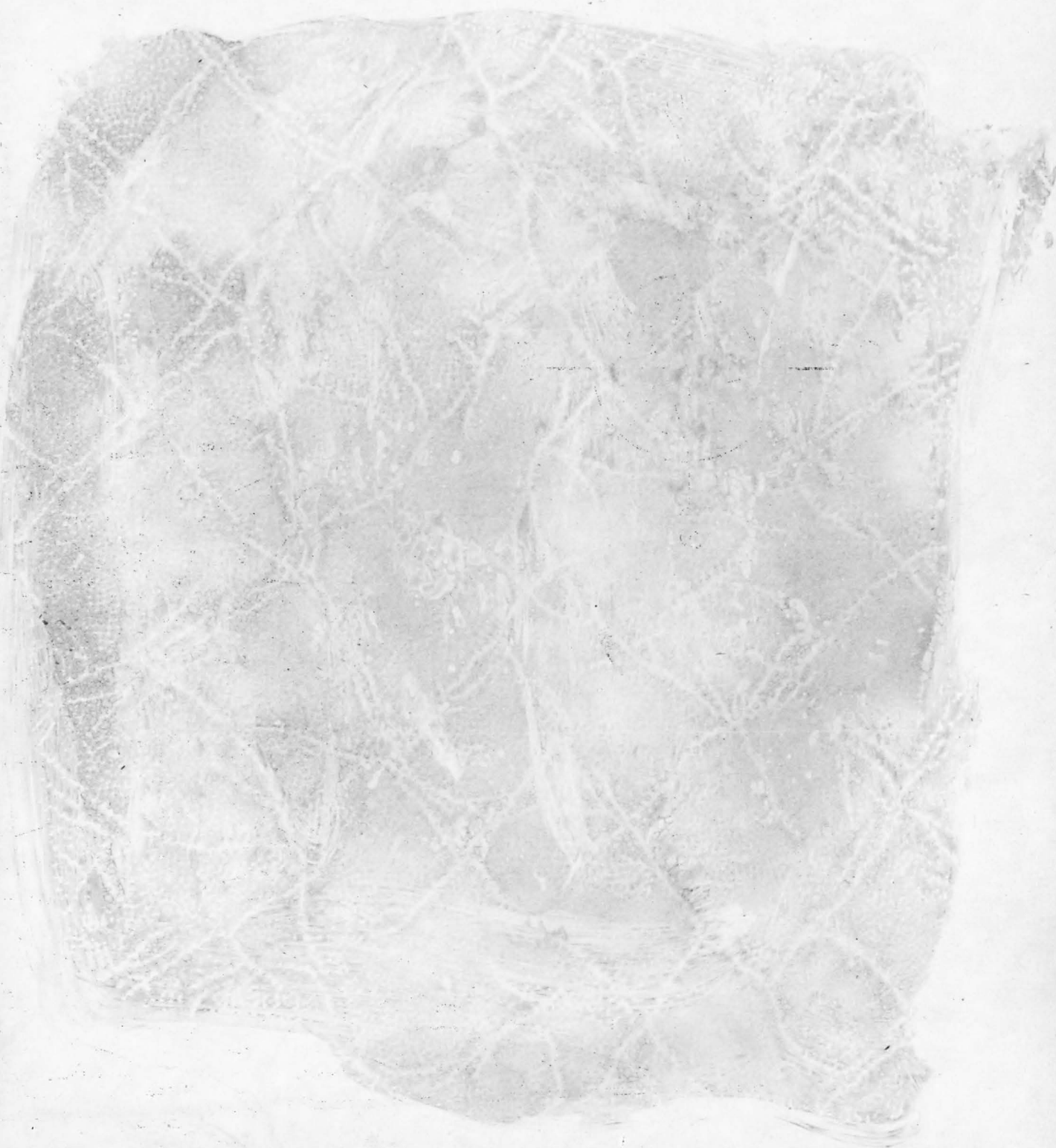
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- △ 3 Day Points
- 4 Day Points
- ◻ 5 Day Points



MISSOURI



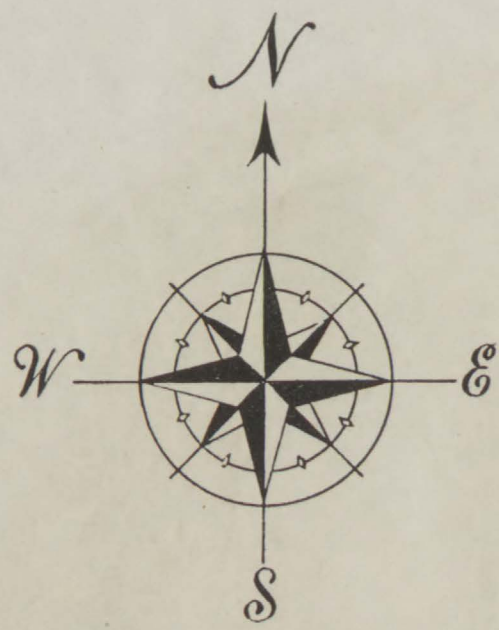
Exhibit I



MISSOURI

MISSOURI  
1898



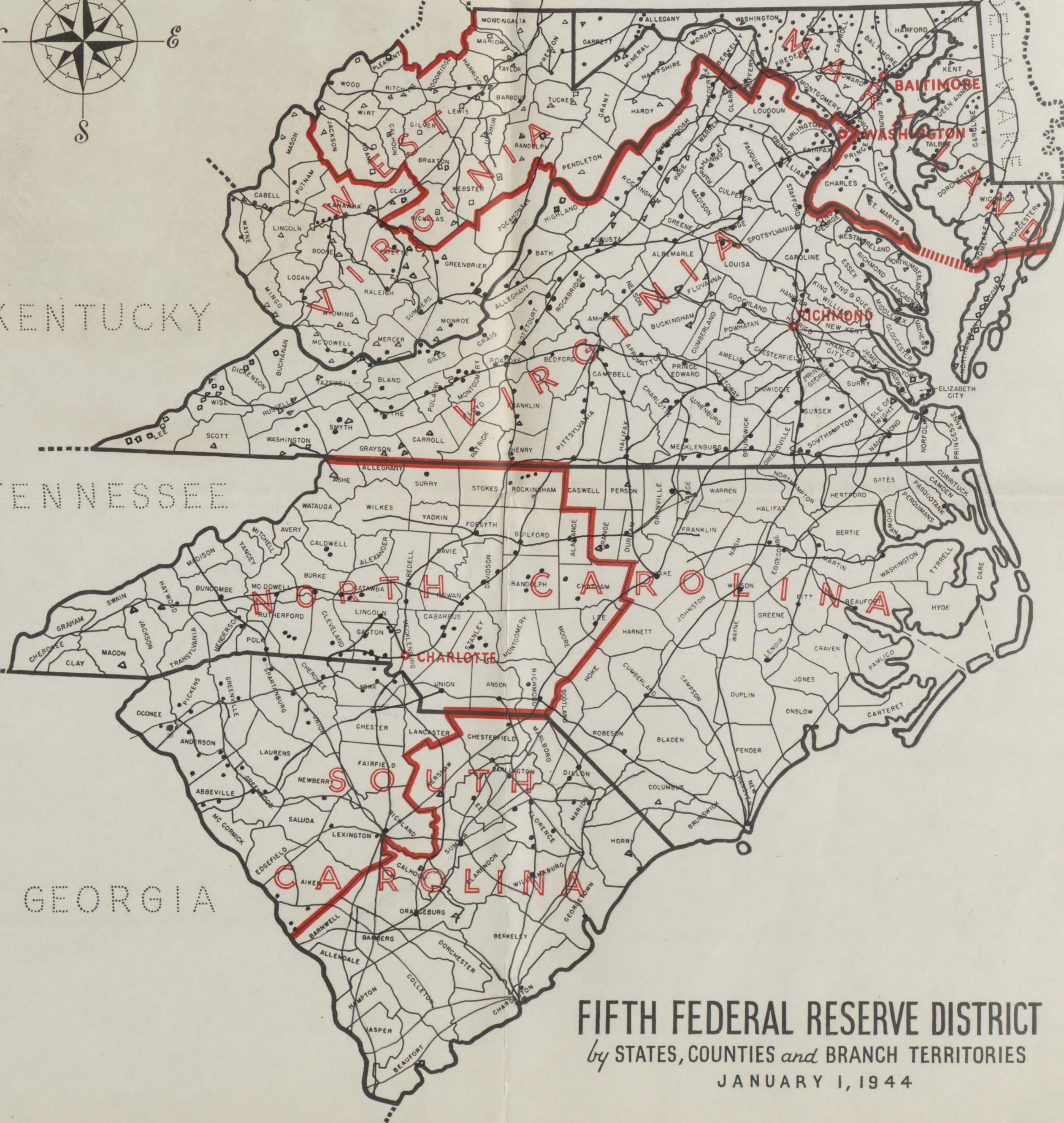


PENNSYLVANIA

OHIO

KENTUCKY

TENNESSEE



**FIFTH FEDERAL RESERVE DISTRICT**  
*by STATES, COUNTIES and BRANCH TERRITORIES*  
JANUARY 1, 1944



REC'D IN FILES SECTION  
MAR 15 1954  
122.7

*Probit*  
*2/15/54*

REVIEW OF SIXTH DISTRICT SERVICES AS  
THEY RELATE TO DISTRICT AND ZONE  
LINES

*Some letters filed 2/19/54 122.7(6)*

FOR FILES  
ZOE GRATSIAZ

REC'D IN FILES SECTION

MAR 15 1954

REVIEW OF SIXTH DISTRICT SERVICES AS THEY  
RELATE TO DISTRICT AND ZONE LINES

This study is made pursuant to the request of the  
Conference of Presidents to determine the reason-  
ableness of existing district and zone lines.

February 15, 1954

## INTRODUCTION

This brief review of the services rendered by the Federal Reserve Bank of Atlanta and its Branches was made to determine the reasonableness of existing district and zone lines as they relate to transportation, communication and the normal flow of business affairs. These lines have been unchanged since they were first established.

At one time the Federal Reserve Bank of Atlanta had an Agency in Savannah, Georgia, and one in Havana, Cuba. These agencies handled money, but performed no other service. They were discontinued in the late 30's because it was felt that they could no longer be justified as separate facilities.

The Branches of the Federal Reserve Bank of Atlanta, located in Birmingham, Jacksonville, Nashville and New Orleans, were made full-powered branches prior to the second World War. Each of them now performs the full range of services offered by the Federal Reserve Bank, except rediscounting, which is performed only at the head office and the New Orleans Branch.



DETERMINING FACTORS IN LOCATION  
OF DISTRICT AND ZONE LINES

At the time the sixth Federal Reserve Bank was being considered as one of the regional banks, Atlanta was the logical choice for the location of its head office because it was the hub of the transportation facilities in the Southeastern states. No other city had as complete rail service and as frequent train schedules. Although there were other considerations in the selection of Atlanta as the head office, its rail transportation superiority was certainly important. Transportation was also an important factor in determining the need for establishing four branches to serve the extensive Sixth District.

In the more than a quarter of a century which has elapsed since these delineations were made, it is in order to appraise these locations with reference to transportation.

At the time the boundaries of the Federal Reserve Bank of Atlanta and its Branches were established, rail transportation was the sole means for the handling of cash letters and currency shipments. Since that time, of course, the methods of transportation have changed radically. Almost every city of financial importance now has air transportation. The mileage of improved highways, in comparison with thirty years ago, is fantastic.

Despite the introduction of air transportation and the development of an extensive network of fine highways, rail trans-



portation is still the dominant method of transporting cash letters and remains a critical factor in appraising the location of zone lines. Changes in rail transportation, while somewhat improved, would not warrant relocation of district or zone lines.

ST. LOUIS FEDERAL RESERVE BANK  
ST. LOUIS, MISSOURI  
FEDERAL RESERVE BOARD

## CASH LETTERS

Methods of dispatching cash letters have changed somewhat as a result of air transportation. For the most part, however, air transportation is used only for handling items to and from other Federal Reserve Banks. In the Sixth District air transportation is used regularly for in-zone shipments only by the Jacksonville Branch in sending to Pensacola, Florida.

A study of transit operations at the head office and each of the Branches reveals only a few isolated spots where cash letters are not received on the day following the mailing of them at each of the five offices. These points are:

Atlanta	-	Bainbridge, Georgia
Birmingham	-	Ashford, Alabama
Jacksonville	-	None
New Orleans	-	None
Nashville	-	Blountville, Tennessee
		Gatlinburg "
		Jellico "
		LaFollette "
		Lake City "
		Maynardville "
		Mountain City "
		Rutledge "
		Tazewell "
		Sneedville "
		Roan Mountain "

The number of points experiencing a delay in receiving cash letters is being reduced through the use of highway mail trucks. No re-arrangement of district or zone lines could have any bearing on mail deliveries to these locations.



## DELIVERY OF CURRENCY AND COIN

Historically, currency and coin has been shipped to member banks, and to nonmember banks at the request of member banks, by registered mail. In recent years, however, a number of trains serving smaller towns have been discontinued. This has meant resorting to an increased use of Star Route deliveries of currency and coin to those banks where rail service is not available. The increase in price levels, accompanied by a general increase in economic activity throughout the district, has resulted in the banks being serviced by Star Routes ordering currency in much larger quantities than they did prior to the war. In many cases the limitations on the Star Routes proved to be serious handicaps.

The discontinuance of train service and the restrictive limitations on Star Routes caused the Federal Reserve Bank to inaugurate the delivery of currency and coin by armored cars. Armored car service, providing vault to vault delivery of currency and coin, has proven extremely popular with member banks and can be rendered at a reasonable cost to the Reserve Bank. The number of banks, both member and nonmember, that are being serviced by armored car deliveries is shown on Table I.



TABLE I

NUMBER OF MEMBER BANKS BY ZONES

	<u>ATLANTA</u>	<u>BIRMINGHAM</u>	<u>JACKSONVILLE</u>	<u>NASHVILLE</u>	<u>NEW ORLEANS</u>	<u>TOTAL</u>
Member Banks and Branches	89	88	79	79	71	406
Nonmember Banks	<u>361</u>	<u>105</u>	<u>133</u>	<u>124</u>	<u>145</u>	<u>868</u>
Totals	450	193	212	203	216	1274

NUMBER OF BANKS RECEIVING ARMORED CAR SERVICE

Member Banks and Branches	43	64	*54	4	***63	228
Nonmember Banks	<u>22</u>	<u>21</u>	<u>**12</u>	<u>-</u>	<u>55</u>	<u>110</u>
Totals	65	85	66	4	118	338

NUMBER OF MEMBER BANKS LOCATED IN FEDERAL RESERVE  
AND BRANCH CITIES

5	3	4	4	5	21
---	---	---	---	---	----

\* Includes 9 banks located in the Atlanta zone and serviced by Jacksonville Branch

\*\* Includes 8 banks located in the Atlanta zone and serviced by Jacksonville Branch

\*\*\* Includes 2 banks located in the Jacksonville zone and serviced by New Orleans Branch

Additional armored car runs and extensions to existing routes are being planned. By the end of the year all of the member banks in the New Orleans zone will have armored car service. In the Birmingham zone all of the member banks, except eleven small isolated banks, will have this service. Well over half of the member banks in Florida are now being served and the extensions will add other banks. The Nashville Branch does not contemplate adding materially to the number of banks being served by armored car, since most of the member banks in Tennessee are too scattered to make this service feasible.

The development of armored car delivery has greatly improved the schedule of deliveries of currency and coin. In a few instances, these armored car runs cross zone lines, but no difficulties have been experienced in crossing these lines.

### SPECIAL AREAS

Southeastern Alabama: When the armored car run out of the Birmingham Branch to Southeast Alabama (Atlanta zone) is inaugurated later this year, it may be that this area of Alabama lying within the Atlanta zone should be re-examined to determine if it would not be more feasible to transfer this area to the Birmingham Branch zone. Since, in the clearing of checks, all Alabama items can be sent to the Birmingham Branch, the majority of transit items being sent to banks in this area are being forwarded by the Birmingham Branch. There is also a much stronger affinity between Southeast Alabama and Montgomery, Alabama, than exists between Southeast Alabama and any Georgia city. If the banks in this section can best be served by the Birmingham Branch, both in regard to transit items and currency shipments, then it would seem there is some justification for considering a change in the zone line to effect such a transfer. The service trends in this area will be observed but the Bank does not, at this time, recommend a change.

Miami, Florida: The rapid growth of the Miami, Florida area and the distance of this region from the Jacksonville Branch have caused some questions to be raised about the need for a money facility at Miami. True, the volume of money and its peculiar flow in South Florida cause some inconvenience to banks in that they must ship to and from the Jacksonville Branch quite frequently. Both armored



car and train service are used to serve the Miami Area.

The burden of frequent deliveries to and from Jacksonville falls on the Reserve Bank. Miami banks are getting excellent service and vault delivery of currency and coin. The problems and expense of shuttling large amounts of cash to and from Miami would be solved, for the most part, by permitting vault cash to count as reserves. The Reserve Bank does not feel that a money facility would give Miami banks better service or reduce the costs of supplying currency and coin.

Savannah, Tennessee: Savannah is the only bank town east of the Mississippi in the Memphis Branch zone. If Savannah were assigned to the Nashville Branch then the Tennessee River would be the dividing line between the Memphis and Nashville Branches. Superior mail service out of Memphis justifies the continuance of this slight irregularity in district lines.



## COMMUNICATIONS

The rapid improvement in communications in recent years, including the System's own wire service, the bank wire service, and a material increase in telephone coverage, have all made communications between member banks and the Federal Reserve Banks more efficient. The effect has been to tie the Atlanta bank, its branches, and commercial banks more closely. There are no problems in wire transfers or other communication services performed by the Federal Reserve Bank that are in any way related to existing district or zone delineations.

SUMMARY

The commercial banks located in the Sixth Federal Reserve District are being serviced by the Federal Reserve Bank of Atlanta and its Branches much more efficiently than at any time in its history. Transit operations have been speeded up by transportation improvements and handling procedures. The point is being approached where most member banks and a considerable number of nonmember banks are receiving currency and coin by armored car. In only a few instances, has it been necessary to cross zone lines in order to render maximum service to member banks. This has been effected without difficulty.

The Federal Reserve Bank of Atlanta has not received any request from a member bank to be changed from one zone to another or out of the Sixth District into another. There seem to be no other reasons why the district and zone lines, laid so carefully years ago, should be changed.



**Federal Reserve Bank of Chicago  
DETROIT BRANCH**

**Expansion to Take in Entire  
Lower Penninsula of Michigan**

**VOLUME 1**

**November 10, 1953**





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REDESIGNATION OF DETROIT BRANCH TERRITORY

FEDERAL RESERVE BANK OF CHICAGO

HISTORY

The Detroit Branch of the Federal Reserve Bank of Chicago was established in 1918. The original territory assigned to the Branch, under a temporary arrangement, consisted only of the city of Detroit. Questions were raised by outstate bankers as to when the Branch would be able to extend its territory even before the Branch was opened.

In October of 1919 the Branch directors voted to recommend to the Board of Directors at Chicago that 40 counties in the eastern half of the Lower Peninsula of Michigan be assigned to the Branch as Branch territory. This recommendation was brought about due to resolutions adopted at Michigan Bankers Association Group Meetings and as a result of a meeting of State Bank Examiners at Lansing.

When Governor James B. McDougall of Head Office acknowledged receipt of the Branch Directors' resolution, he wrote Branch Manager Locke on October 30, 1919, in part, as follows:

"Their recommendation that the Branch be assigned a designated territory will have our careful consideration, having in mind the policy of rendering the greatest service to all of the member banks in this district."

On January 30, 1920 it was announced that 19 eastern counties of the Lower Peninsula of Michigan had been assigned to the Branch. These same counties represent the Branch territory today. For some reason 21 of the 40 counties that were recommended by Branch directors were not included in the final territory allocation. These 21 counties were:

- |          |           |              |
|----------|-----------|--------------|
| Branch   | Clare     | Oscoda       |
| Calhoun  | Gladwin   | Alcona       |
| Eaton    | Arenac    | Otsego       |
| Clinton  | Roscommon | Montmorency  |
| Gratiot  | Ogemaw    | Alpena       |
| Isabella | Iosco     | Cheboygan    |
| Midland  | Crawford  | Presque Isle |

In 1935 as a result of requests made by numerous bankers, a survey was made to consider the possibility of adding 16 counties to Branch territory. In 1943 another survey was made with the same objective. At that time 15 counties were considered. In 1946 a complete survey was made and at that time it was recommended that all of the remaining counties in the Lower Peninsula be added to Branch territory.

HISTORY - Continued

Apparently in the early years additional territory was turned down because at that time the Branch did not perform all of the services rendered by Head Office. In recent years consideration of additional territory has been postponed pending completion of the Detroit Branch building program.

A review of Branch history indicates that the Branch has not, at any time, been assigned territory to coincide with its proper trade area.

TRADE FLOW SURVEY

We have recently completed a trade flow survey which reveals that trends continue in the direction of the Detroit area. This is true even in several cities where trade flows to Chicago are still predominant.

The growth of the automobile industry into one of the major industrial enterprises of the nation has had a tremendous effect on the expansion of the trade area of Detroit. Over the years this growth has changed the economy of outstate Michigan. A specific example of such change is Grand Rapids - Michigan's second city. This town, located in the western part of the state, was formerly recognized as a furniture manufacturing center. Today stampings and accessories for automobiles, which primarily flow to the Detroit area, comprise the major portion of the value of products produced in Grand Rapids.

Another major factor influencing the flow of trade in the direction of Detroit is the continuous development of highway travel for the transportation of agricultural and industrial products. This is evident even in some areas where rail transportation to Chicago is superior to that to Detroit.

Twenty-one communities of western and northern Michigan were included in our survey. We found that in three of the towns the trade flows favor Chicago, fifteen favor Detroit, and three are neutral.

EFFECT ON CHICAGO AND DETROIT BANKS

The flow of money between Head Office and the Branch would not be disturbed because present arrangements for payment of cash letters would be continued. Michigan banks would continue to have the choice of paying for Federal Reserve cash letters in either Chicago or Detroit exchange.

Head Office and the Branch each are now sending 226 cash letters to points in Chicago-Michigan territory. One hundred forty-five points pay for cash letters with Chicago exchange, 74 points pay with Detroit exchange, and 7 points pay Head Office letters with Chicago exchange and Branch letters with Detroit exchange. Eleven banks of the 145 points paying letters with Chicago exchange build funds up in Detroit because they are continually transferring funds from Detroit to their reserve account in Chicago.

EFFECT ON CHICAGO AND DETROIT BANKS - Continued

Exhibit I graphically illustrates the kind of exchange used in paying for Federal Reserve cash letters.

Present debit and credit arrangements could be continued with Chicago banks for account of nonmember banks on savings bond redemption and Treasury tax and loan accounts.

EFFECT ON MEMBER AND NONMEMBER BANKS IN CHICAGO-MICHIGAN TERRITORY

The assignment of the entire Lower Peninsula to the Detroit Branch primarily would involve the transfer of reserve accounts of present Head Office members to the Branch. Fiscal agency functions for member and nonmember banks would be performed by the Branch. Currency and coin shipments would be handled at the Branch. Incoming cash letters would not be a factor because only a small number of Chicago-Michigan members are clearing items direct with Head Office.

Safekeeping service is available now to Michigan member banks at either the Head Office or the Branch and many banks carry securities at both places.

EFFECT ON DETROIT BRANCH

The Detroit Branch now provides all services that are available at Head Office and for the first time it has the space to take on additional volume resulting from enlarged territory.

A department-by-department survey of the volume of transactions between Head Office and Chicago-Michigan member banks indicates that the Branch could handle the expanded territory with 11 additional employees. New equipment needs would be negligible.

IMPORTANCE OF PRESENT BRANCH TERRITORY

The present Branch territory has 180 banks, of which 97 are members. Although it contains less than half of the number of Lower Peninsula banks, it has 82 per cent of all Lower Peninsula bank deposits. The Chicago-Michigan territory has 195 banks, of which 90 are members, and only 18 per cent of Lower Peninsula bank deposits.

Present Branch territory contains the principal manufacturing plants of the tremendous automobile industry. Detroit, the fifth city in population in the United States, is a great and important industrial center. This all-important location makes the Detroit Branch one of the leading offices of the Federal Reserve System. Recent bank debit figures rank Detroit as the third largest banking center in the United States.



RECOMMENDATION

It is suggested that calls be made on all member banks and a selected list of nonmember banks to explain the territory expansion proposal. We believe that the 48 member and nonmember banks with deposit totals of over \$5,000,000 should be called on jointly by Mr. Turner from Head Office and Mr. Swaney from the Branch. The remaining 55 member banks with deposit totals under \$5,000,000 can be called on by Branch personnel.

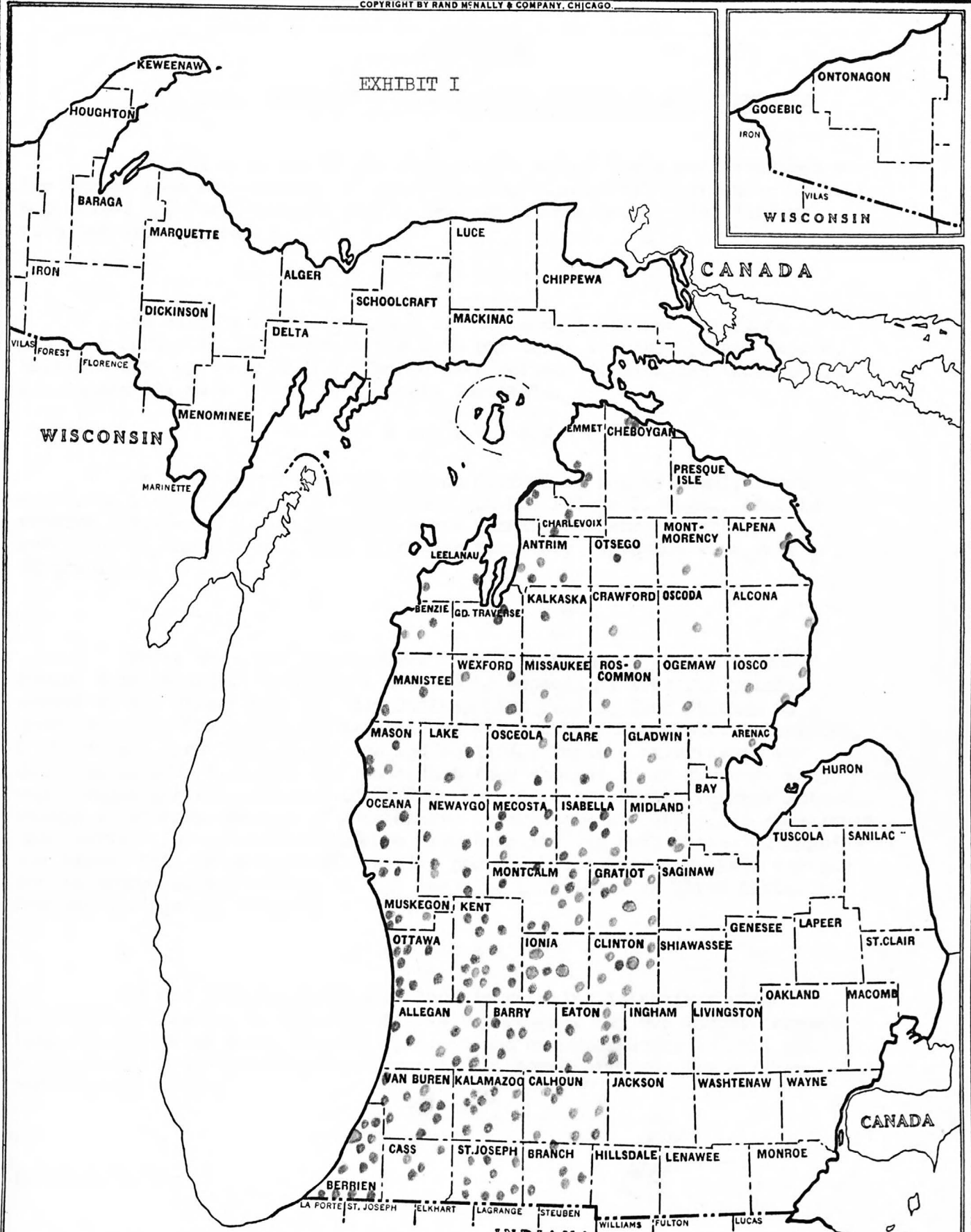
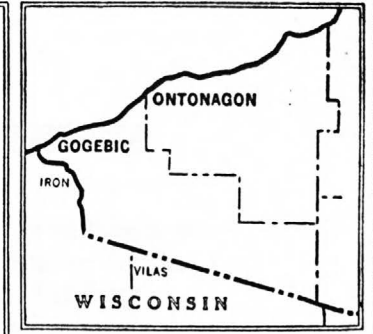
Respectfully submitted,

Russel A. Swaney  
Vice President

October 1, 1953

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EXHIBIT I



- 74 points paying Federal Reserve cash letters with Detroit exchange.
- 145 points paying Federal Reserve cash letters with Chicago exchange.
- 7 points paying Head Office cash letters with Chicago exchange and Branch cash letters with Detroit exchange.

MADE IN U.S.A.

This Map is also available in size 17 x 22

TIN 36



MEMORANDUM

BANK CALLS CONCERNING REDESIGNATION DETROIT BRANCH TERRITORY

We called on all of the eighty-nine member banks and seventeen of the larger nonmember banks. Of the remaining eighty-eight nonmember banks not called on, forty-six are paying Head Office and Branch cash letters with Detroit exchange.

\* \* \* \* \*

We also talked with Howard J. Stoddard, President, Michigan National Bank, Lansing, because his bank has three branches (Grand Rapids, Battle Creek, and Marshall) in Head Office portion of Michigan territory. Mr. Stoddard's reaction was completely favorable.

\* \* \* \* \*

We also talked with Mr. Herman G. Taylor, Deputy Commissioner, Mr. W. A. Blinn Bushaw, Chief Examiner, and Mr. Delmar C. Nagel, Administrative Assistant, of the Michigan State Banking Department. Their reactions to the proposed plan of Branch territory expansion were very favorable.

\* \* \* \* \*

There are some points where currency shipments should be continued from Chicago. We believe this to be especially true for points served by the Chesapeake and Ohio Railway Line running from Chicago to Grand Rapids. The towns are as follows: Benton Harbor, Coloma, Watervliet, South Haven, Fennville, Saugatuck and Holland. Bankers interviewed at South Haven and Fennville did state that they thought their currency shipments would arrive just as quickly from Detroit. One of the bankers interviewed at Sturgis and one of the bankers interviewed at Cassopolis questioned mail service for currency shipments from Detroit. In both cases the remaining banker felt shipments would arrive promptly from Detroit. Mail service for currency shipments from Detroit was also questioned at Three Rivers, Berrien Springs and Bronson.

\* \* \* \* \*

We had exceptionally good luck in securing interviews with executive officers. We missed very few top people. At our largest member bank, The Old Kent Bank, Grand Rapids, we had an opportunity to tell our story to the Executive Committee composed of three high ranking officers and four directors.

November 7, 1953



MEMORANDUM

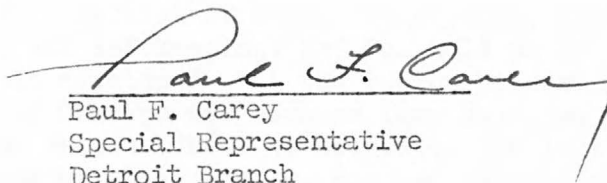
TO: Mr. Clifford S. Young, President

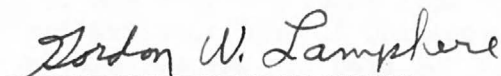
November 7, 1953

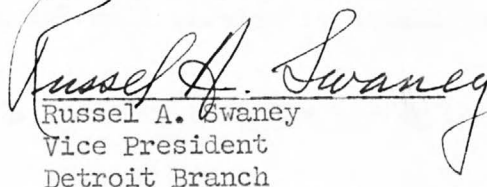
FROM: Paul F. Carey  
Gordon W. Lamphere  
Russel A. Swaney  
William W. Turner

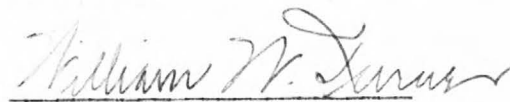
We have called on all of the eighty-nine member banks and seventeen of the larger nonmember banks in the Seventh District Head Office portion of the Lower Peninsula of Michigan and explained to executives and operating officers the plan to include all of the Lower Peninsula in Detroit Branch territory.

The reactions and comments of the bankers interviewed were favorable to the proposed plan. It is our conclusion that the extension of branch territory can be carried out as planned.

  
Paul F. Carey  
Special Representative  
Detroit Branch

  
Gordon W. Lamphere  
Assistant General Counsel  
Detroit Branch

  
Russel A. Swaney  
Vice President  
Detroit Branch

  
William W. Turner  
Vice President  
Federal Reserve Bank of Chicago



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 30, 1953 **REPRESENTATIVE** William W. Turner  
Russel A. Swaney

**STATE** Michigan **CITY** Albion (Calhoun County)

**NAME OF BANK** The Commercial & Savings Bank of Albion

**PERSONS INTERVIEWED:** H. C. Fox, President  
Frank J. Costello, Cashier

**COMMENTS:**

After we had explained to Mr. H. C. Fox, President, the proposed territory redesignation plan of the Detroit Branch, whereby the Branch would take over all of the lower peninsula of Michigan as its territory, effective January 1, Mr. Fox said, "I do not know whether we would like that or not. Our service from Chicago has always been good."

After we had gone into details of check collections, currency shipments, rediscounts, and safekeeping, Mr. Fox told us he would be glad to cooperate. It developed that the reason he currently was thinking in terms of Chicago was because they have had two lost cash letters from the National Bank of Detroit. The lost letters caused them great inconvenience, and Mr. Fox had been thinking of transferring the sending of all of his outgoing items from the National Bank of Detroit to the First National Bank of Chicago. Chicago and Detroit Federal Reserve cash letters are paid for with a draft drawn on the National Bank of Detroit.

Albion is on the main line of the New York Central system running from Chicago to Detroit and mail service is equally good to both places.

Mr. Fox told us that a group in town was trying to organize a new national bank.

/ts

## BANK RELATIONS DEPARTMENT

## REPORT OF CALL ON MEMBER BANK

DATE November 3, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Allegan (Allegan County)  
 NAME OF BANK Allegan State Bank  
 PERSONS INTERVIEWED: Earl W. DeLano, President; Arthur W. Harty, Vice President;  
John O. Follett, Cashier

## COMMENTS:

Before we could complete our explanation concerning the additional territory plan for the Detroit Branch, Mr. DeLano, interrupted us and said, "I think I understand. That will mean all the lower peninsula of Michigan will be under the Detroit Branch. It sounds good to me. We do most all of our business in Detroit, anyway. But what will Mr. Olsen in Chicago do without his principal 13-B customer?" Later, when we talked with Mr. Harty and Mr. Follett, they both echoed Mr. DeLano's sentiments, and Mr. Harty commented about the fact as to how many more trips he made to Detroit in the course of a year, than he did to Chicago. Curiously enough, Mr. DeLano was examining a Federal Reserve Bank of Chicago cash letter when we were ushered into his office. He told us that he made a practice of examining cash letters practically every morning and stated that he obtained more credit information from an examination of his customers' checks than any other way.

This \$6,500,000 institution has three correspondent accounts, The Hanover Bank, New York, Continental Illinois National Bank and Trust Company of Chicago, and The Manufacturers National Bank of Detroit. Chicago and Detroit Federal Reserve cash letters are paid for with a draft on The Manufacturers National Bank of Detroit. All outgoing items are cleared with Manufacturers National Bank of Detroit.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

DATE October 24, 1953 REPRESENTATIVE Russel A. Swaney; Paul F. Carey  
 STATE Michigan CITY Alpena (Alpena County)  
 NAME OF BANK Alpena Savings Bank  
 PERSONS INTERVIEWED: Harold G. Hudson, President

**COMMENTS:**

Harold G. Hudson, President, is a former Federal Reserve Bank examiner and is well aware of the long years of history back of the present plan to expand the Branch territory. Mr. Hudson was very pleased to learn of the new plan and said that it would save them time on savings bond and Government bond transactions. He mentioned the poor mail service between Alpena and Chicago.

This bank clears all of its items with National Bank of Detroit and its automatic debit and credit arrangements for E bond redemptions and Treasury Tax and Loan account are with Continental Illinois National Bank and Trust Company of Chicago. Mr. Hudson said he would probably change these arrangements to the National Bank of Detroit after our plan was complete. We emphasized that this was not necessary as we did not want to do anything that would disturb correspondent bank relationship. Mr. Hudson pointed out that from the standpoint of mail service, it was logical for him to change these debit and credit arrangements to the National Bank of Detroit.

Mr. Hudson would like to again become a member bank, and he said, "We are going to join again some day, but I just can't get used to the dictatorial method of one of your newer members of the Board of Governors, as applied to bank examinations."

Mr. Hudson told us he would like to buy the Oscoda State Bank. He has had several conversations with Mrs. McNichol, the president of the bank, and she has told him that if she ever decides to sell, he will have the first opportunity to buy her bank.

RAS:ts



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

The Peoples State Bank of Alpena -2

October 24, 1953

DATE October 24, 1953 REPRESENTATIVE Russel A. Swaney; Paul F. CareySTATE Michigan CITY Alpena (Alpena County)NAME OF BANK The Peoples State Bank of AlpenaPERSONS INTERVIEWED: C. M. E. Lundquist, Executive Vice President  
and Cashier**COMMENTS:**

The size with footings of this bank were \$5,200,000.

After we had explained to Mr. Lundquist the proposed plan of expanding Detroit Branch territory, he told us he felt it was a very good idea. Chicago mail to Alpena takes from two to three days as compared to a day, or day and a half, for Detroit mail. Mr. Lundquist told us that it would save them time on savings bond transactions. He also said that he probably would stop paying for cash letters with drafts on Continental and start paying for cash letters with drafts on National Bank of Detroit or Manufacturers National Bank of Detroit. He remarked that for some time he had felt guilty about the delay on his return items caused by his returning them all to Chicago. We pointed out to Mr. Lundquist that we definitely did not want to interfere with any correspondent relationship. He indicated that he probably would leave his credit and debit arrangements on E bond redemptions and Treasury Tax and Loan account with the First National Bank of Chicago. Mr. Lundquist went on to tell us how much good he had gotten out of the several correspondent study series that are put on every Fall by the First National Bank of Chicago.

For some time this bank has considered membership. Mr. Lundquist told us that some of his directors were not very enthusiastic about the idea, because they felt they could make more money as a nonmember bank. He admitted that their shipping charges during the summer months on outgoing currency were substantial. We discussed membership at some length and Mr. Lundquist said he would talk with his directors again. Directors' meetings are held on the third Tuesday of every month; however, they have so much business to transact, they are now thinking of having another directors' meeting on the first Tuesday of every month so that probably directors' meeting will be held on the first and third Tuesday.

During our discussion on membership, Mr. Lundquist asked about discounting privileges and mentioned that the Federal Reserve Banks did not do too good a job of taking care of the banks in the 1929 - 33 era. We pointed out that the Federal Reserve Act had been amended since that time. Mr. Lundquist also asked what would be necessary in the way of capital as a member bank, if he opened a branch. For some time he has been under pressure to open a branch at Lincoln, which is about eight miles from Harrisville, where the Alpena Savings Bank has a branch.

BANK RELATIONS DEPARTMENT  
REPORT OF CALL ON MEMBER BANK

The Peoples State Bank of Alpena -2

October 24, 1953

DATE November 1, 1953 REPRESENTATIVE Paul F. Gandy

Mr. Lundquist told us this had been one of the greatest resort seasons that Alpena had ever had. This bank last year moved into a new building which is across the street from their old location. The building is completely modern in every respect with a drive-in at the rear. It is located on the banks of the Alpena River. The old building was sold for \$40,000 and the new building cost slightly over \$180,000. Mr. Lundquist gave us a complete tour through his new building. In our opinion it is one of the best new bank buildings for a bank this size.

The June 30th footings of this bank were \$6,200,000.

Mr. Y. Solby, Cashier, said Alpena is nearer to Detroit than Chicago, and although he does not get to either city, most people in the area feel a closer association with Detroit.

Most checks are collected through Head Office and remittances are made to Head Office by Federal Reserve draft.

Mr. Solby told us they would analyze their out-of-town checks and if warranted, they may start forwarding Detroit area checks to the Branch for collection, and all others to Head Office. He also said that, at least for the present, he felt they should not disturb their cashing arrangements at Head Office, where they will also continue to buy and sell Government

RAS:ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 2, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Alto (Kent County)  
 NAME OF BANK Farmers State Bank of Alto  
 PERSONS INTERVIEWED: Earl V. Colby, Cashier

**COMMENTS:**

Earl V. Colby, Cashier, said Alto is nearer to Detroit than Chicago, and although he does not get to either city, most people in the area feel a closer association with Detroit.

Most checks are collected through Head Office and remittances are made to Head Office by Federal Reserve draft.

Mr. Colby told me they would analyze their out-of-town checks and if warranted, they may start forwarding Detroit area checks to the Branch for collection, and all others to Head Office. He also said that, at least for the present, he felt they should not disturb their safekeeping arrangements at Head Office, where they will also continue to buy and sell Governments.

/bam



## BANK RELATIONS DEPARTMENT

## REPORT OF CALL ON MEMBER BANK

DATE October 29, 1953 REPRESENTATIVE William W. Turner, Vice President  
Russel A. Swaney, Vice President

STATE Michigan CITY Battle Creek (Calhoun County)

NAME OF BANK Security National Bank of Battle Creek

PERSONS INTERVIEWED: Horace F. Conklin, President

## COMMENTS:

When we had completed our explanation of the plan for redesignation of Detroit Branch territory, Mr. Conklin said, "It sounds all right to me. I like the idea of including the entire lower peninsula. If you were just moving a territory line, we might have some objection."

Mr. Conklin's only question concerned safekeeping, and we explained that his safekeeping could be left in Chicago or transferred to Detroit, whichever would be more convenient for him.

Chicago and Detroit Federal Reserve cash letters are paid for by debit to their Reserve Account. Some outgoing items are apparently cleared with National Bank of Detroit, because during September, this bank had six transfers from National Bank of Detroit to their Reserve Account.

wr/

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

DATE October 27, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Benton Harbor (Berrien County)  
 NAME OF BANK Benton Harbor State Bank  
 PERSONS INTERVIEWED: O. G. Brewitz, Vice President & Cashier  
William R. Fletcher, Assistant Cashier

**COMMENTS:**

D. M. Ruth, President of this \$13,400,000 bank, was away on vacation. We explained to O. G. Brewitz, Vice President and Cashier, the plan for expanding the Detroit Branch territory. Mr. Brewitz told us that he appreciated our calling on him, and that they would cooperate in every way possible.

Credits for savings bond redemptions and debits on Treasury Tax and Loan account for this bank are made by us on their account at Continental Illinois National Bank and Trust Company. We explained to Mr. Brewitz that this could continue on the same basis. Remittances for Detroit and Chicago cash letters are paid for with a draft on the Northern Trust Company of Chicago.

We discussed membership briefly. Mr. Brewitz told us that the matter had never been brought up at their directors' meetings because Mr. Ruth and he felt that our reserve requirement was too high. They prefer to continue under a state reserve requirement whereby part of their reserve could be in Government securities. Brewitz admitted that they had grown to a size where probably they should be members of the Federal Reserve System.

RAS/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 27, 1953      **REPRESENTATIVE** Wm. W. Turner & Russel A. Swaney  
**STATE** Michigan      **CITY** Benton Harbor (Berrien County)  
**NAME OF BANK** Farmers & Merchants National Bank in Benton Harbor  
**PERSONS INTERVIEWED:** Vere Beckwith, President; George D. Taylor, Vice President;  
J. Ken Keefer, Vice President; Robert L. Vandenberg, Vice  
President & Trust Officer; Herbert W. Remus, Cashier; Richard  
E. Willard, Assistant Cashier  
**COMMENTS:**

Vere Beckwith, President, told us he would be very glad to go along with any plans for expansion of Detroit Branch territory.

Benton Harbor is on the main line of the Chesapeake and Ohio Railway, running from Chicago to Grand Rapids, and it may be necessary to continue currency and coin shipments from Chicago.

This \$19,500,000 institution clears all of their outgoing items with the Continental Illinois National Bank and Trust Company of Chicago. They pay for our Detroit and Chicago letters with a draft on Continental. We explained that our check collection service would remain the same; also, their safekeeping would not be affected. Purchases and sales of securities are handled through Continental.

For some time the officials of the Eau Claire State Bank have been talking with Mr. Beckwith concerning the purchase of that bank by this institution. Mr. Beckwith believes that Eau Claire would make a good branch. He also is considering a drive-in branch in Benton Harbor.

RAS/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 26, 1953      **REPRESENTATIVE** Wm. W. Turner & Russel A. Swaney  
**STATE** Michigan      **CITY** Berrien Springs (Berrien County)  
**NAME OF BANK** Berrien Springs State Bank  
**PERSONS INTERVIEWED:** G. L. Valentine, President  
Warren F. Schultz, Vice President & Cashier

**COMMENTS:**

Mr. Valentine's first reaction to the proposal whereby the Branch would take over all the entire lower peninsula of Michigan, was that Detroit was twice as faraway as Chicago, and he was afraid mail service would take an extra day. We explained that if the mail service from Detroit was not satisfactory, we would continue to ship currency and coin from Chicago. Likewise, we explained that his safe-keeping could continue to be handled in Chicago, as in the past.

This bank pays for our Chicago and Detroit cash letters with a debit to their Reserve Account. All outgoing items are sent to the Northern Trust Company of Chicago. Funds are continually being transferred from Northern Trust Company to their Reserve Account. We suggested to Mr. Schultz that our cash letters be paid for with a draft on the Northern Trust Company, which would save them a lot of transfers.

After we had explained all phases of the proposed plan, Mr. Valentine and Mr. Schultz agreed that they could work with us in Detroit as well as Chicago. Even though Mr. Valentine continues to feel Chicago-minded, he recognizes that a plan such as we propose, would be better by following state lines.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 21, 1953 REPRESENTATIVE Russel A. Swaney; Paul F. Carey  
 STATE Michigan CITY Big Rapids (Mecosta County)  
 NAME OF BANK Big Rapids Savings Bank  
 PERSONS INTERVIEWED: Francis N. Ford, President; John O. Bergelin, Cashier;  
V. O. Waters, Assistant Cashier

**COMMENTS:**

We explained to Mr. Bergelin the proposed territory expansion plan of the Detroit Branch wherein the Branch would take over all the territory in the lower peninsula of Michigan. Mr. Bergelin's reaction was immediately favorable. He said the plan made sense to him because the fundamental purpose of the Federal Reserve Act was to establish banks and branches that were local in character, and certainly he would feel closer to Detroit than he would to Chicago. Mr. Bergelin's reaction was so concise and favorable that we asked him to address a letter to Mr. Young putting down what he had told us. The letter is attached to this report.

Mr. Bergelin inquired as to how the new plan would affect his present check clearing with Continental Illinois National Bank and Trust Company. We told him that he could continue to pay for Detroit and Chicago cash letters with a draft drawn on Continental.

Mr. Bergelin also inquired concerning chattel mortgage insurance. Recently the filing fees on chattel mortgages have been raised here in this county from 50 cents to \$1 and, in order to save some money, Mr. Bergelin has been considering chattel mortgage insurance. He actually believes he will have better protection with insurance than he now has by filing.

Mr. Ford has been with this bank 35 years and Mr. Bergelin has made a deal with Mr. Ford whereby Ford will retire January 1. Bergelin told us that he may relent and make Ford, Chairman of the Board, and let him work part time.

RAS;ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 28, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Blanchard (Isabella Co.)  
 NAME OF BANK The Blanchard State Bank  
 PERSONS INTERVIEWED: Chester McDonald, Cashier;  
Stanley W. Raymond, Assistant Cashier

**COMMENTS:**

Chester McDonald, Cashier, remarked that when he joined the Federal Reserve System he thought he was going to deal with the Detroit Branch. This bank now sends all its cash items to Head Office for collection, and remits for our cash letters by a charge to its Reserve Account at Head Office. Both Mr. McDonald and Stanley W. Raymond, Assistant Cashier, said the Branch territory expansion plans seemed logical to them. Mail service is about the same to and from Chicago or Detroit.

Mr. McDonald mentioned that if the expansion plans are completed, they would probably collect out-of-town checks through the Branch, and would continue to pay for cash letters by charging their Reserve Account. This bank has only two correspondents, the Second National Bank and Trust Company, Saginaw, and the Old Kent Bank, Grand Rapids. Checks are not sorted before they are sent to Head Office for collection, and Mr. McDonald brought out the ledger which indicated they are carrying a float amounting to about \$60,000 as of current date. He said, "You know, the big city banks have been after us to handle collections through them and get immediate credit. When are you going to give us immediate credit for all items?"

/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 28, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Breckenridge (Gratiot Co.)  
 NAME OF BANK Farmers State Bank of Breckenridge  
 PERSONS INTERVIEWED: Richard L. Baldwin, Cashier

**COMMENTS:**

In connection with the Branch territory expansion plans, Richard L. Baldwin, Cashier, said, "That's fine. We are only about five miles from the arbitrary line set up as the Branch territory. We should be doing more business with the Detroit Branch." Mr. Baldwin then went on to relate that their principal correspondent is the Manufacturers National Bank of Detroit, and remittances are now made to the Branch for cash letters. Under the present arrangement, it is necessary to make several transfers each month from the Manufacturers National Bank of Detroit to the Head Office. All checks are collected through Manufacturers.

Mr. Baldwin said that outgoing mail service to Chicago or Detroit was about the same; however, the incoming mail schedule was much better from Detroit than from Chicago.

Mr. Baldwin told me that he definitely would want to transfer his safekeeping from Head Office to the Branch, and remarked, "Our investment counselors are in Detroit and occasionally, when they purchase securities for us, they erroneously deliver them to the Detroit Branch."

An expansion and remodeling program is underway here. The addition will provide about 50 per cent more floor space, and is expected to house the bookkeeping operations as well as provide an office which will be used by Robert L. Baldwin, President. The office will also double as a board room. There is to be fluorescent lighting throughout and air-conditioning will be installed.

/bam

## BANK RELATIONS DEPARTMENT

## REPORT OF CALL ON MEMBER BANK

DATE November 4, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Bronson (Branch County)  
 NAME OF BANK The Peoples State Bank of Bronson  
 PERSONS INTERVIEWED: John A. Sommer, President; Gerald N. Pearce, Executive Vice President and Cashier; Donald D. Hunsicker, Vice President; Robert M. Phelps, Assistant Cashier, W. Bruce Wilbur, Director

## COMMENTS:

With regard to the proposed plan for expansion of Detroit Branch territory, Gerald N. Pearce, Executive Vice President and Cashier, said, "That should work out all right for us but our mail service from Detroit is not very good." He went on to tell me that this community of approximately 2,000 people has a payroll of about 1,800, which means that many of those employed live in outlying areas, and the bank is constantly ordering currency and coin to meet the local demand. Mr. Pearce said he now orders currency and coin from Head Office on Monday so that he will have it on Wednesday. He then has to hold it until Friday and Saturday, which are heavy days because of the local payrolls. It is necessary that the shipments come in on Wednesday, as the bank is closed on Thursday afternoon.

Mr. Pearce believes the service from Detroit is not as good as from Chicago because this community has train service by way of Elkhart, Indiana, on the Lakeshore Division of the Michigan Central Railroad.

In discussing this currency shipment problem, Mr. Pearce asked that we check through the Detroit Post Office to determine whether it would be possible to ship currency and coin from the Branch so as to arrive in Bronson on Friday morning. This would eliminate the holding of a large inventory as is now done from Wednesday to Friday.

Outgoing items are collected through the Continental Illinois National Bank and Trust Company of Chicago and the National Bank of Detroit. Funds are transferred frequently from National Bank of Detroit by way of the Branch to Head Office. Payment for Detroit and Chicago Federal Reserve cash letters is usually made by draft on the Continental Illinois National Bank and Trust Company, Chicago. Mr. Pearce was pleased to know these collection and payment arrangements need not be disturbed.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

**DATE** October 26, 1953      **REPRESENTATIVE** Wm. W. Turner & Russel A. Swaney  
**STATE** Michigan      **CITY** Buchanan (Berrien County)  
**NAME OF BANK** Union State Bank  
**PERSONS INTERVIEWED:** C. Edwin Kaye, President  
Charles A. Castle, Assistant Vice President

**COMMENTS:**

Mr. Kaye, President of this \$7,500,000 non-member bank, could see no reason why he could not do the limited business that he transacts with the Federal Reserve Bank just as well with Detroit as with Chicago. Being on the main line of the New York Central Railroad, their mail service is about the same to either point. We explained that we could continue to credit his account with the City National Bank and Trust Company, Chicago, for redeemed savings bonds; also, we could continue to debit his account at the Northern Trust Company on his Treasury Tax and Loan withdrawals.

Mr. Kaye told us that Mr. King and himself were the only two directors in favor of membership in the Federal Reserve System. The other four directors, apparently, more or less dominated by Mr. Babcock, all feel that because of our reserve requirements, the bank should not become a member bank. Mr. Kaye said that Mr. Babcock made quite a point of the present reserve requirements under state laws whereby part of their reserve can be in United States Government bonds. Directors' meetings are held on the third Wednesday of every month.

Chicago and Detroit cash letters are paid for with a draft on the Northern Trust Company.

Mr. Kaye said that because of lower sales, the local Clark Equipment Corporation plant was operating at about 50 per cent of capacity.

This bank was examined by the State Banking Department last week.

RAS/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 4, 1953                      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan                              **CITY** Burr Oak                      (St. Joseph County)  
**NAME OF BANK** The First National Bank of Burr Oak  
**PERSONS INTERVIEWED:** John E. Hickory, President  
John B. Bordner, Cashier

**COMMENTS:**

John E. Hickory is the newly elected president. According to John B. Bordner, Cashier, Mr. Hickory recently purchased controlling interest in this bank. The former president, Benjamin T. Fry, now has the title of Chairman of the Board.

Mr. Hickory and Mr. Bordner agreed that our proposed expansion plan for the Detroit Branch would be satisfactory to them. Mr. Bordner said, "I could pick up the telephone now and order currency from Chicago and receive it tomorrow afternoon, but if I ordered it from Detroit, I would receive it tomorrow morning at eight o'clock."

Outgoing items are sent to the Harris Trust Company of Chicago and The Manufacturers National Bank of Detroit for collection. Periodic transfers of funds are made by The Manufacturers National Bank of Detroit by way of the Branch to Head Office. I explained to both Mr. Hickory and Mr. Bordner that present arrangements could be continued even though certain activities were transferred to the Branch. I stressed the fact that we did not want any correspondent relationships disturbed because of the change in territory.

Mr. Hickory said he did not understand all the details, but he could not see why they could not do most of their dealing with their Detroit correspondent, as he has very close connections there. I told Mr. Hickory it appeared this would be more practical and explained our collection procedure.

We had a lengthy discussion with regard to the various services of the Federal Reserve System, and Mr. Hickory asked many questions. Until about ten years ago, Mr. Hickory had been connected with the Addison State Savings Bank which is a nonmember bank. He told me he had outside interests, some of which he expected to liquidate; however, he plans to spend most of his time managing this bank, at least until operations get on a more proper basis. Mr. Hickory remarked he would have to refresh his memory on many of the banking operation details and expected to have more questions later on when he plans to call on the Branch. He is interested in meeting the officers and observing our operations.

/ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 3, 1953 REPRESENTATIVE Paul F. Carey  
STATE Michigan CITY Byron Center (Kent County)  
NAME OF BANK The Byron Center State Bank  
PERSONS INTERVIEWED: Sierd Andringa, President; Willard J. Van Singel, Cashier

**COMMENTS:**

This bank pays for our cash letters by charging its Reserve Account and collects all items through Head Office. Willard J. Van Singel, Cashier, was glad to know he could continue this arrangement with Head Office, even though they might become part of Detroit Branch territory.

Mr. Van Singel told me they probably would continue to handle safekeeping with Head Office and indicated that the transfer of various functions to the Branch would make very little difference as far as they were concerned. He mentioned that the mail service is about the same to and from Chicago or Detroit.

This bank is in the process of a major remodeling program.

SS

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

**DATE** November 5, 1953      **REPRESENTATIVE** Wm. W. Turner & Russel A. Swaney  
**STATE** Michigan      **CITY** Cadillac (Wexford County)  
**NAME OF BANK** The Cadillac State Bank  
**PERSONS INTERVIEWED:** W. C. Nordell, Executive Vice President; Carl M. Iverson, Vice President & Trust Officer; Harold A. Elgas, Cashier

**COMMENTS:**

The principal correspondent of this \$12,000,000 institution is The Detroit Bank, hence, the officials were very glad to learn of the proposed expansion of Detroit Branch territory to include all of the lower peninsula of Michigan.

Debits to their Treasury Tax and Loan account are now handled through The Detroit Bank. Redeemed savings bonds are credited to the First National Bank of Chicago. The officers told us they would probably want to transfer the credit arrangement for redeemed savings bonds to The Detroit Bank.

Jay J. Veldman, President, was out of the bank for the afternoon.

RAS/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 2, 1953      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan      **CITY** Caledonia (Kent County)  
**NAME OF BANK** State Bank of Caledonia  
**PERSONS INTERVIEWED:** Charles G. Cool, Cashier

**COMMENTS:**

With regard to the expansion plan, Charles G. Cool, Cashier, said, "It should make little difference to us. We clear out-of-town checks through the Manufacturers National Bank of Detroit and we usually remit for your cash letters with drafts drawn on that bank."

Mr. Cool felt that eventually it would be advisable for him to transfer safekeeping to the Detroit Branch. He said mail service is good to and from both Chicago and Detroit.

SS

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 5, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Cassopolis (Cass County)  
 NAME OF BANK The Cass County State Bank  
 PERSONS INTERVIEWED: W. B. Decker, President and Cashier; N. B. Swisher, Assistant  
Cashier

**COMMENTS:**

Concerning the proposed Detroit Branch territory expansion plan, W. B. Decker, President and Cashier, said he was satisfied arrangements would be worked out satisfactorily.

This bank sends immediate credit items only to Head Office. All other items are cleared through the Continental Illinois National Bank and Trust Company, Chicago, and the First National Bank of Chicago. Usually, payment for our cash letters is by charge to the Reserve Account, and cash transfers are periodically made from the Chicago correspondents to the Reserve Account. Mr. Decker desires to continue the present arrangements for paying and collecting cash letters and expects to leave safekeeping items at Head Office and will continue to buy and sell securities in Chicago.

Referring to cash letters, Mr. Decker told me he knows from experience that, "You can't count on Detroit mail, but you can on Chicago." He said that frequently the Detroit cash letters are delayed and, therefore, he wished to continue his currency and coin transactions with Head Office. He said that currently his currency requirements were relatively small, but in the summer they order a considerable quantity.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 25, 1953 REPRESENTATIVE Russel A. Swaney  
 STATE Michigan CITY Cassopolis (Cass County)  
 NAME OF BANK The First National Bank  
 PERSONS INTERVIEWED: Joseph K. Ritter, Vice President and Cashier

**COMMENTS:**

On my way to South Bend tonight, as I was driving through Cassopolis, I noticed a light in the First National Bank. I stopped and found Mr. Joseph K. Ritter, Vice President and Cashier, busily engaged in looking over the mail that had come in today. He apparently had gone to the post office and picked up the mail that was there. The mail included a cash letter from Detroit Branch.

I explained to Mr. Ritter the proposed territory expansion plan of the Detroit Branch and went on to describe how the plan would affect the First National Bank of Cassopolis. When I had finished, Mr. Ritter leaned back in his chair and said, "This is really a strange thing. You know, prior to the passage of the Federal Reserve Act, we used to clear all of our items with Detroit. The reason for it was, at that time we had a lot of grain drafts drawn on Buffalo, which we cleared with the Detroit banks. I do not know what happens to our grain now - I suppose it is trucked to nearby points; but at any rate, after the passage of the Federal Reserve Act, we started doing the major part of our business with the Federal Reserve Bank of Chicago. Several years ago, we started clearing items with the First National Bank of Chicago. The major portion of our items are Michigan and Indiana items. We are on the main line of the Grand Trunk Railroad, so we have equally good mail service with either Chicago or with Detroit. Your proposed plan should be all right with us." I assured Mr. Ritter that he could continue his present clearing arrangements with the First National Bank of Chicago.

Mr. Ritter told me of their plan to remodel a store building which they own south of their present building. The building is about six feet wider and fifteen feet longer than present quarters, and would give them much need additional space. Present quarters look as though they have not been touched since the bank opened in 1871.

Mr. Ritter is concerned about business conditions and feels that we are on the verge of a definite down-trend in business. When I left, Mr. Ritter assured me that they would be glad to cooperate with our plan for expansion of the Detroit Branch territory.



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 28, 1953 REPRESENTATIVE Gordon W. Lamphere; Russel A. Swaney  
STATE Michigan CITY Centreville (St. Joseph County)  
NAME OF BANK Centreville State Bank  
PERSONS INTERVIEWED: Paul Dillon, President and Cashier

**COMMENTS:**

Paul Dillon, President and Cashier, was very enthusiastic about the plan for expanding Detroit Branch territory. He said, "I like the idea. I have always felt much closer to Detroit than I have to Chicago. It just seems as though Detroit is part of us and Chicago is a long ways away. When your plan goes through, I think I will stop clearing our items with Continental Illinois National Bank and Trust Company of Chicago, and send everything to you at the Branch."

Mr. Dillon told us that mail service from Centreville was much better to Detroit than it is to Chicago. This bank now pays Chicago and Detroit Federal Reserve cash letters with a draft drawn on Continental.

RAS:gh

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 26, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Charlevoix (Charlevoix County)  
 NAME OF BANK Charlevoix County State Bank  
 PERSONS INTERVIEWED: Robert Bridge, President

**COMMENTS:**

After I explained the proposed Branch territory expansion plan, Mr. Bridge said, "It shouldn't make much difference with us as mail service to and from Chicago or Detroit is about the same. Except for a few large items which we send direct to your Head Office in Chicago, all items are cleared with the National Bank of Detroit." Mr. Bridge is definitely in favor of the expansion plan and indicated that such a setup was long overdue.

Mr. Bridge mentioned his several correspondents, especially referring to the National Bank of Detroit and remarked, "I don't know why we clear checks through them anyway, when we have the big balance at the Federal Reserve Bank."

According to Mr. Bridge, included in his cash letters from the National Bank of Detroit, he has been receiving checks on the other local bank mixed with his checks. He complained, and now the National Bank of Detroit sorts the checks into two groups. Mr. Bridge said he did not see why he should get checks on the other bank anyway. He remarked, "I don't want to look at their checks to see who their customers are. The National Bank of Detroit should collect these checks through the Fed."

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

DATE October 26, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Charlevoix (Charlevoix County)  
 NAME OF BANK Charlevoix State Savings Bank  
 PERSONS INTERVIEWED: A. L. Livingston, Vice President & Cashier

**COMMENTS:**

A. L. Livingston, Vice President and Cashier, told me that, including this area in the Branch territory would have little, if any, effect upon the activities of his bank. He mentioned he does get to Detroit more often than Chicago. However, mail service is about the same to either Chicago or Detroit, so that mail and savings bond shipments would be delivered on about the same time schedule.

I stressed the fact that he could continue to pay for our cash letters in Chicago exchange and that the expansion program would not disturb their correspondent relationship.

/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 30, 1953 REPRESENTATIVE William W. Turner-Russel A. Swaney  
 STATE Michigan CITY Charlotte (Eaton County)  
 NAME OF BANK Eaton County Savings Bank  
 PERSONS INTERVIEWED: Philip H. Barber, President; William B. Otto, Cashier

**COMMENTS:**

Mr. Philip H. Barber, President, listened intently to our plan for expansion of Detroit Branch territory. When we had finished, he said, "We will be glad to do anything you say. Your plan sounds all right to us. Is there anything we can do to help you?" Mr. Barber went on to tell us that his wife's relatives live in Joliet, Illinois, hence in recent years he seemed to make more trips to Chicago than he did to Detroit.

When Mr. Otto was called in to Mr. Barber's office to hear our story, Mr. Otto said he thought that mail service to and from Detroit is not quite as good as it is to and from Chicago.

This \$4,000,000 institution pays for Chicago and Detroit Federal Reserve cash letters with a debit to their Reserve Account. All outgoing items are cleared with the Northern Trust Company of Chicago.

Mr. Barber is president of the nearby Barber State Bank at Vermontville. He told us of his problems in trying to find a successor to Charles A. Stiles, Cashier. Mr. Stiles is quite elderly and is anxious to retire, but so far, Mr. Barber has been unsuccessful in finding someone to replace him. Mr. Barber is now thinking of buying the Barber State Bank at Vermontville and operating it as a branch.

SS

BANK RELATIONS DEPARTMENT  
REPORT OF CALL ON MEMBER BANK

DATE October 30, 1953 REPRESENTATIVE William W. Turner; Russel A. Swaney  
STATE Michigan CITY Charlotte (Eaton County)  
NAME OF BANK First National Bank  
PERSONS INTERVIEWED: C. E. Rice, Executive Vice President  
Darril F. Looney, Assistant Cashier

## COMMENTS:

We explained to Mr. C. E. Rice, Executive Vice President, the plan for redesignation of Detroit Branch territory. After we had completed our story, he said, "It does not make any difference to us." Mr. Rice went on to say that because Charlotte was on the main line of the Grand Trunk Railroad he thought their mail service was just as good to Detroit as it is to Chicago.

Chicago and Detroit Federal Reserve cash letters are paid for by draft on the Federal Reserve Bank of Chicago or a draft drawn on the Harris Trust and Savings Bank, depending on where they have the most funds. Outgoing letters are sent to the Harris Trust and Savings Bank, Chicago, the National Bank of Detroit, and some immediate credit items are sent to Head Office.

RAS:gh

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

DATE October 23, 1953 REPRESENTATIVE Russel A. Swaney & Paul F. Carey  
 STATE Michigan CITY Cheboygan (Cheboygan County)  
 NAME OF BANK The Cheboygan State Savings Bank  
 PERSONS INTERVIEWED: John Newman, Cashier

**COMMENTS:**

President Moloney is currently on a tour of Europe. Mr. Newman made it very clear he could not speak for Mr. Moloney, but as far as he was concerned, he would welcome a change whereby they would do business with the Detroit Branch. They clear all of their items with The Detroit Bank and pay for Chicago and Detroit cash letters with a draft on Continental Illinois National Bank and Trust Company of Chicago. Mr. Newman has been under the impression that our cash letters had to be paid with Chicago funds.

When Mr. Moloney returns, Mr. Newman will talk with him and make arrangements to change their cash letter payment procedure, and he expects that they will start paying our letters with drafts drawn on The Detroit Bank.

/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 23, 1953      **REPRESENTATIVE** Russel A. Swaney & Paul F. Carey  
**STATE** Michigan      **CITY** Cheboygan (Cheboygan County)  
**NAME OF BANK** Citizens National Bank of Cheboygan  
**PERSONS INTERVIEWED:** Louis J. Lavigne, Executive Vice President and  
Cashier

**COMMENTS:**

This bank how handles all of its currency and coin shipments with the Detroit Branch, hence, they were very glad to learn of the proposed plan whereby they would be in Detroit Branch territory.

Mr. Lavigne told us that their mail service is overnight to Detroit, whereas Chicago mail sometimes takes as long as three days. He also mentioned that they probably would transfer their safekeeping to Detroit inasmuch as their investment account is supervised by Heber-Fuger-Wenden, Inc., Detroit investment counselors. This bank also clears all of its items with National Bank of Detroit. As it stands now, they are constantly building up funds in Detroit and are transferring from National Bank of Detroit to their reserve account in Chicago.

Mr. Lavigne was very pleased with the entire idea of doing business with the Detroit Branch.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 27, 1953      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan      **CITY** Clare      (Clare County)  
**NAME OF BANK** The Citizens State Bank of Clare  
**PERSONS INTERVIEWED:** J. Stuart Bicknell, President; Mark H. Bicknell, Vice President and Chairman of the Board; Frank T. LaGoe, Vice President; Ralph A. Cole, Assistant Cashier  
**COMMENTS:**

At this bank I was informed they would welcome a change whereby they would be in Detroit Branch territory. Mail service is better to Detroit. Moreover, they are now remitting to the Branch for cash letters as their principal correspondent is the National Bank of Detroit.

Cash letters are now forwarded to the National Bank of Detroit for collection. A few months ago, this bank started sending all cash letters to the Branch direct for collection, but this was discontinued after a few weeks. Mark H. Bicknell, Vice President, said they were informed by the National Bank of Detroit that their balances carried were low and that National was losing money on carrying the account. For that reason, they switched to clearing items with the Branch. However, according to Mr. Bicknell, a representative of the National Bank of Detroit then called on them and said they were willing to go along with them on the low balances, and, therefore, this bank again reverted to clearing items with the National Bank of Detroit.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

**DATE** October 28, 1953      **REPRESENTATIVE** Gordon W. Lamphere; Russel A. Swaney  
**STATE** Michigan      **CITY** Coldwater      (Branch County)  
**NAME OF BANK** Branch County Savings Bank  
**PERSONS INTERVIEWED:** Oliver Wendell Holmes, Executive Vice President  
and Trust Officer

**COMMENTS:**

Mr. Holmes was glad to learn of the plan of having the entire lower peninsula of Michigan in Detroit Branch territory. He told us that all of their out-of-town items are sent to the National Bank of Detroit. Chicago and Detroit Federal Reserve cash letters are paid for with a draft drawn on the National Bank of Detroit. The automatic debit and credit arrangement that we have with this institution on E bond redemptions and Treasury Tax and Loan account are handled with the Continental Illinois National Bank and Trust Company of Chicago. Mr. Holmes said that he would probably transfer this activity to the National Bank of Detroit. He said mail service from Coldwater was much better to Detroit than it was to Chicago.

Federal Deposit Insurance Corporation examiners were examining this \$8,000,000 bank.

RAS:gh



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 28, 1953 REPRESENTATIVE Gordon W. Lamphere; Russel A. Swaney  
 STATE Michigan CITY Coldwater (Branch County)  
 NAME OF BANK The Southern Michigan National Bank of Coldwater  
 PERSONS INTERVIEWED: Howard K. Snyder, President  
Lester F. Wise, Assistant Vice President  
Howard E. Lees, Cashier

**COMMENTS:**

After we had explained the plan for redesignation of Detroit Branch territory, Mr. Snyder said, "It will not make any difference to us. Let us know what you want us to do. We have always felt closer to Detroit than we have to Chicago." Mr. Snyder thought that they would continue to carry most of their safekeeping in Chicago, although at the moment they also have some safekeeping in New York at the Chase National Bank.

Outgoing cash letters are sent to the First National Bank of Chicago, and the Manufacturers National Bank of Detroit. Chicago and Detroit Federal Reserve cash letters are paid for with a draft on the First National Bank of Chicago. Mr. Snyder said that mail service was bad to both Detroit and Chicago, but he thought it was slightly better to Detroit.

Present quarters of this \$8,000,000 bank are very cramped and crowded. Mr. Snyder is busily engaged in trying to bring to a completion the plans they have for remodeling an old factory building a block away. He has a directors' committee that has been out inspecting new and remodeled bank buildings. Mr. Snyder would like to have a combination of bank, drive-in, and parking facilities.

RAS:gh

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 5, 1953      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan      **CITY** Coloma (Berrien County)  
**NAME OF BANK** State Bank of Coloma  
**PERSONS INTERVIEWED:** Allen W. Baker, Jr., Executive Vice President and Cashier;  
Arthur L. James, Assistant Cashier

**COMMENTS:**

When Mr. Swaney and Mr. Turner called at this bank recently to explain the proposed Detroit Branch territory expansion plan, Allen W. Baker, Jr., Executive Vice President and Cashier, was not in. Before I could outline the details of the expansion plan, Mr. Baker said, "I don't understand it. We are in a very poor location as far as doing business with Detroit is concerned. Mail service is two and three days from Detroit, compared with overnight service from Chicago. I was talking with Frank Corliss of the Northern Trust Company, Chicago, and he had not heard of this proposed change in territory".

When I finally was able to explain thoroughly all the details with the flexible arrangements that would be provided, Mr. Baker said, "That's fine. We will be glad to cooperate to the fullest extent". He understands that safekeeping arrangements with Head Office will not be disturbed and that he will be able to continue the purchase and sale of securities in Chicago.

He also mentioned that as far as currency and coin shipments are concerned, he will be very willing to try ordering and shipping to the Detroit Branch to determine just what kind of service is being given. However, if this service does not prove satisfactory, he will ask permission to deal with Head Office.

The Northern Trust Company, Chicago, is the principal correspondent. They also have some dealings with the Harris Trust and Savings Bank of Chicago. All out-of-town checks are now sent to the Northern Trust Company for collection and drafts are drawn on that institution in payment of our cash letters. Mr. Baker was pleased to hear that these arrangements would not be disturbed under the proposed expansion plan.

SS

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 3, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Coopersville (Ottawa Co.)  
 NAME OF BANK Coopersville State Bank  
 PERSONS INTERVIEWED: Gus Appelt, Jr., Cashier

**COMMENTS:**

"I am sure it will work out all right," said Gus Appelt, Jr., Cashier. He continued, "When I came here about four years ago, we were dealing with your Chicago office and everything has worked out satisfactorily. I know Russ Swaney very well and if it works the way you explained, we shouldn't have any trouble."

This bank sends all items to Head Office for collection. According to Mr. Appelt, only Governments are sorted out for immediate credit. He was not aware that he could also receive immediate credit for Chicago items. He expects to continue to clear with Head Office, and to make payment for cash letters by debit to the bank's Reserve Account.

The bulk of this bank's securities are purchased through the Harris Trust and Savings Bank, Chicago, and it is expected this arrangement will continue. Mr. Appelt thought he would prefer to retain safekeeping at Head Office. He said there should be no difficulty even if mail is a little slower from Detroit than from Chicago as very little currency and coin are furnished by us.

/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 5, 1953                      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan                              **CITY** Decatur                      (Van Buren County)  
**NAME OF BANK** First State Bank of Decatur  
**PERSONS INTERVIEWED:** Earl E. Copley, President  
M. J. McWilliams, Cashier

**COMMENTS:**

Earl E. Copley, President, indicated that the proposed Detroit Branch territory expansion plan would make little difference as far as his bank was concerned.

All out-of-town checks are collected through Head Office and payment for Chicago and Detroit Federal Reserve cash letters is made by Federal Reserve draft. Mr. Copley said they would discontinue this method of payment and instead would pay for our cash letters by debit to their Reserve Account. Both Mr. Copley and Mr. McWilliams agreed that as far as they were concerned, it would work out just as well if they sent all items for collection to the Detroit Branch.

Mr. Copley told me that both Chicago and Detroit mail comes by way of Kalamazoo and thence by truck to this area. He was of the opinion that the mail service from Detroit was better than the mail service from Chicago.

/ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 5, 1953      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan      **CITY** Dowagiac      (Cass County)  
**NAME OF BANK** The Dowagiac National Bank  
**PERSONS INTERVIEWED:** Max W. Pugsley, Cashier  
Floyd Jurgenson, Assistant Cashier

**COMMENTS:**

After I had explained the proposed Detroit Branch territory expansion plan, Mr. Pugsley and Mr. Jurgenson told me they were sure there would be very little difference as far as their operations were concerned, and indicated that handling some of the activities through the Detroit Branch might be more favorable.

Mr. Pugsley said there is a difference of about one hour in the mail service favoring Chicago; however, he said that, as far as he was concerned, the difference was not significant.

This bank collects all out-of-town items through the National Bank of Detroit and pays for our cash letters in Detroit funds at the Branch.

Mr. Pugsley told me he would continue to use the facilities of Head Office for safekeeping, and he expects to continue the purchase and sale of securities through Head Office.

/ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 24, 1953 REPRESENTATIVE Russel A. Swaney; Paul F. Carey  
 STATE Michigan CITY East Tawas (Iosco County)  
 NAME OF BANK Peoples State Bank of East Tawas  
 PERSONS INTERVIEWED: Lloyd G. McKay, President  
Lloyd G. McKay, Jr., Director

**COMMENTS:**

This bank was closed this afternoon (Saturday); therefore, we called on Mr. McKay at his home. Mr. McKay was very receptive to the idea of being in Detroit Branch territory. All of their outgoing items are now cleared with The Detroit Bank and their cash letters, both Detroit and Chicago, are paid for with drafts drawn on The Detroit Bank. Mail service to East Tawas is much better from Detroit than it is from Chicago. Likewise, East Tawas has always been considered in the Detroit trade area.

Mr. Lloyd G. McKay, Jr., a director, who was visiting at his father's home, summed up the entire story when he said, "It sounds like a wonderful idea to me. We get to Detroit eight times during the year as compared with once to Chicago."

Mr. McKay, President, told us he would inform Grant N. Shattuck, Vice President and Cashier, of our plan on Monday morning.

RAS:gh



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 30, 1953 REPRESENTATIVE William W. Turner; Russel A. Swaney  
STATE Michigan CITY Eaton Rapids (Eaton County)  
NAME OF BANK The National Bank of Eaton Rapids  
PERSONS INTERVIEWED: Kenneth P. Williams, Vice President and Cashier

**COMMENTS:**

Mr. Kenneth P. Williams, Vice President and Cashier, heard our story concerning the plan for expansion of Detroit Branch territory and said, "I am in favor of it. We go to Detroit many times, but never get to Chicago."

Mr. Williams asked concerning safekeeping because they have been doing some of their bond business with the Harris Trust and Savings Bank, Chicago. We told Mr. Williams that safekeeping could remain in Chicago or could be transferred to Detroit, or handled in both places.

This \$3,000,000 institution pays for Chicago and Detroit Federal Reserve cash letters with a debit to their Reserve Account. All outgoing items are sent to the National Bank of Detroit.

RAS: gh

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 28, 1953      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan      **CITY** Edmore (Montcalm County)  
**NAME OF BANK** State Bank of Edmore  
**PERSONS INTERVIEWED:** Victor W. Harrison, Cashier

**COMMENTS:**

Victor W. Harrison, Cashier, said that transferring activities from the Head Office to the Branch would be satisfactory, as it would make little difference as far as their operations are concerned. This bank now pays cash letters by a charge to its Reserve Account. Checks are also collected through the Head Office. Mr. Harrison said if the expansion plans are carried out, they will probably forward checks to the Branch for collection and continue to pay our cash letters by charging their Reserve Account.

According to Mr. Harrison, the mail service to and from Chicago and Detroit are about the same. This bank has only two correspondents, the National Bank of Detroit and The Manufacturers National Bank of Detroit.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 27, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Ewart (Osceola County)  
 NAME OF BANK The First National Bank of Ewart  
 PERSONS INTERVIEWED: Ludwig Bohls, Cashier  
John N. Orr, Assistant Cashier

**COMMENTS:**

After explaining the proposed plan to expand the Detroit Branch territory, Mr. Bohls remarked that he could see no objection to the plan since it is flexible, and he could continue to remit for cash letters in Chicago exchange. This bank clears checks with the Continental Illinois National Bank and Trust Company, Chicago, their only correspondent.

Mr. Bohls indicated they would probably eventually transfer safekeeping to the Branch.

Mr. Bohls told me that Wallace F. Henry, President of the Citizens State Bank, Big Rapids, had recently asked him about advantages of membership in the System.

/ts



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 3, 1953      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan      **CITY** Fennville (Allegan Co.)  
**NAME OF BANK** The Old State Bank  
**PERSONS INTERVIEWED:** W. J. Hutchinson, Executive Vice President:  
M. S. Hutchinson, Cashier

**COMMENTS:**

W. J. Hutchinson, Executive Vice President, and his son, M. S. Hutchinson, Cashier, stated they were satisfied that everything would work out all right as far as they were concerned, if the contemplated Detroit Branch expansion plan goes into effect. They expect to continue to pay for cash letters through charges to their Reserve Account as well as continue the collection of all out-of-town checks through Head Office.

Both father and son told me they probably would maintain the same safekeeping and purchase and sale of securities arrangements. Most safekeeping items are at Head Office; however, some municipals are in safekeeping at the Northern Trust Company of Chicago. They said they probably would utilize the safekeeping facilities of the Branch, especially for Michigan municipals purchased in Detroit.

Mr. W. J. Hutchinson remarked they were closer to Chicago, but the son mentioned that cash letters come through on about the same schedule, and he felt there should be no problem as far as mail is concerned.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 27, 1953 REPRESENTATIVE Paul F. Carey  
STATE Michigan CITY Frankfort (Benzie County)  
NAME OF BANK State Savings Bank  
PERSONS INTERVIEWED: Ward M. Stubbs, Cashier

**COMMENTS:**

That's fine with us," said Ward M. Stubbs, Cashier, referring to the Detroit Branch territory expansion plan. He mentioned they now do most of their business with the Detroit Branch. They remit to the Branch and all checks are collected through the Detroit Bank. He said as far as mail service goes, services to and from Chicago or Detroit are about the same.

Mr. Stubbs asked about safekeeping and the purchase or sale of Governments, and I explained that it is planned these services would be available at either Head Office or the Branch. He indicated that he probably would avail himself of the Branch facilities for these purposes.

/ban

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 29, 1953 REPRESENTATIVE Paul F. Carey  
STATE Michigan CITY Fremont (Newaygo County)  
NAME OF BANK The Fremont State Bank  
PERSONS INTERVIEWED: M. D. Watts, Executive Vice President and Cashier

**COMMENTS:**

Mr. M. D. Watts, Executive Vice President and Cashier, said that he would prefer to do business with the Branch. As far as mail service is concerned, he was of the opinion it would be about the same with Detroit or Chicago. This bank clears checks for collection with the Continental Illinois National Bank and Trust Company of Chicago and remits for our cash letters with drafts on that correspondent bank. At least for the time being, Mr. Watts would prefer not to disturb this arrangement.

The remodeling program in this bank is now well along and a tentative date has been set for open house ceremonies on December 11.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 29, 1953 REPRESENTATIVE Paul F. Carey  
STATE Michigan CITY Fremont (Newago County)  
NAME OF BANK The Old State Bank of Fremont  
PERSONS INTERVIEWED: Herman Schuiteman, Executive Vice President and Cashier  
Bert Vander Meulen, Assistant Vice President and Auditor  
Gerald Dobben, Teller

**COMMENTS:**

Both Mr. Schuiteman and Mr. Vander Meulen said that the proposed Branch expansion plan sounded very logical and they could see no objections as far as their operations were concerned. Mr. Vander Meulen seemed quite concerned at first in regard to their safekeeping and the purchase and sale of securities. He said these activities had been carried on in Chicago for many years and they would prefer not to change this arrangement. He was quite relieved when I assured him these functions need not be transferred to the Branch.

This bank's principal correspondent is the National Bank of Detroit. Checks are collected through this correspondent and several times a month it is necessary to transfer funds from this account via the Branch to Head Office. Remittances for outgoing cash letters are now handled with the Branch in Detroit exchange.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 26, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Gaylord (Otsego County)  
 NAME OF BANK Gaylord State Bank  
 PERSONS INTERVIEWED: Norman E. Glasser, President

**COMMENTS:**

With reference to the proposed Branch territory expansion plan, Mr. Glasser said, "That's fine! Our mail and currency shipments now have to go by way of Detroit to Chicago. We have very good over-night service both to and from Detroit on the local connections."

This bank's principal correspondents are the Continental Illinois National Bank and Trust Company, Chicago, and the National Bank of Detroit. Remittances for cash letters have been to Head Office in Chicago exchange. However, Mr. Glasser told me of plans to pay in Detroit exchange commencing in about two weeks, as the directors are very strongly in favor of clearing all checks for collection with the Detroit Bank, whereas in the past, the checks have been collected through five sources; Head Office, Detroit Branch, Saginaw, Bay City, and New York. When I was in this bank about two months ago, Mr. Glasser told me about their discussions in regard to making this change. Although he is not in favor of it, he said, "I finally have given up knocking my head against the wall. L. Paul Dixon, Assistant Vice President, handles operations and he and the board are anxious to streamline bank functions." This arrangement stems from a survey made by The Detroit Bank several months ago. Mr. Gustave A. Wellensick, Cashier, Harry S. Rudy, Assistant Vice President, and Harold Carr, Assistant Vice President, of the Detroit Bank spent several days here revamping the bank's operations.

Mr. Glasser said he is desirous of continuing his safekeeping arrangements with Head Office.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 3, 1953                      **REPRESENTATIVE** William W. Turner-Russel A. Swaney  
**STATE** Michigan                              **CITY** Grand Haven (Ottawa County)  
**NAME OF BANK** Grand Haven State Bank  
**PERSONS INTERVIEWED:** A. E. Gale, Vice President and Cashier; Louis Van Schelven, Assistant Vice President; Max G. Metzler, Assistant Vice President; James B. Ritsema, Assistant Cashier

**COMMENTS:**

Mr. B. P. Sherwood, Jr., President, was in the upper peninsula of Michigan attending a committee meeting of the Michigan Bankers Association. We explained to the officers of this \$10,000,000 institution the plan for expansion of the Detroit Branch territory to include all of the lower peninsula of Michigan.

Mr. Van Schelven inquired concerning safekeeping and he said he knew Mr. Sherwood, Jr., would prefer to retain their safekeeping in Chicago. We explained that safekeeping of securities could remain in Chicago, be transferred to Detroit, or handled at both places.

Mr. Gale said, "Your plan sounds all right to me, but you will have to give us just as good service as we have gotten from Chicago." Mr. Gale went on to tell us that he had stopped in to see Mr. Young in Chicago last week.

Mr. Ritsema, who handles most of their operating details, told us he thought their mail service was about the same to either Chicago or Detroit.

Chicago and Detroit Federal Reserve cash letters are paid for with a draft on the City National Bank and Trust Company of Chicago. Outgoing items are cleared with City National and the National Bank of Detroit.

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 3, 1953      **REPRESENTATIVE** William W. Turner-Russel A. Swaney  
**STATE** Michigan      **CITY** Grand Haven (Ottawa County)  
**NAME OF BANK** The Peoples Savings Bank  
**PERSONS INTERVIEWED:** Frederick C. Bolt, President; William H. Pellegrom, Vice President and Trust Officer; Louis V. Walsh, Vice President; L. W. Reghel, Assistant Cashier; Edward F. Bushouse, Auditor

**COMMENTS:**

Mr. Mr. Bolt had heard our plan for redesignation of Detroit Branch territory to include all of the lower peninsula of Michigan, he said, "Why, of course, we will be glad to cooperate. I can see where our money business has grown up to a point where it is time to think of some decentralization."

Later on, Mr. Walsh expressed his thoughts by saying, "I never could understand why we were in Chicago territory. It always seemed to me that we should have been in Detroit territory." The officers at this bank were glad to learn that their safekeeping could remain in Chicago.

Mr. Bolt especially enjoyed seeing Mr. Turner again. Mr. Turner had examined this bank 18 years ago. Mr. Bolt remarked that when Mr. Turner was here 18 years ago, it was the time when all examiners wore dark glasses. All of the officers were very interested in learning of Mr. Turner's gigantic check operations in Chicago.

Federal Reserve cash letters, both Chicago and Detroit, are paid for with a debit to their Reserve Account. All outgoing items are sent to the Northern Trust Company of Chicago and the National Bank of Detroit. As a result of our discussion, Mr. Walsh decided that, in the future, they would pay for both our cash letters with a draft drawn on the Northern Trust Company, where they build up their principal balance. We pointed out that this would save them continuous transfers.

SS

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 2, 1953      **REPRESENTATIVE** Wm. W. Turner & Russel A. Swaney  
**STATE** Michigan      **CITY** Grand Rapids (Kent)  
**NAME OF BANK** Central Bank

**PERSONS INTERVIEWED:** Leon T. Closterhouse, President; C. Lincoln Linderholm, Executive Vice President; Wm. T. Haldken, Vice President & Cashier; B. C. Nanniga, Assistant Vice President; C. W. Kuning, Assistant Vice President; Neal De Kraker, Assistant Cashier

**COMMENTS:**

Mr. Leon T. Closterhouse, President, and Mr. C. Linderholm, Executive Vice President, both told us that our plan for expansion of Detroit Branch territory to include all of the lower peninsula of Michigan sounded logical to them, and they would be very happy to cooperate. Mr. Linderholm's only question concerned safekeeping.

All outgoing items are cleared with the Northern Trust Company of Chicago. Detroit and Chicago Federal Reserve cash letters are paid for with a draft drawn on the Northern Trust Company.

RAS/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 2, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Grand Rapids (Kent)  
 NAME OF BANK Old Kent Bank  
 PERSONS INTERVIEWED: H.W. Curtis, Chairman of Board; Eugene Richards, Chairman of Executive Committee; F. E. Agnew, Jr., President; C.F. Idema, Vice President; F.A. DeVries, Vice President; Malcolm S. Curtis, Vice President; Clifford Buchanan, Cashier; P.L. Hollway, Assistant Cashier; F.J. McCune, Assistant Cashier; W.D. Behnke, Assistant Cashier; W.D. Idema, John McReynolds, P.F. Steketee, H.B. Tuthill, Directors  
 COMMENTS:

Mr. Frank E. Agnew, Jr., President, had breakfast with us at the Pantlind Hotel, where he is living pending the sale of his house in St. Louis. At breakfast, we explained to Mr. Agnew the plan for expansion of Detroit Branch territory. Mr. Agnew said, "I have been expecting something like this ever since I saw your nice new building in Detroit in September." Mr. Agnew told us they would be very glad to cooperate and asked that we explain the details of the plan to Mr. Buchanan.

After we had explained the proposed plan to Mr. Buchanan, he said, "It should not make any difference to us. We will be very happy to work with Detroit just the same as we have worked with Chicago." Mr. Buchanan went on to tell us how much he had enjoyed attending the check collection committee meeting at the Federal Reserve Bank of Chicago last week. He said he was going to recommend to Mr. Agnew that they start clearing all items with the Federal Reserve Bank. Mr. Buchanan does not see the necessity of the many handlings that checks now go through.

Today was Executive Committee meeting day at Old Kent. The Executive Committee is composed of top officers and several directors. Mr. Agnew called us in to the Executive Committee meeting and explained briefly the proposed plan for expansion of Detroit Branch territory to the Committee. The Committee gave our plan their favorable endorsement.

Mr. William T. Dosker, Frank M. Vis, both Assistant Cashiers, retired from this bank last Saturday. On January 1, Heber W. Curtis, Chairman of the Board, Eugene Richards, Chairman of Executive Committee, and Chester F. Idema, Vice President, all will retire.

Several people from the National Bank of Detroit have spent the past two weeks analyzing the operations of this institution.

Chicago and Detroit Federal Reserve cash letters are paid for with a debit to their Reserve Account. Some immediate credit and deferred items are forwarded to Head Office for collection.

/Ras/bm

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 2, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Grand Rapids (Kent County)  
 NAME OF BANK The Peoples National Bank of Grand Rapids  
 PERSONS INTERVIEWED: Ira A. Moore, President; O. B. Davenport, Executive Vice Presi-  
dent; Robert B. Schmidt, Vice President & Cashier; Wm. J. Schull-  
ing, Jr., Assistant Vice President; James Balk, Assistant Cashier  
 COMMENTS:

Mr. Ira A. Moore, President, at first told us that he would have to think about the plan for expanding Detroit Branch territory before he could give us an opinion. After we had thoroughly explained all factors to him, he finally said, "I guess it will be all right with us, although I have a lot of fine personal friendships with men at your Head Office like, Mr. Turner here, Mr. Diercks, Mr. Van Zante, and, of course, Mr. Young, that I would not want anything to happen to." Mr. Turner assured Mr. Moore that regardless of how territory lines were divided, the Detroit Branch and the Federal Reserve Bank in Chicago were still one bank, and the new plan would not affect any of Mr. Moore's friendships.

Mr. Moore asked us to explain the details of our plan to Mr. Orrin B. Davenport, Executive Vice President. Mr. Davenport told us he thought our plan sounded logical and he would be glad to do everything he could to cooperate.

This \$39,000,000 institution pays for Chicago and Detroit Federal Reserve cash letters with a debit to their Reserve Account. All outgoing items are cleared with their three principal correspondents, namely, the First National Bank, Chicago, the Chemical Bank and Trust Company, New York, and the National Bank of Detroit.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 2, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Grand Rapids (Kent County)  
 NAME OF BANK Union Bank of Michigan  
 PERSONS INTERVIEWED: J. E. Frey, Chairman of Board; E. J. Frey, President; R. T. Willard, Executive Vice President & Cashier; C. H. Erhardt, Assistant Vice President; R. C. Simkins, Assistant Vice President; H. W. Newell, Assistant Cashier; I. R. Lilga, Assistant Cashier  
 COMMENTS:

We explained to Mr. John E. Frey, Chairman of the Board, and his son, Edward J. Frey, President, the plan for including all of the lower peninsula of Michigan in Detroit Branch territory. Mr. John E. Frey listened intently to our story and when we had finished, he said, "I cannot see where it will make any difference to us. We will be glad to cooperate. I am glad you are going to leave safekeeping in Chicago."

Chicago and Detroit Federal Reserve cash letters are paid for with a draft on Head Office. Immediate credit items and deferred items are sent to both Head Office and the Detroit Branch.

RAS/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

**DATE** November 3, 1953      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan      **CITY** Grandville (Kent County)  
**NAME OF BANK** Community State Bank  
**PERSONS INTERVIEWED:** F. Grant MacEachron, President

**COMMENTS:**

When I finished explaining the details of the proposed Detroit Branch expansion plan, Mr. F. Grant MacEachron, President, said, "It is all right with us. It will make very little difference as far as we are concerned."

This bank clears all items with the Continental Illinois National Bank and Trust Company of Chicago, and pays for our cash letters with drafts on that bank. Mr. MacEachron said he will continue this arrangement. I emphasized that we were anxious not to disturb any correspondent relationships.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 28, 1953      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan      **CITY** Grant (Newaygo County)  
**NAME OF BANK** The Grant State Bank  
**PERSONS INTERVIEWED:** Donald A. McKinley, Executive Vice President  
James W. George, Cashier

**COMMENTS:**

Donald A. McKinley, Executive Vice President, said the proposed plan for expanding the Branch territory would be satisfactory as far as this bank's operations are concerned. Their principal correspondent is the Continental Illinois National Bank and Trust Company of Chicago, and all checks are cleared through that bank. Also, drafts are drawn on this Chicago correspondent in payment of our cash letters. Mr. McKinley said he would continue this arrangement, after I stressed we were anxious not to disturb current correspondent business. He did say, however, that eventually they would probably consider sending all Michigan items to the Branch.

Mr. McKinley told me that mail service is about the same to and from Chicago or Detroit, although there might be a slight advantage in favor of Detroit.

/ban

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 30, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Greenville (Montcalm County)  
 NAME OF BANK Commercial State Savings Bank  
 PERSONS INTERVIEWED: Charles W. Smith, President

**COMMENTS:**

According to Charles W. Smith, President, the bulk of this bank's items are collected through Head Office. Grand Rapids checks are collected through the Old Kent Bank and the Michigan National Bank, Grand Rapids, and the State of Michigan checks are usually collected through the National Bank of Detroit. Mr. Smith told me he saw no reason why it would not be satisfactory to do business with the Detroit Branch; however, he thought he would probably pull out all the checks of the Gibson Refrigerator Company, since they are quite large and usually are drawn on Chicago banks. Last week the Gibson Refrigerator Company deposited three checks amounting to approximately \$100,000 each drawn on Chicago banks.

This bank pays for its cash letters by a charge to its Reserve Account, and I was informed this arrangement would probably be continued with the Detroit Branch.

Although Mr. Smith stated their mail service with Chicago is probably a little better than with Detroit, he thought that, generally speaking, the service to and from Detroit would be satisfactory.

Mr. Smith again mentioned that he was looking for a second man to take over the bank when he retires within the next few years. He said it would have to be someone who is interested in making a substantial stock investment in the bank.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 30, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Greenville (Montcalm County)  
 NAME OF BANK First State Bank of Greenville  
 PERSONS INTERVIEWED: Wm. J. Buescher, President; C. Van Voorst, Vice President;  
Donald J. Ogden, Assistant Vice President

**COMMENTS:**

After explaining the details of the proposed Branch territory expansion plan, William J. Buescher, President, said, "The plan sounds reasonable to me, since we will be able to continue to use the services of our principal correspondent, the Continental Illinois National Bank and Trust Company." All checks are cleared with this Chicago correspondent and payment for our cash letters is made with a draft on this bank.

Mr. Buescher told me he was sure the mail service to and from Chicago was faster than Detroit, but remarked that Detroit service was good. I stressed the point that under this proposed transfer of activity to the Detroit Branch, our operations would be flexible and would not disturb any correspondent bank relationships. Mr. Buescher said he definitely would want to continue the buying and selling of securities through his Chicago sources.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 23, 1953 REPRESENTATIVE R. A. Swaney & P. F. Carey  
STATE Michigan CITY Harbor Springs (Emmet County)  
NAME OF BANK Emmet County State Bank  
PERSONS INTERVIEWED: J. T. Clarke, President and Trust Officer  
James H. Clarke, Vice President and Cashier.

**COMMENTS:**

Mr. J. T. Clarke, President and Trust Officer, told us that they would be very much in favor of being in Detroit Branch territory because it would solve their mail problem. Mail from Harbor Springs to Chicago takes two days, while Detroit mail is an overnight service.

Mr. James H. Clarke, Vice President and Cashier, also told us that they would probably transfer all of their safekeeping to the Branch as most of their municipal bonds were Michigan names.

/bam



BANK RELATIONS DEPARTMENT  
REPORT OF CALL ON NON-MEMBER BANK

DATE October 30, 1953 REPRESENTATIVE William W. Turner; Russel A. Swaney  
STATE Michigan CITY Hastings (Barry County)  
NAME OF BANK The Hastings City Bank  
PERSONS INTERVIEWED: Thomas F. Stebbins, Vice President  
Stuart Clement, Vice President  
Roy W. Chandler, Cashier

## COMMENTS:

Mr. Thomas F. Stebbins, Vice President, told us that the plan to include them in Detroit Branch territory would not make any difference to them. He told us he appreciated our call.

Chicago and Detroit Federal Reserve letters for this \$6,000,000 bank are paid for with a draft drawn on the Continental Illinois National Bank and Trust Company of Chicago. Outgoing items are divided between the National Bank of Detroit, Continental, Chicago, and The Hanover Bank, New York.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 30, 1953 REPRESENTATIVE William W. Turner; Russel A. Swaney  
 STATE Michigan CITY Hastings (Barry County)  
 NAME OF BANK National Bank of Hastings  
 PERSONS INTERVIEWED: Chester A. Long, Assistant Cashier

**COMMENTS:**

Mr. Walter A. Eaton, Vice President and Cashier, was out of the bank for the afternoon.

After we had explained the plan for Detroit Branch territory expansion to Chester A. Long, Assistant Cashier, he said, "I cannot see where it would make any difference to us." Mr. Long told us he would tell Mr. Eaton of our plan.

Chicago and Detroit Federal Reserve cash letters are paid for by this \$3,500,000 institution by a debit to their Reserve Account. Immediate credit and deferred items are cleared with Head Office.

RAS:gh

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 3, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Holland (Ottawa County)  
 NAME OF BANK First National Bank of Holland  
 PERSONS INTERVIEWED: Henry S. Maentz, President;  
Donald J. Thomas, Cashier

**COMMENTS:**

Henry S. Maentz, President, told us he was very glad to learn of the plan for expanding the Detroit Branch territory to include all of the lower peninsula of Michigan. He said he was in favor of it and he thought it was a good thing for the banks of the lower peninsula. Mr. Maentz was of the opinion that their mail service was about as good to Detroit as it is to Chicago. Mr. Maentz had read of the Armored Carrier Service for check collections in the east and he asked us concerning the possibilities of this service being used in Michigan.

Chicago and Detroit Federal Reserve cash letters to this \$13,500,000 institution are paid for by debit to their Reserve Account. Immediate credit and deferred items are cleared with Head Office and a letter is sent to the Detroit Branch. Zeeland items are cleared direct with the Zeeland State Bank. Grand Rapids items are cleared with the Old Kent Bank, Grand Rapids.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 3, 1953 REPRESENTATIVE William W. Turner  
Russel A. Swaney

STATE Michigan CITY Holland (Ottawa County)

NAME OF BANK The Peoples State Bank

PERSONS INTERVIEWED: Clarence L. Jalving, President and Cashier; L. C. Dalman, Vice  
President; Clarence Klaasen, Vice President; Gertrude Jonker,  
Assistant Cashier

COMMENTS:

Mr. Jalving listened intently to our plan for expanding the Detroit Branch territory. After a very thorough explanation of all factors involved, he said, "You know, of course, we will play ball with you. The plan sounds like an excellent one to me." Mr. Jalving inquired concerning safekeeping. He liked the idea of their safekeeping remaining in Chicago, although he said as they purchased Michigan municipals in the future, he thought he would have them delivered to the Detroit Branch.

Chicago and Detroit Federal Reserve cash letters are paid for by draft drawn on the First National Bank of Chicago. All outgoing items are divided between First National Bank, Chicago, The Hanover Bank, New York, and The Detroit Bank.

RAS:ts



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

**DATE** November 6, 1953      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan      **CITY** Ionia      (Ionia County)  
**NAME OF BANK** First Security Bank  
**PERSONS INTERVIEWED:** Fred B. Post, President  
Joseph A. Hauck, Cashier

**COMMENTS:**

Both Fred B. Post, President, and Joseph A. Hauck, Cashier, told me they had always felt that dealing with the Detroit Branch would be preferable. They mentioned that mail service is better to Detroit, and they have more close associations in Detroit.

This bank pays for Detroit Branch cash letters with a draft on the National Bank of Detroit, and Head Office cash letters with a draft on the Continental Illinois National Bank and Trust Company of Chicago. I explained that this arrangement need not be disturbed.

/ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 6, 1953 **REPRESENTATIVE** Paul F. Carey

**STATE** Michigan **CITY** Ionia (Ionia County)

**NAME OF BANK** The Ionia County National Bank of Ionia

**PERSONS INTERVIEWED:** Marshall A. Westfall, President

Leo McAlary, Vice President and Cashier

**COMMENTS:**

After hearing my explanation of the Detroit Branch territory expansion plan, both Marshall A. Westfall, President, and Leo McAlary, Vice President and Cashier, stated that they have always felt more closely associated with the Detroit Branch than with Head Office, and many times wondered why their principal dealings were with the Chicago office.

Mr. Westfall said the distance to Detroit is less than to Chicago and normally their mail service from the latter point was not very satisfactory. He remarked that frequently his Reserve statement is several days late in arriving and he thought this service would be improved if his reserve is carried at the Detroit Branch.

All out-of-town checks are collected through Head Office. This bank has been paying for our cash letters by a Federal Reserve draft. Mr. Westfall indicated he would discontinue this method and start making payment by debit to his Reserve Account.

/ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 6, 1953 **REPRESENTATIVE** William W. Turner  
Russel A. Swaney

**STATE** Michigan **CITY** Ithaca (Gratiot County)

**NAME OF BANK** The Commercial National Bank of Ithaca

**PERSONS INTERVIEWED:** Lynn T. Miller, President; Hampton J. Stroupe, Executive  
Vice President; Wilbur D. Collison, Cashier; Lenora Hatzenbuhler,  
Assistant Cashier.

**COMMENTS:**

After we had explained to Mr. Lynn T. Miller, President, the plan for expansion of Detroit Branch territory, he said, "Sounds all right to me. I never could figure out why we were in the Chicago area."

During the ensuing discussion, it developed that all outgoing items, with the exception of Government checks and postal money orders which are cleared with Head Office, are sent to the National Bank of Detroit. Yet, Chicago and Detroit Federal Reserve cash letters are paid for with a draft drawn on the Continental Illinois National Bank and Trust Company of Chicago. Mr. Miller told us they were continually transferring funds from National Bank of Detroit to their Reserve Account and to their account at Continental.

We suggested that payments for our cash letters be made with National Bank of Detroit draft. After some discussion, the officials of this bank decided to start paying our cash letters with National Bank of Detroit funds beginning Monday.

RAS:TS

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 29, 1953 REPRESENTATIVE William W. Turner, Vice President  
Russel A. Swaney, Vice President

STATE Michigan CITY Kalamazoo (Kalamazoo)

NAME OF BANK The American National Bank and Trust Company of Kalamazoo

PERSONS INTERVIEWED: Garret Van Haaften, President; Harold A. Jacobson, Vice  
President; A. DeBoer, Vice President and Cashier; Henry J.  
Konop, Vice President

COMMENTS:

Mr. Jacobson said, "We've been expecting you. We knew that you would want some additional business for that nice new building you have in Detroit." We explained very thoroughly to Mr. Van Haaften and Mr. Jacobson the proposed plan for territory expansion of the Detroit Branch. Mr. Van Haaften inquired concerning wire transfers, rediscounts, and safekeeping. We explained to Mr. Van Haaften the private wire arrangement we have between Detroit and Chicago. Likewise, we said that rediscounts would be handled by Detroit and that safekeeping would remain in Chicago, unless he wished a portion transferred to Detroit.

When we had completed our explanation, Mr. Van Haaften said, "It sounds all right." He jokingly added that, at the moment, they were a good borrowing customer and would add to the earnings of the Detroit Branch.

Outgoing items from this bank are sent to The Detroit Bank, the National Bank of Detroit, and Harris Trust and Savings Bank, Chicago. Some immediate credit items are sent to Head Office. Chicago and Detroit Federal Reserve cash letters are paid for by a debit to their Reserve Account.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 29, 1953 REPRESENTATIVE William W. Turner, Vice President  
Russel A. Swaney, Vice President

STATE Michigan CITY Kalamazoo (Kalamazoo County)

NAME OF BANK The First National Bank and Trust Company of Kalamazoo

PERSONS INTERVIEWED: C. Hubbard Kleinstuck, Executive Chairman of the Board;  
Mark B. Putney, President; L. J. Wetherbee, Vice President  
and Cashier.

COMMENTS:

At this bank, Mr. Mark B. Putney, President, was out, and we talked first with C. Hubbard Kleinstuck, Executive Chairman of the Board. Mr. Kleinstuck listened intently to our story and said, "It sounds all right to me. I know nothing about the banking details, and you will have to work them out with Mark. This is not a surprise to me because several years ago, Clarence Avery, who was then Chairman of the Board of the Federal Reserve Bank of Chicago, mentioned to me the proposed plan for expansion of the Detroit Branch territory."

When we had finished with Mr. Kleinstuck, we went downstairs and found that Mr. Putney had returned. The news of the proposed redesignation of Detroit Branch territory came as rather a surprise to Mr. Putney. He said, "I suppose that it is all right and I know we will get good service from the Detroit Branch, but we never have occasion to go to Detroit. Train schedules to Chicago are set so that it is easy to get on a train here in the morning and spend the day working in Chicago and return at night. It is not quite so easy to go to Detroit."

We explained to Mr. Putney that there were all kinds of ways to put in a dividing line between Detroit and Chicago, but it seemed sensible to stick to state lines because of check clearing arrangements, collection items, state laws, and banking associations. Mr. Turner pointed out the tremendous growing increases in check volume and the need for decentralization. Mr. Putney again told us that he supposed it was all right, although it was going to be very hard for him to adjust his thinking toward Detroit.

We told Mr. Putney that we were extremely anxious not to disturb any correspondent relationships, and as far as we were concerned, he could continue to think in terms of Chicago.

This \$67,000,000 bank pays for Chicago and Detroit Federal Reserve cash letters by debit to their Reserve Account. Outgoing items are cleared with the National Bank of Detroit, American National Bank and Trust Company of Chicago and the First National Bank of Chicago.

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BANK RELATIONS DEPARTMENT

REPORT OF CALL ON NON-MEMBER BANK

DATE October 29, 1953 REPRESENTATIVE William W. Turner, Vice President  
Russel A. Swaney, Vice President

STATE Michigan CITY Kalamazoo (Kalamazoo County)

NAME OF BANK The Home Savings Bank of Kalamazoo

PERSONS INTERVIEWED: Charles M. Chase, President

COMMENTS:

This \$8,000,000 nonmember bank pays for Chicago and Detroit Federal Reserve cash letters with a draft drawn on the Northern Trust Company of Chicago. Mr. Chase heard our story concerning the proposed redesignation of Detroit Branch territory and said, "I like your plan. We have always felt much closer to Detroit than we have to Chicago. If your plan goes through, I think we will start paying your cash letters with a draft on National Bank of Detroit."

Mr. Chase went on to tell us about his troubles with Federal Deposit Insurance Corporation examiners, and the State Banking Department. He has an extensive line of credit to a local refrigerator manufacturer secured by endorsed conditional sales contracts that have been severely criticised by FDIC examiners. Since the August examination of the FDIC, Mr. Chase has stopped making loans completely and has liquidated his loan account \$500,000. He told us that he would hate to make application for membership under duress, but that the FDIC had certainly driven him to think about it. He said that he knew that now was not the time to talk to us, but one of these days, we would hear from him.

Mr. Chase also told us of his troubles in trying to obtain approval of the State Banking Commissioner and the FDIC for a drive-in window at the rear of his present building. He complained that he is being shunted back and forth between the two supervisory agencies and is not getting anywhere with his application for a drive-in office.

WT/

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 29, 1953 REPRESENTATIVE William W. Turner, Vice President  
Russel A. Swaney, Vice President

STATE Michigan CITY Kalamazoo (Kalamazoo County)

NAME OF BANK Industrial State Bank of Kalamazoo

PERSONS INTERVIEWED: Leon B. Michael, Vice President; Francis P. Hamilton, Vice  
President and Cashier; Joseph A. Nemeth, Assistant Cashier

**COMMENTS:**

Mr. Charles E. Finley, President, was out of the bank and we talked with Francis P. Hamilton, Vice President and Cashier. Mr. Hamilton heard our story concerning expansion of Detroit Branch territory and said, "Of course, we will go along". Mr. Hamilton's only question was that he knew they would prefer, if possible, to retain their safekeeping account in Chicago. He mentioned that practically all of their buying and selling was done through the Northern Trust Company of Chicago. He told us that he was sure their currency shipments would come from Detroit just as quickly as they had been coming from Chicago.

Chicago and Detroit Federal Reserve cash letters are paid for with a debit to their Reserve Account. Michigan items are cleared with the Industrial National Bank - Detroit. Their Augusta Branch clears all items with the National Bank of Detroit and the Washington Square Branch, Kalamazoo, clears all items with the LaSalle National Bank of Chicago. Here at the main office a few immediate credit items are sent to Head Office and the balance of their outgoing items are sent to the Northern Trust Company of Chicago.

Mr. Hamilton told us they were preparing to open a branch in Portage, directly south of Kalamazoo where there had been considerable industrial expansion.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 28, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Lakeview (Montcalm County)  
 NAME OF BANK Bank of Lakeview  
 PERSONS INTERVIEWED: Glenn L. Charnley, Cashier  
H. W. Redding, Assistant Cashier

**COMMENTS:**

This bank has only one correspondent, The Detroit Bank, where a nominal balance is maintained. All checks are collected through Head Office and remittances are made by charges to their Reserve Account. D. S. Griffith, President, was not in, but both Mr. Charnley and Mr. Redding felt sure there would be no objection to their being included in the Branch territory. They informed me that mail service to and from either Chicago or Detroit is about the same. They indicated that if their reserve is transferred to the Detroit Branch, they probably would send checks to the Branch for collection. In fact, Mr. Redding said this arrangement would be preferable because the majority of the items normally are on banks in Detroit and the Detroit general area.

According to Mr. Redding, representatives of the large city banks have been pressing them to send all checks to their banks for collection in order to obtain immediate credit. He said they are very well satisfied with the services performed by us and, therefore, they do not anticipate increasing their activity with their correspondent, and do not contemplate taking on new correspondents.

/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 6, 1953 **REPRESENTATIVE** William W. Turner  
Russel A. Swaney

**STATE** Michigan **CITY** Lansing (Ingham County)

**NAME OF BANK** Michigan National Bank

**PERSONS INTERVIEWED:** Howard J. Stoddard, President; Russell Fairles, Vice President;  
John C. Hay, Vice President

**COMMENTS:**

We explained in detail the plan for redesignation of Detroit Branch territory to Howard J. Stoddard, President. Mr. Stoddard told us that he was glad to learn of the plan and stated he especially liked the idea of including all of the lower peninsula of Michigan. After he had expressed his opinion concerning the Branch territory expansion plan, Mr. Stoddard turned to Mr. Turner and said, "Now the next should be immediate credit on all items."

During a discussion concerning the shortage of competent personnel, Mr. Stoddard made the statement that he was sure the next 12 months would see a business downturn of such proportions as to make people appreciative of a steady job.

Mr. Fairles gave us several copies of his study entitled, "Bank Membership in the Federal Reserve System," which he had prepared for the National Association of Bank Auditors and Comptrollers Research Committee. Mr. Fairles is a member of this Committee. He told us that he had gone to a great deal of work to prepare this study and then the Committee members refused to put the study in the minutes, or make any recommendation. He said the chief opposition came from the member of the Committee who was with the Continental Illinois National Bank and Trust Company of Chicago. The study contains many proposals for the Federal Reserve Banks to increase their services to member banks.

RAS:ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 27, 1953      **REPRESENTATIVE** Wm. T. Turner & Russel A. Swaney  
**STATE** Michigan      **CITY** Lawrence (Van Buren County)  
**NAME OF BANK** The Home State Bank of Lawrence  
**PERSONS INTERVIEWED:** Ray T. Allen, President;  
Rex E. Allen, Cashier

**COMMENTS:**

At this \$2,000,000 bank, we talked with Ray T. Allen, President, and Rex E. Allen, Cashier.

Chicago and Detroit cash letters are paid for by debit to their Reserve Account. Immediate credit items are cleared with Head Office, and deferred items are cleared with the Northern Trust Company of Chicago. Mr. Ray T. Allen, President, told us they would be glad to cooperate on the plan for expanding the Branch territory.

Mail for Lawrence comes from Kalamazoo, via Star Route, and Mr. Allen felt that their service would be just as good from Detroit as it is from Chicago.

RAS/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 5, 1953                      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan                              **CITY** Lawton                      (Van Buren County)  
**NAME OF BANK** The First National Bank of Lawton  
**PERSONS INTERVIEWED:** J. K. Warner, Cashier  
Charles Shutes

**COMMENTS:**

Both Mr. Warner and Mr. Shutes indicated they would be glad to cooperate with us and felt sure the proposed Detroit Branch territory expansion plan would work out satisfactorily.

The Continental Illinois National Bank and Trust Company of Chicago became this bank's correspondent about two months ago. Prior to this time, all out-of-town checks were collected through Head Office; however, they are now sent to the correspondent bank for collection.

Mr. Shutes told me that they had an enormous volume of detail work for their space and personnel and they transferred their collection procedure in order to get away from the details of sorting and from the deferred availability account.

Payment for our cash letters is made by draft drawn on their Chicago correspondent. Mr. Warner seemed pleased to hear that these collection and payment arrangements need not be disturbed. Safekeeping and the purchase and sale of securities will remain in Chicago.

/ts

BT

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 2, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Lowell (Kent County)  
 NAME OF BANK State Savings Bank  
 PERSONS INTERVIEWED: Harry Day, Executive Vice President & Cashier

**COMMENTS:**

Harry Day, Executive Vice President and Cashier, said that he was sure our expansion plan would prove satisfactory as far as he was concerned, but remarked he was very anxious to maintain his fine relationship with Head Office and also with his principal correspondent, the Northern Trust Company, Chicago. All checks are cleared with the Northern Trust Company and remittances are generally made through charge to the bank's Reserve Account. Mr. Day's only question concerned examinations and I assured him there would be no change in that function, which would continue under Head Office supervision. Mr. Day will continue to use the safekeeping facilities at Head Office, and will continue to buy and sell securities in Chicago.

Mr. Day said his mail service to and from Chicago was very good, and thought the Detroit service should be about the same.

/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 27, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Ludington (Mason County)  
 NAME OF BANK Ludington State Bank  
 PERSONS INTERVIEWED: Fred F. Nelson, Executive Vice President & Cashier

**COMMENTS:**

According to Fred F. Nelson, Executive Vice President and Cashier, the Detroit Branch expansion plans would have little or no effect upon this bank. Mail service is about the same to and from Chicago or Detroit. At the present time, Michigan items are cleared with the Manufacturers National Bank of Detroit, and New York items through the Guaranty Trust Company of New York; all others are cleared with our Head Office. Payment for our cash letters are charged to their Reserve Account at Head Office.

Mr. Nelson said that as far as he was concerned, he would just as soon have his reserve in Detroit, as his principal correspondent is the Manufacturers National Bank of Detroit. I told him that we did not want to disturb the bank's correspondent relationships and as far as safekeeping items were concerned, the banks would have the option of using the facilities of either Head Office or the Branch.

Mr. Nelson could not understand why we could not handle non par items like the Manufacturers National Bank does for them, and he suggested that maybe instead of returning the non par items, we could forward them to his correspondent.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 27, 1953                      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan                              **CITY** Ludington                      (Mason County)  
**NAME OF BANK** National Bank of Ludington  
**PERSONS INTERVIEWED:** A. R. Vestling, Vice President & Cashier

**COMMENTS:**

A. R. Vestling, Vice President and Cashier, said the proposed plan for extending the Branch territory was satisfactory with him. However, in his opinion, mail service to and from Chicago is better than the Detroit service, and, therefore, he would still favor remitting for cash letters to our Head Office. He said also, that he feels his currency shipments, in and out, should be with Chicago. I told him that although all these functions, other than safekeeping, would be transferred under present plans, exceptions, undoubtedly, would be made in cases where service was better through the Head Office.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 4, 1953 REPRESENTATIVE William W. Turner  
Russel A. Swaney

STATE Michigan CITY Manistee (Manistee County)

NAME OF BANK The Manistee County Savings Bank

PERSONS INTERVIEWED: Oscar F. Lundbom, President; C. E. Foy, Vice President;  
Paul W. Groth, Cashier; Leonard Hanson, Assistant Cashier

**COMMENTS:**

Mr. Oscar F. Lundbom, President, told us he would be glad to cooperate with our plan for expansion of Detroit Branch territory. He said that it really would be better for them because currently they are clearing all of their items with the National Bank of Detroit and are constantly transferring funds to Chicago. They have been paying for Chicago and Detroit Federal Reserve cash letters with a draft on the First National Bank of Chicago.

We explained that it would save them many transfers by paying for our letters with a draft drawn on the National Bank of Detroit. Mr. Lundbom called in Miss Peterson who handles all outgoing remittances and after a short discussion, Miss Peterson said that beginning today she would start paying our letters with a draft drawn on the National Bank of Detroit.

RAS:ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 5, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Marcellus (Cass County)  
 NAME OF BANK The G. W. Jones Exchange Bank  
 PERSONS INTERVIEWED: Donna V. Schurtz, President  
Carroll B. Jones, Cashier

**COMMENTS:**

Donna V. Schurtz, President, and Carroll B. Jones, Cashier, told me they would be glad to cooperate with us in the matter of handling certain functions through the Detroit Branch. They both remarked that their associations were much closer with Chicago and that they had no Detroit correspondent. They also mentioned that mail service from Detroit was not very satisfactory but they did say, however, that cash letters arrive from Detroit and Chicago on about the same schedule.

Immediate credit items are forwarded to both Head Office and Detroit Branch. All other items are collected through the First National Bank of Chicago. Payment for Detroit and Chicago Federal Reserve cash letters is made with a draft on the First National Bank, Chicago.

Both Mrs. Schurtz and Mr. Jones indicated they would prefer to continue present cash letter arrangements, safekeeping and purchase and sale of securities.

WR



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 2, 1953                      **REPRESENTATIVE** Paul F. Carey  
**STATE** Michigan                              **CITY** Middleville (Barry County)  
**NAME OF BANK** Farmers State Bank of Middleville  
**PERSONS INTERVIEWED:** John Robertson, Cashier

**COMMENTS:**

This bank clears all checks with Head Office and remits through a charge to its Reserve Account. John Robertson, Cashier, told me that as far as he could see, the service would probably be just about the same in dealing with the Branch as with Head Office. He said he would continue check collections through Head Office, however, he intends to analyze their out-of-town checks to see if it would be advantageous to send any of them to the Branch for collection.

Mr. Robertson told me they would continue safekeeping activities with Head Office.

SS

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 5, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Midland (Midland Co.)  
 NAME OF BANK The Chemical State Savings Bank  
 PERSONS INTERVIEWED: Paul D. Bywater, President; H. LeRoy Durbin, Vice President;  
Richard R. Todd, Cashier; John F. Higbee, Assistant Cashier

**COMMENTS:**

Paul D. Bywater, President, told us that he never had been able to figure out why they were in Chicago Territory. He said, "Here we are only 115 miles from Detroit, and some 300 miles from Chicago. It never did make sense to me."

Outgoing items are sent to the National Bank of Detroit. The new Jefferson Avenue branch sends all of its out-of-town items to The Manufacturers National Bank of Detroit. Chicago and Detroit Federal Reserve cash letters are paid for with a debit to the bank's Reserve Account. We inquired as to why they did not pay for our Chicago and Detroit letters with a draft drawn on the National Bank of Detroit where they were building up funds. It developed during the discussion that they had always thought our cash letters had to be paid for with a debit to their Reserve Account. Starting tomorrow, they will pay for both cash letters with a draft on National, which will save them the continuous transfers they have had from the National Bank of Detroit to their Reserve Account.

Mr. Durbin told us that he was glad to learn about the proposed plan for expansion of Detroit Branch territory. He said, "We have always felt like we were imposing on the Detroit Branch with our many requests. It will be a big help to be in Detroit Branch territory." We explained that actually we were one and the same bank, and we would be glad to take care of his needs in either Detroit or Chicago.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** November 5, 1953      **REPRESENTATIVE** Wm. W. Turner & Russel A. Swaney  
**STATE** Michigan      **CITY** Midland (Midland County)  
**NAME OF BANK** The Midland National Bank  
**PERSONS INTERVIEWED:** Leo Bliss, President; Walter B. Brown, Vice President;  
Robert G. Hale, Assistant Cashier

**COMMENTS:**

When Mr. Leo Bliss, President, had heard our story concerning the proposed plan for expansion of Detroit Branch territory, he said, "Well, you know how I feel about this. We have talked about it before. We, of course, would be very happy to be in Detroit Branch territory. As you know, all of our currency and coin shipments are coming from you now."

Mr. Bliss told us that he thought he would prefer to maintain all of his safekeeping at the Branch. Remittances for Chicago and Detroit Federal Reserve cash letters are now sent to the Detroit Branch.

RAS/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 29, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Montague (Muskegon County)  
 NAME OF BANK Montague State Bank  
 PERSONS INTERVIEWED: Adolph Anderson, Vice President and Cashier  
Alvin A. Koch, Assistant Cashier

**COMMENTS:**

Commenting on the proposed Branch territory expansion plans, Adolph Anderson, Vice President and Cashier, said, "It won't make a whale of difference to us."

I explained that we did not want to disturb any correspondent relationships and since most items are now collected through the Continental Illinois National Bank and Trust Company, Chicago, with their remittances made through drafts on that bank, such arrangements could be continued.

Mr. Anderson told me that although he had not checked it recently, he felt sure they were getting about the same one-day mail service to and from both Chicago and Detroit.

Mr. Anderson drove me out to see the new Hooker Electrochemical Company plant which is under construction. The company contemplates getting into operation sometime in December. This Hooker Electrochemical Company purchased 500 acres bordering on White Lake and is now in the process of purchasing an additional 1,000 acres. According to Mr. Anderson, the salt beds in this area are estimated to be sufficient to produce extensive volumes for the next several hundred years.

Mr. Anderson told me that Alvin A. Koch, Assistant Cashier, is the son-in-law of Axel C. Johnson, President. Mr. Koch is being groomed to take over the bank within a few years, as Mr. Anderson is now 63 years old. Mr. Anderson has been looking for a young man to work at the bank to be an understudy of Mr. Koch and later to be a second man.

SS



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 5, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Mount Pleasant (Isabella Co.)  
 NAME OF BANK Exchange Savings Bank  
 PERSONS INTERVIEWED: William E. Anderson, Cashier

**COMMENTS:**

Mr. William E. Anderson, Cashier, told us they would be glad to cooperate with our plan for redesignation of Detroit Branch territory. He said that it would not make any difference in their operations. Mr. Anderson told us he thought their mail service actually was better to Detroit than it was to Chicago.

Detroit and Chicago Federal Reserve cash letters are paid for with a debit to the bank's Reserve Account. Immediate credit and deferred items are cleared direct with Head Office and Detroit city items are cleared with the Branch. Mr. Anderson told us that when, as, and if, the change is effective, he would simply send all outgoing items to the Branch with the exception of city of Chicago items, which he would send to Head Office.

Mr. Chester W. Riches, President, was out of the bank.

RAS/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 5, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
STATE Michigan CITY Mount Pleasant (Isabella Co.)  
NAME OF BANK Isabella County State Bank  
PERSONS INTERVIEWED: John W. Benford, President; J. Elmer Graham, Cashier

**COMMENTS:**

When we had explained to Mr. John W. Benford, President, the plan for redesignation of Detroit Branch territory to include all of the lower peninsula of Michigan, he said, "That will not make any difference to us. We will be glad to play ball with you."

All of their securities are in safekeeping with the Northern Trust Company of Chicago. We explained that credits or debits resulting from purchases or sales of securities could be handled by Head Office over the private wire system. All outgoing items are sent to the Northern Trust Company of Chicago. Detroit and Chicago Federal Reserve cash letters are paid for with a draft drawn on Northern.

Mr. Graham told us that Mount Pleasant had always been considered in the Detroit trading area and he never could understand why they were in the Chicago district.

RAS/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 4, 1953 REPRESENTATIVE Wm W. Turner & Russel A. Swaney  
 STATE Michigan CITY Muskegon (Muskegon County)  
 NAME OF BANK The Hackley Union National Bank  
 PERSONS INTERVIEWED: Marion R. Baty, Executive Vice President; Albert Bush,  
Vice President; Edmund F. Norden, Assistant Cashier;  
Max W. Schadler, Assistant Cashier

**COMMENTS:**

When Marion R. Baty, Executive Vice President, heard our story concerning territory expansion plans for the Detroit Branch, he commented at some length regarding time elements in Detroit and Chicago mail service. He feels that Chicago mail service is superior to Detroit mail service despite the fact that this bank obtains all currency and coin shipments via the Grand Trunk Railroad on an overnight train from Detroit. Mr. Baty finally said, "I can see that in the logical sequence of events, all of the lower peninsula of Michigan should clear with Detroit." Mr. Baty told us he would cooperate with us, and we promised that, if the proposed plan goes through, we would send someone to help them in planning a rerouting of his outgoing checks.

All outgoing items are cleared with Head Office. Chicago and Detroit Federal Reserve cash letters are paid for with a debit to their Reserve Account.

Mr. Baty spoke of the necessity of maintaining a good-sized balance at the National Bank of Detroit. Mr. Charles T. Fisher, Jr., President of the National Bank of Detroit, was recently elected a director of Campbell, Wyant and Cannon, a large local foundry. While two of the founders of this foundry are on the board of this institution, these two men have long since ceased to be active in the foundry, hence, Mr. Baty feels that his only connection with Campbell, Wyant and Cannon Foundry is through Mr. Fisher of the National Bank of Detroit.

Mr. Baty showed us the plans for his new branch office in Muskegon Heights which is now under construction.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

DATE November 4, 1953 REPRESENTATIVE William W. Turner  
Russel A. Swaney

STATE Michigan CITY Muskegon (Muskegon County)

NAME OF BANK The Muskegon Bank

PERSONS INTERVIEWED: Bart D. Buck, President; J. E. Musch, Cashier;  
A. L. Olthoff, Assistant Cashier

**COMMENTS:**

Mr. Bart D. Buck, President, told us that any plan for the expansion of Detroit Branch territory was all right with him as long as things would continue to go as smoothly with Detroit as they had been going with Chicago.

Automatic credit and debit arrangements for redeemed savings bonds and Treasury Tax and Loan account for this bank are through their account at the Continental Illinois National Bank and Trust Company of Chicago. Chicago and Detroit Federal Reserve cash letters are paid for with a draft on Continental.

The officers are very proud of their new drive-in branch located on one of the main traffic arteries in Muskegon. Mr. Buck told us that about 40 per cent of their deposit volume is being done through this new drive-in office. The new office is completely modern and one of the best looking drive-ins we have seen.

RAS:ts



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 4, 1953 REPRESENTATIVE William W. Turner  
Russel A. Swaney

STATE Michigan CITY Muskegon (Muskegon County)

NAME OF BANK The National Lumberman's Bank of Muskegon

PERSONS INTERVIEWED: Erwin A. Larsen, Executive Vice President; George W. Hansen,  
Vice President; Clarence S. Cloetingh, Cashier

COMMENTS:

When Erwin A. Larsen, Executive Vice President, had heard our story concerning the redesignation of Detroit Branch territory, he said, "It would not make any difference to us." Mr. Hansen and Mr. Cloetingh both told us that because of the large volume of business they transact with Detroit banks, they felt the change would be beneficial to them.

For some time this bank has been securing all currency and coin shipments from Detroit. Shipments come via the Grand Trunk Railroad on an overnight train.

Chicago and Detroit Federal Reserve cash letters are paid for with a debit to their Reserve Account. Outgoing items are cleared with The Detroit Bank, The Manufacturers National Bank of Detroit, Northern Trust Company, Chicago, and the First National Bank of Chicago. Government checks are sent to Head Office. Mr. Larsen apparently was unaware of the large number of banks with which they were clearing items. He inquired of his fellow officers why everything could not be cleared with the Federal Reserve Bank. During our discussion, Mr. Cloetingh and Mr. Hansen brought out that for some time they had been thinking of asking the National Bank of Detroit to discontinue sending them a cash letter. They said that this letter caused them a lot of unnecessary money transfers.

RAS:ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 26, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Niles (Berrien County)  
 NAME OF BANK First National Bank of Niles  
 PERSONS INTERVIEWED: P.S. Farquhar, President; P.L. Howes, Vice President; T.E. Cain,  
Vice President; Mrs. M.H. Gosline, Assistant Cashier; F.H. Geide-  
man, Vice President & Cashier; Leonard Thompson  
 COMMENTS:

After we had explained to Mr. Farquhar the proposed plan whereby the Branch would take over all of the lower peninsula of Michigan, he leaned back in his chair and said, "Well, you are going to have to give as good service as we get from your friend, Bill Turner, in Chicago." Apparently, mail service for this bank would be just as good from Detroit as it is from Chicago, because Niles is on the main line of the New York Central Railroad. In fact, during our conversation, Mr. Farquhar mentioned the Chicago cash letter had not yet been received while the Detroit letter was already in the bank. This bank pays for Detroit and Chicago letters with a draft on the Harris Trust and Savings Bank of Chicago. Outgoing items are cleared with the First Bank and Trust Company, South Bend, Harris Trust and Savings Bank, Chicago, and Michigan items are sent to the National Bank of Detroit.

At one point in the conversation, Mr. Guideman stated that if the proposed plan goes through, they probably would clear Michigan items with the Detroit Branch, instead of the National Bank of Detroit.

Mr. Farquhar is very proud of his friendship with Mr. Young and Mr. Harris. Mr. Farquhar spent a good deal of time showing us the many reports that he has on all phases of his operations and asset accounts.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 23, 1953 REPRESENTATIVE Russel A. Swaney & Paul F. Carey  
 STATE Michigan CITY Petoskey (Emmet County)  
 NAME OF BANK The First National Bank of Petoskey  
 PERSONS INTERVIEWED Chalmers Curtis, Chairman of Board; T. Chalmers Curtis, President;  
C. Frederick Curtis, Executive Vice President; Ray Conley, Cashier

**COMMENTS:**

All of the officers gathered in Mr. Chalmers Curtis' office to hear about the plan whereby the Detroit Branch would take over all of the lower peninsula of Michigan as its territory, effective January 1. Mr. Chalmers Curtis, Chairman of the Board, wears a hearing-aid and is 90 years old. His immediate reaction was, "We know that the proposed plan has been given a lot of thought and you can count on us to go along with anything you suggest." Mr. T. Chalmers Curtis, President, said, "That is fine with us - we do most of our business in Detroit now. Actually, the only reason we have an account at the National Bank of Detroit is simply because most of our items are Michigan items and we thought they should be cleared in Michigan. We used to clear everything with the Fed in Chicago."

Mr. T. Chalmers Curtis went on to point out that their mail service was much better with Detroit, and the town seems to have more business with Detroit than Chicago. He said that if the proposed plan went through, he could see of no reason why they should continue to have an account with the National Bank of Detroit because they would immediately start clearing all of their items with the Branch. He, likewise, stated that they would also want to transfer all of their safekeeping from Chicago to Detroit. We had a lengthy discussion covering all phases of Federal Reserve activity that would be affected if the Detroit Branch takes over this territory.

Mr. Chalmers Curtis, Chairman of the Board, made one closing comment. He said, "I have always been very proud of my friendship with Mr. Young." We assured Mr. Curtis that his relationship with Mr. Young would continue on the same basis as in the past.

The officials of this bank are preparing a major remodeling plan. They have leased the building next door to the bank and expect a remodeling program to get underway very soon. They also have under consideration some branch locations.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

**DATE** October 23, 1953      **REPRESENTATIVE** Russel A. Swaney; Paul F. Carey  
**STATE** Michigan      **CITY** Petoskey      (Emmet County)  
**NAME OF BANK** The First State Bank of Petoskey  
**PERSONS INTERVIEWED:** Glen C. Townsend, President; G. Arthur Hitchmough, Vice  
President and Cashier; Kenneth L. Bayha, Vice President

**COMMENTS:**

After we had explained to Mr. Townsend, President, the proposed plan whereby the Detroit Branch would take over the entire lower peninsula of Michigan as its territory, he said, "What about buying Government bonds?" We assured Mr. Townsend that he could continue the relationship that he now has with Head Office whereby all of his purchases and sales of Governments are handled by our Investment Department. We pointed out that Detroit had a similar department and if he wanted to buy his bonds in Detroit, he could do so.

Mr. Hitchmough told us all of their items were now cleared with National Bank of Detroit, hence, he felt that doing business with the Detroit Branch would be an ideal arrangement. Mr. Hitchmough also pointed out that the mail service to Detroit was an overnight service as compared with two days to Chicago.

After a very thorough explanation of all factors involved, Mr. Townsend told us that he would be very glad to cooperate and would be anxious to learn when the final plans are complete.

RAS:ts



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 4, 1953 REPRESENTATIVE Paul F. Carey

STATE Michigan CITY Quincy (Branch County)

NAME OF BANK First National Bank

PERSONS INTERVIEWED: G. B. Houghtaling, Vice President; R. S. Andrus, Cashier;

L. A. Barron, Director

**COMMENTS:**

After listening to my explanation of the proposed Detroit Branch territory expansion plan, R. S. Andrus, Cashier, said they would be very willing to cooperate as he knew the arrangements would be satisfactory.

This bank pays for Detroit and Chicago Federal Reserve cash letters by a debit to its Reserve Account, and all out-of-town checks are collected through Head Office. Mr. Andrus said he would analyze their checks and, if it appeared the bulk of them could be collected more quickly through the Branch than Head Office, he would transfer this function to the Branch.

Safekeeping items are now held at Head Office, and Mr. Andrus expects to continue this arrangement.

Mr. Andrus told me that mail service was somewhat better from Chicago. Such mail comes by rail to Elkhart, Indiana, and thence by truck to Quincy. Mr. Andrus said the Detroit cash letters usually are a day late, whereas Chicago letters are almost always on time.

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON NON-MEMBER BANK**

DATE October 23, 1953 REPRESENTATIVE Russel A. Swaney; Paul F. Carey  
 STATE Michigan CITY Rogers City (Presque Isle County)  
 NAME OF BANK Presque Isle Bank  
 PERSONS INTERVIEWED: John S. Blasky, President

**COMMENTS:**

This bank now sends all of its redeemed Series E bonds to the Detroit Branch and receives payment through their account at The Detroit Bank. All of their items are cleared with The Detroit Bank. Mr. Blasky told us he would be very happy to see a change whereby all of their savings bond activity could be handled directly with the Detroit Branch.

This bank at one time considered membership. Now, Mr. Blasky told us, they have given up the thought of membership since two or three years ago they made arrangements with Michigan Limestone Company to pay their shipping costs on currency and coin. Michigan Limestone Company, which is a subsidiary of United States Steel Corporation, has a large quarry here and a substantial payroll.

RAS:ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 2, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY St. Johns (Clinton County)  
 NAME OF BANK The St. Johns National Bank  
 PERSONS INTERVIEWED: William M. Luecht, Executive Vice President

**COMMENTS:**

William M. Luecht, Executive Vice President, showed little reaction to the proposed Detroit Branch territory expansion plan; however, from all indications, he is willing to cooperate.

The National Bank of Detroit is this bank's principal correspondent and most items are collected through that bank. Periodically, it is necessary to transfer funds to Head Office from the National Bank of Detroit. Chicago items are collected through the Continental Illinois National Bank and Trust Company. Mr. Luecht said, "The Federal Reserve is too particular and strict on its collection policies. I don't see why they can't give us immediate credit for all items without sorting."

Our cash letters are paid by a debit to this bank's Reserve Account and Mr. Luecht said he thought he would continue in the same manner.

Mr. Luecht expects he will also continue safekeeping and the purchase and sale of securities with Head Office.

Mail service to and from Chicago or Detroit is about the same, according to Mr. Luecht.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 2, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY St. Johns (Clinton County)  
 NAME OF BANK The State Bank of St. Johns  
 PERSONS INTERVIEWED: L. W. Wolf, Executive Vice President

**COMMENTS:**

Concerning our expansion plan, L. W. Wolf, Executive Vice President, said, "I've spoken with Russ about this a number of times. Although our mail service is about the same to and from Chicago or Detroit, our relations are a little closer with Detroit."

Most cash items are collected through the National Bank of Detroit. Chicago items and drafts on the Commodity Credit Corporation are forwarded to Head Office for collection. If the proposed plan is approved, Mr. Wolf intends to have his out-of-town checks analyzed with a view to sending all Detroit items, Government checks and money orders to the Branch for immediate credit. All others, except the CCC drafts, would be forwarded to the National Bank of Detroit for collection.

This is the only bank in the county that handles CCC loans and Mr. Wolf told me that, to date, they have about \$1,000,000 in this type of loan on the books, \$300,000 of which has been taken up and is now merely being serviced.

At the present time, this bank's remittances to Head Office are made through a charge to its Reserve Account and remittances to the Branch, through drafts on the National Bank of Detroit.

Municipal securities and some Governments are in safekeeping with the Northern Trust Company, Chicago. All other Governments are in safekeeping at Head Office. Mr. Wolf said he believed he would continue this arrangement, after I stressed the fact we were anxious not to disturb any correspondent relationships.



BANK RELATIONS DEPARTMENT

REPORT OF CALL ON NON-MEMBER BANK

DATE October 27, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney

STATE Michigan CITY St. Joseph (Berrien County)

NAME OF BANK The Peoples State Bank of St. Joseph

PERSONS INTERVIEWED: J. H. Reinking, Cashier

O. O. Schrage, Assistant Cashier

COMMENTS:

Mr. J. H. Reinking, Cashier, told us he would be very happy to cooperate with our plan for expanding Detroit Branch territory. At one point, he did mention that they would miss doing business with Chicago because a telephone call to Chicago costs 65 cents, while a Detroit call was considerably more.

Mr. Reinking said he appreciated the fine service and contacts he had with the people in our Issuing Agents section in Chicago. We told Mr. Reinking that we were sure service would be just as good with Detroit. Chicago and Detroit Federal Reserve cash letters are paid for with a draft on the First National Bank of Chicago.

Mr. John S. Stubblefield, President, was away from the bank for the day.

RAS/bem

BANK RELATIONS DEPARTMENT  
REPORT OF CALL ON NON-MEMBER BANK

DATE November 6, 1953 REPRESENTATIVE William W. Turner  
Russel A. Swaney

STATE Michigan CITY St. Louis (Gratiot County)

NAME OF BANK Commercial Savings Bank

PERSONS INTERVIEWED: Vere E. Nunn, President; Fred Leiter, Cashier;  
Warren Collison, Assistant Cashier

COMMENTS:

At this \$5,000,000 institution, we found Mr. William F. Babcock, Assistant Cashier, Continental Illinois National Bank and Trust Company of Chicago, calling on Mr. Nunn. We told Mr. Babcock that we were very glad he was there as we would like to have him hear us tell Mr. Nunn the story concerning redesignation of Detroit Branch territory.

We explained to Vere E. Nunn, President, that he could continue to receive his credit for redeemed savings bonds through Continental, and that his debits on Treasury Tax and Loan account would come through the same bank. When we had completed our explanation, Mr. Nunn said, "When you are ready, you tell us what you want us to do." Later on in the conversation, he said that they had always felt closer to Detroit than they had to Chicago.

Mr. Babcock asked several questions concerning remittances for Federal Reserve cash letters. We assured him that the present method of payment would be continued. We also told him we had been very careful in all of our calls to emphasize that we did not want to disturb any correspondent relationships. Mr. Babcock said he would like to have a written explanation of our plan and could hardly believe that it was as simple as we had outlined. We assured him that most member banks had indicated they would prefer to have their safekeeping remain in Chicago.

This bank remits for Chicago and Detroit Federal Reserve cash letters to the Detroit Branch with a draft drawn on The Detroit Bank.

RAS:ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 3, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Saugatuck (Allegan County)  
 NAME OF BANK The Fruit Growers State Bank of Saugatuck  
 PERSONS INTERVIEWED: L. R. Brady, President; H. W. Till, Executive Vice President;  
Edna Boyce, Assistant Cashier

**COMMENTS:**

After I had explained the proposed Detroit Branch territory expansion plan, L. R. Brady, President, said he was satisfied that the plan was logical and reasonable and he was sure arrangements would be satisfactory as far as he was concerned.

Checks drawn on Detroit banks and other eastern points are now cleared through The Manufacturers National Bank of Detroit. Large checks on banks outside Chicago are cleared with the First National Bank of Chicago and all Chicago items and other items under \$50 are cleared with Head Office. Usually, payment for our cash letters is made by debit to the bank's Reserve Account; however, as funds build up at the First National Bank, Chicago, occasionally payment is made with a draft on that bank. Mr. Brady was pleased to hear that these arrangements need not be disturbed.

Safekeeping items are now held at both Head Office and Detroit Branch. The latter items are usually limited to Michigan municipal securities.

This is a very popular resort area with about 2,000 year-around population. During the summer, according to Mr. Brady, the population increases from 8,000 to 10,000. During the resort season large quantities of currency and coin are shipped to Head Office and during the off-season, the reverse is true. Mr. Brady told me mail service is about one day faster to and from Chicago and therefore, he would like to continue currency and coin activities with Head Office.

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BANK RELATIONS DEPARTMENT

REPORT OF CALL ON NON-MEMBER BANK

DATE October 27, 1953 REPRESENTATIVE Paul F. Carey

STATE Michigan CITY Scottville (Mason County)

NAME OF BANK State Savings Bank of Scottville

PERSONS INTERVIEWED: Bruce R. Draper, Cashier

COMMENTS:

Bruce R. Draper, Cashier, said the Detroit Branch territory expansion plan was favorable as far as he was concerned. He remarked, "We remit in Detroit funds to the Branch now. Our principal correspondent is the National Bank of Detroit."

Mr. Draper also stated that as far as mail service was concerned, there was little difference between Chicago and Detroit.

/ts



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 27, 1953 REPRESENTATIVE Wm. T. Turner & Russel A. Swaney  
 STATE Michigan CITY South Haven (Van Buren)  
 NAME OF BANK Bank of South Haven  
 PERSONS INTERVIEWED: Carl E. Dilley, Vice President and Cashier  
F. W. Radtke, Assistant Cashier

**COMMENTS:**

We explained to Carl E. Dilley, Vice President and Cashier, the plan for expansion of Detroit Branch territory. Mr. Dilley told us that it sounded all right to him and he would be glad to cooperate. He believes that their mail service is about as good from Detroit as it is from Chicago. Outgoing cash letters are cleared one month with Continental Illinois National Bank and Trust Company and then the next month with the First National Bank of Chicago, and then back to Continental again. Likewise, drafts in payment of Chicago and Detroit cash letters are alternately paid every month between Continental and First National.

Mr. Dilley spoke of their management problem. For some time he has wanted to retire. So far, the board of directors have not found anyone they would be satisfied with to replace Mr. Dilley. The directors seem to feel that all they would need is an office boy. Likewise, they do not have any confidence in any of the other people in the bank. Mr. Dilley told us the directors would never be willing to pay the kind of salary that would attract a good man.

Mail to South Haven comes by Star Route from Bangor 14 miles away. Bangor is on the main line of the Chesapeake and Ohio Railway.

RAS/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 30, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Sparta (Kent County)  
 NAME OF BANK Sparta State Bank  
 PERSONS INTERVIEWED: A. Barth Carlson, Vice President and Cashier  
Ivar F. Johnson, Assistant Cashier

**COMMENTS:**

A. Barth Carlson, Vice President and Cashier, said that although mail service was better to and from Chicago than to and from Detroit, he would favor doing business with the Detroit Branch. He mentioned that they were thinking of establishing a correspondent in Chicago, but now they probably would have no need for one. I stressed the point that we were anxious not to disturb any correspondent relationships. Mr. Carlson told me that for some time they have been planning to close out their account with the National Bank of Detroit as all of their correspondent business has been with The Manufacturers National Bank of Detroit.

Concerning safekeeping and the purchase and sale of securities, Mr. Carlson remarked that, if the Branch expansion program was approved, he would probably transfer safekeeping to Detroit as most of his security dealings are with Paine Webber Jackson and Curtis in Chicago, who also have an office in Detroit. Mr. Carlson said he felt very close to certain individuals at the Branch and he was sure his dealings with the Branch would be very satisfactory.

Mr. Carlson told me that representatives of the big city banks have been trying to get him to send items for collection through their institutions, as they claim they can give better service. At the present time, Mr. Carlson is clearing most of his checks with Head Office and payment for our cash letters is made through charge to the bank's Reserve Account.

Mr. Carlson said they would analyze their out-of-town checks and determine whether it is preferable to handle collections through Head Office or through the Branch. He believes that the bulk of the items would favor the Detroit area.

This bank was recently penalized for having insufficient reserves, and Mr. Carlson stated that, although he was notified, he could not take care of the deficiency as this would have meant selling some Governments which he did not wish to do. I told him that in some cases, he might wish to use his discounting privileges and he remarked he had not thought of that.

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 3, 1953 REPRESENTATIVE William W. Turner  
Russel A. Swaney

STATE Michigan CITY Spring Lake (Ottawa County)

NAME OF BANK The Spring Lake State Bank

PERSONS INTERVIEWED: Paul F. Markoff, President; J. Kenneth Schepers, Cashier;  
Robert Dykman, Assistant Cashier; Della M. Mulder, Assistant  
Cashier

COMMENTS:

Mr. J. Kenneth Schepers, Cashier, told us that our plan for redesignation of Detroit Branch territory to include all of the lower peninsula of Michigan was no surprise to him. He said, "I have been expecting this ever since I saw your nice new building last Spring." Mr. Schepers went on to tell us that our plan was all right with him because he had been thinking of transferring the sending of Michigan items from the Northern Trust Company of Chicago to the National Bank of Detroit.

When 90 year old Paul F. Markoff, President, was ready to leave the bank, he called us off to one side and said, "I like your plan. You go ahead with it."

Mr. Schepers and Mr. Dykman proudly showed us the site of their new bank building which is one block from their present location. The steel work has just been completed and the masons are starting to lay brick. The new building will cost about \$100,000 and is badly needed as present quarters are very crowded. They are so cramped that they are posting their savings ledgers in the lobby.

RAS:ts

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 28, 1953 REPRESENTATIVE Gordon W. Lamphere & Russel A. Swaney  
 STATE Michigan CITY Sturgis (St. Joseph County)  
 NAME OF BANK The Citizens State Bank  
 PERSONS INTERVIEWED: W. J. Stapleton, Executive Vice President & Cashier  
W. Noel Shedd, Vice President

**COMMENTS:**

After we had explained to W. J. Stapleton, Executive Vice President and Cashier, the plan for expansion of Detroit Branch territory, he said, "It sounds all right to me." Later on during our conversation, W. Noel Shedd, Vice President, came into Mr. Stapleton's office, and after he had heard our story, he said he thought they would be affected on outgoing checks because he was sure most of their outgoing checks were items to the west, and should go to Chicago. We explained that any items drawn on the remaining four states in the Seventh Federal Reserve District could be sent to Chicago, while Michigan items could be sent to Detroit. They both agreed they would like to make a survey of their outgoing checks just to see what percentage of items they have for the other four states.

Sturgis is on the mail line of the Chicago, Toledo, New York Central System. It is possible that currency requirements for this bank would have to come from Chicago.

Mr. Stapleton is a great believer in using the services of the Federal Reserve Bank to the fullest advantage. All outgoing items are cleared with Head Office. Detroit and Chicago Federal Reserve cash letters are paid for with a draft drawn on Head Office. Mr. Stapleton thought they would continue to keep most of their safekeeping in Chicago.

RAS/bam



**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 28, 1953 REPRESENTATIVE Gordon W. Lamphere; Russel A. Swaney  
 STATE Michigan CITY Sturgis (St. Joseph County)  
 NAME OF BANK First National Bank  
 PERSONS INTERVIEWED: Frank C. Miller, Executive Vice President  
J. G. Gosling, Vice President  
George E. Abel, Cashier  
William G. Ackley, Jr., Assistant Cashier  
 COMMENTS:

Frank C. Miller, Executive Vice President, was out when we first arrived at this bank so we explained the plan for Detroit Branch expansion to George E. Abel, Cashier. He said, "I am sure that it will not make any difference to us. I believe that our mail service is just as good to Detroit as it is to Chicago. Frankly, it is not good to either place."

This bank sends all outgoing items to the Harris Trust and Savings Bank in Chicago. Likewise, Detroit and Chicago Federal Reserve cash letters are paid for with a draft drawn on the Harris Trust and Savings Bank. This bank has only one other correspondent account, The Manufacturers National Bank of Detroit. Today, their balance at Harris showed a total of \$368,000; the balance at Manufacturers was \$59,000.

When Mr. Miller came in and had heard our story, he told us that the plan sounded all right to him, and he would be glad to cooperate.

RAS:gh

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 28, 1953 REPRESENTATIVE Gordon W. Lamphere; Russel A. Swaney  
 STATE Michigan CITY Three Rivers (St. Joseph County)  
 NAME OF BANK First National Bank  
 PERSONS INTERVIEWED: Raymond B. Linsley, President  
Allen J. Renshaw, Vice President

**COMMENTS:**

Raymond B. Linsley, President, told us that he thought the plan for expanding the Detroit Branch territory would be all right with them. He said he thought their mail service was about the same to both Chicago and Detroit. Later on in the conversation when he had called in Mr. Renshaw, Mr. Renshaw stated that he thought their mail service was very inferior to Detroit and in most cases, Detroit mail was delayed one day. After we had explained the entire procedure, Mr. Linsley agreed that they would be happy to cooperate with us, providing they could still obtain currency and coin shipments from Chicago, assuming, of course, that the Detroit mail service continued inferior to that of Chicago.

Mr. Linsley said that in times past, they had purchased a lot of municipal bonds from the First of Michigan Corporation in Detroit. In the future, he will have these bonds delivered to the Detroit Branch for safekeeping. Up until now he has always had them delivered to Head Office.

Outgoing cash letters are sent to Continental Illinois National Bank and Trust Company of Chicago, First National Bank and Trust Company of Kalamazoo, and the National Bank of Detroit. Chicago and Detroit Federal Reserve cash letters are paid for with a draft drawn on Continental.

During our conversation, Mr. Linsley brought out that funds for the local plant of Fairbanks, Morse and Company and the Eddy Paper Corporation, all came to them through Continental Illinois National Bank and Trust Company of Chicago. He also said that a new plant, just getting underway in town, obtained all of their funds primarily from the Ford Motor Company in Detroit.

RAS:gh

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 5, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Traverse City (Grand Traverse Co.)  
 NAME OF BANK First-Peoples State Bank  
 PERSONS INTERVIEWED: Carroll W. Collins, Executive Vice President; W. Reed Chapin,  
Vice President, Cashier and Trust Officer; Mrs. Polly Olson,  
Head Bookkeeper  
 COMMENTS:

Carroll W. Collins, Executive Vice President, told us that the proposed transfer of their account to the Detroit Branch would not make any difference to them and they would be very happy to go along with our plan.

During the ensuing discussion, it was brought out that this bank had been paying for Chicago and Detroit Federal Reserve cash letters with a debit to their Reserve Account while all of their outgoing items were cleared with the National Bank of Detroit. This arrangement resulted in continuous transfers from National Bank of Detroit to their Reserve Account. We suggested that Detroit and Chicago letters be paid for with a draft drawn on the National Bank of Detroit, which would save the continuous transfers. Mr. Collins called in their head bookkeeper, Mrs. Olson, and they are going to start this arrangement today. Mr. Collins and Mr. Chapin were not aware that our cash letters could be paid for with Detroit funds.

RAS/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 5, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Traverse City (Grand Traverse)  
 NAME OF BANK Traverse City State Bank  
 PERSONS INTERVIEWED: A.L. Wilson, President; Julius H. Beers, Vice President & Cashier;  
Fred VanMaren, Vice President & Trust Officer; Max A. Carter,  
Assistant Vice President; William Van Vorst, Assistant Cashier;  
 COMMENTS: Charles Moorman

When we had explained to Mr. A. I. Wilson, President, the plan for expansion of Detroit Branch territory to include all of the lower peninsula of Michigan, he leaned back in his chair and grunted, "It won't make any difference to us." As a former examiner of the Federal Reserve Bank of Chicago in charge of the Michigan examination section, Mr. Wilson seemed pleased that the long-talked-about plans were nearing completion.

Mr. Van Vorst told us that he had been expecting this move for some time.

Outgoing items are cleared with the National Bank of Detroit. Chicago and Detroit Federal Reserve cash letters are paid for with a draft drawn on Head Office.

RAS/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 4, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Union City (Branch County)  
 NAME OF BANK The Union City National Bank  
 PERSONS INTERVIEWED: Rufus B. Hemenway, Executive Vice President  
P. W. Johnson, Vice President and Cashier

**COMMENTS:**

After I had finished explaining the details of the proposed Detroit Branch expansion plan, Rufus B. Hemenway, Executive Vice President, said, "I believe the change will work to our advantage." We discussed his method of check collections, cash letter payments, and safekeeping activities. Check collections are made as follows:

All Detroit items, and Friday and Saturday Battle Creek items (large payroll checks) are cleared with The Manufacturers National Bank of Detroit.

All other Michigan items are cleared with the Detroit Branch.

All out-of-state items are cleared with the Northern Trust Company of Chicago.

Under the present setup this bank has funds transferred several times each month from The Manufacturers National Bank of Detroit by way of the Branch to Head Office.

Payment for our cash letters is made by a debit to the bank's Reserve Account. I explained that should the proposed plan be approved, the only difference would be in the advice forms being sent to the Branch instead of to Head Office.

Safekeeping is currently with Head Office and Mr. Hemenway told me he would prefer, at least for the present, to continue this arrangement.

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**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 27, 1953 REPRESENTATIVE Wm. T. Turner & Russel A. Swaney  
 STATE Michigan CITY Watervliet (Berrien County)  
 NAME OF BANK First National Bank  
 PERSONS INTERVIEWED: Uyleau Shimer, President;  
Robert E. Reinking, Cashier

**COMMENTS:**

Uyleau Shimer, President, told us that he did not like the idea of being in Detroit Branch territory. He said, "All I have to do is step out of the bank and on the train, which is a few feet away, and in an hour and three-quarters, I can be in Chicago. To get to Detroit is another problem. I either have to drive, or go to Niles by car and take the Michigan Central."

We explained to Mr. Shimer that we could handle everything out of Chicago for him except his reserve account, and that, from an accounting standpoint, would be necessary to keep in Detroit. Mr. Shimer finally, after a thorough discussion of all factors, agreed that he would cooperate with us on the plan for expanding Branch territory.

Outgoing items are cleared with the Continental Illinois National Bank and Trust Company of Chicago, and Detroit and Chicago cash letters are paid for with a draft on Continental.

/bam

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 26, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY West Branch (Ogemaw Co.)  
 NAME OF BANK The State Savings Bank of West Branch  
 PERSONS INTERVIEWED: W. A. Crandell, President  
F. E. Cooper, Cashier

**COMMENTS:**

Before I had finished the usual introductions, relative to the proposed Branch expansion plan, W. A. Crandell, President, said, "I don't understand why we can't do business with the Detroit Branch." Both Mr. Crandell and Mr. Cooper laughed when I explained that was what I had come to talk to them about. Both men are very favorable toward transferring their bank's activities to the Branch and stated it would be of definite benefit to them.

This bank now remits to the Detroit Branch for our cash letters. The National Bank of Detroit is the main correspondent and all outgoing checks are cleared with that bank. Mr. Crandell said that he would wish to transfer their safekeeping items from Head Office to the Branch if the bank comes into Branch territory.

Mr. Crandell told me that a representative from the National Bank of Detroit was in to see him a few weeks ago and stated that his bank was not making money on this West Branch bank's balance. Mr. Crandell said if this happens again, he is going to transfer all of his check collections to the Detroit Branch. We discussed the pro and con of collecting checks through correspondent banks and the Federal Reserve Banks. According to Mr. Crandell, the representative of the National Bank of Detroit told him that their service was much faster than that of the Federal Reserve System.

We had a lengthy discussion with regard to the advantages of membership. It is Mr. Crandell's opinion that some banks are money hungry and feel our reserve requirements are a deterrent to higher earnings. Mr. Crandell then referred to the State Bank of Standish, where his brother, Roy J. Crandell, is president. He said his brother's bank had about 25 per cent more loans than this West Branch bank. Mr. Crandell remarked that he and his brother had discussed membership benefits many times, and went on to say that he felt personal recommendations of member bankers were one of our biggest assets in making friends for the System. He mentioned his discussions with J. R. Fotheringham, Vice President and Cashier of the Pinconning State Bank, before joining the System, and also stated that Mr. L. G. McKay, President, Peoples State Bank of East Tawas, talked to him regarding membership before joining the Federal Reserve.

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE October 29, 1953 REPRESENTATIVE Paul F. Carey  
 STATE Michigan CITY Whitehall (Muskegon County)  
 NAME OF BANK The State Bank of Whitehall  
 PERSONS INTERVIEWED: George E. Covell, President  
Joseph Ocobock, Vice President and Cashier  
Francis E. Leighton, Assistant Cashier

**COMMENTS:**

After explaining the plans for expanding the Detroit Branch territory to George E. Covell, President, Joseph Ocobock, Vice President and Cashier, asked me to go into a back office and explain the plan to Francis E. Leighton, Assistant Cashier, as he was more familiar with the details of the functions that would be involved in the transfer. All the officers seemed pleased that they would be dealing with the Branch.

Mr. Leighton was of the opinion that perhaps the mail service to Detroit was not as good as that to Chicago. However, he said that would be a minor issue and they would go along with the transfer and see how the mail service worked in connection with currency shipments and other transactions.

This bank's principal correspondent is Continental Illinois National Bank and Trust Company, Chicago. Checks are cleared through this correspondent and remittances for our cash letters are in Chicago exchange.

SS

**BANK RELATIONS DEPARTMENT**  
**REPORT OF CALL ON MEMBER BANK**

DATE November 3, 1953 REPRESENTATIVE Wm. W. Turner & Russel A. Swaney  
 STATE Michigan CITY Zeeland (Ottawa County)  
 NAME OF BANK Zeeland State Bank  
 PERSONS INTERVIEWED: Adrian C. Vanden Bosch, President; Henry Baron, Cashier; Alvin  
G. Johnson, Assistant Cashier; Robert J. Den Herder, Assistant  
Cashier  
 COMMENTS:

Mr. Adrian C. Vanden Bosch, President, was out for lunch when we arrived at this \$12,000,000 institution. Mr. Henry Baron, Cashier, showed us through their remodeled quarters. We explained to Mr. Baron and his fellow officers the plans for redesignation of Detroit Branch territory. Mr. Baron said the plan sounded logical to him and they would be glad to cooperate in every way possible. He believes that their currency shipments from Detroit will arrive first thing in the morning instead of later in the day as they now come from Chicago.

When Mr. Vanden Bosch returned from lunch we explained the plan to him and he said, "Sounds like progress to me, and we certainly would be for it."

Chicago and Detroit Federal Reserve cash letters are paid for with a draft drawn on the Continental Illinois National Bank and Trust Company of Chicago. Practically all outgoing items are sent to Continental with exception of a few immediate credit items that are sent to Head Office. Mr. Vanden Bosch told us of a recently completed arrangement, whereby the two banks in Holland and this bank exchange items every day. The banks take turns on the delivery problem. They alternate among the three banks every month. This arrangement was decided upon after the Zeeland and Holland banks had a bad experience with a check kiting problem.

RAS/bam



**Federal Reserve Bank of Chicago  
DETROIT BRANCH**

**Expansion to Take in Entire  
Lower Penninsula of Michigan**

**VOLUME 2**

**November 10, 1953**





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FRASER  
ST. LOUIS

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## Trade Flows

The basic purpose of this study was to determine predominating trade flows as between Detroit or Chicago and 21 communities constituting a representative geographical cross section of the western and northern portions of the Lower Peninsula of Michigan.

Preliminary checkings indicated that while statistics could be obtained readily on many factors of business volume, there were no published figures readily available which indicated inter-city flows of business. Yet, the indicators of commerce were many. Type of products was one of them; obviously, for instance, automotive products flow towards Detroit. Freight movements, traffic flows, passengers to and from an area, mail, telegrams, long distance telephone calls, summer resort movements, radio reception, interests of residents in other cities, sources of supply, all were considered.

Since figures to indicate all these trends were not available, inquiries were made of key persons who were in positions to give authentic information and make analytical statements of merit. Secretaries of Chambers of Commerce were questioned in detail. There were interviews with postmasters, freight and passenger agents, managers of telegraph offices, air lines, and bus depots, etc. In most instances, statements were confirmed by information in files available to the person questioned or from "on the spot" inquiries or checkings.

Some factual bench marks were obtainable. The Michigan Bell Telephone Company furnished figures from a count of long distance phone calls made during a ten day period of 1952. The State Highway Department furnished traffic flow charts. Pipe line maps and charts of the integrated gas and electric utilities were made available. The Great Lakes Section of the Corps of Engineers, U. S. Army, submitted lake traffic reports. A major radio station in the Detroit area gave us pertinent statistical information that they had compiled in a recent survey.

These bench marks supplemented the field work and in the main, coordinated and confirmed the findings. All conclusions made are based on the foregoing investigations and available data.





Sources of Information

groups:      The sources of information for this report fall into two

1. Direct field sources.
2. Confirming sources.

from:      Information obtained from field sources in most instances came

Chambers of Commerce  
Railroad passenger and freight agents  
Bus line ticket agents  
Airline ticket agents  
Motor freight companies  
Telegraph company  
Railway express company  
Postmasters and their assistants

Confirming sources were as follows:

Great Lakes District, Corps of Engineers, U. S. Army  
Highway Department, State of Michigan  
Public Utilities  
Representatives of:  
    Meat Packing Companies  
    Industries                   - where required  
    Department of Aeronautics, State of Michigan  
Major radio station  
Railroad divisional offices  
Detroit Board of Commerce  
Detroit Public Library

Allegan, Michigan

Allegan is located between Holland and Kalamazoo about 150 miles from both Chicago and Detroit. Present population is said to be about 5,000.

Of about ten manufacturers, the larger are:

<u>Company</u>	<u>Products</u>	<u>Employees</u>
Blood Brothers (Div. Standard Steel Tube Co. - Pa.)	Truck, Tractor & Farm Equipment, universal joints	600
L. Perrigo Company	Pharmaceutical	
Delano Service, Inc.	Bank forms	50
Heattube	Imbedded electric elements	50

The last named company has a predominant Chicago market. The others are stated to divide their output equally between points east and west of Allegan. Blood Brothers business moves slightly heavier to the west which produces farm equipment in larger proportions than the east.

While both truck and rail freight presumably favor Chicago slightly, there is an unlimited weight highway from Allegan to Kalamazoo, and then a direct line to Detroit. Direct routes to Chicago are on flexible pavements and it is necessary that heavy loads are carried by a somewhat indirect route.

There is no rail passenger service. Rail connections may be made at Kalamazoo for east and west, as well as bus connections at the same point both by way of a local bus line. Bus traffic is said to favor Chicago.

The interests of local residents are said to favor Chicago over Detroit in connection with shopping, sports, etc. Radio surveys of listening tend to confirm this as does the record of long distance calls which are in the ratio of 112 to Detroit to 179 to Chicago. One of the reasons for the preference, we are informed, is because of the number of Chicagoans who have become permanent residents of the area or are summer residents in the coastal area of the county.

Mail volume is said to favor Chicago slightly. The local postmaster could not furnish mail schedules to either city as mail for both is routed on star routes via Kalamazoo or Grand Rapids. He did state that there was no great variation in service with outgoing and incoming mail to and from Chicago or Detroit being handled on a delivery basis of the next day after mailing. (Michigan Central train schedules from Kalamazoo confirm this).

Conclusion:

Present local interests tend to favor Chicago. Shipments to that city slightly exceed those to Detroit.

July 30, 1953

## Alpena, Michigan

Alpena is located just north of Thunder Bay on Lake Huron, 233 miles from Detroit and 420 miles from Chicago. An excellent harbor is available and is used extensively by local industry for shipments to Detroit. Year round population totals 13,000.

The principal industries of the city are:

<u>Company</u>	<u>Products</u>	<u>Employees</u>
Huron Portland Cement Co. (Branch of Detroit)	Cement	940
Besser Manufacturing Co.	Concrete Block Machines	717
Fraser Products Co. (Subsidiary of Detroit)	Auto Seat Covers & Trim	325
Wyandotte Chemical Co. (Branch of Wyandotte, Michigan)	Chemicals	260

There are about 13 small industries with diversified products.

Proposed industrial expansion includes: \$9,000,000 Huron Portland Cement Company; \$2,000,000 Besser Manufacturing Company; \$750,000 in programs of other industries. In addition, several Eastern steel firms contemplate the development of a \$10,000,000 limestone quarry to be managed by the Kelley Island Lime and Transportation Company of Cleveland, Ohio.

All companies look to Detroit for any raw materials and supplies which cannot be obtained locally, with the exception of the local tannery which obtains its raw materials from Chicago. Likewise, the distribution of manufactured goods is handled primarily through Detroit save that of a furniture manufacturer that utilizes the Chicago market.

Also, Detroit is a source of supply for retailers and wholesalers except for furniture dealers who prefer Chicago markets. Local residents' interests in sports, entertainment, shopping and radio, are focused on the Detroit area rather than that of Chicago. Concrete evidence of these social and trade preferences was revealed in a recent test check of telegraph messages which showed telegrams to Detroit on a 10 to 1 ratio as contrasted with Chicago, and long distance calls of 837 to Detroit to 56 to Chicago.

While Alpena proper enjoys considerable transient resort trade, the surrounding area is one of Michigan's desired locations for summer residences and cottages for periodic occupancy in the hunting and fishing seasons. A majority of the license plates observed in this area, seasonally, reflect Detroit's Metropolitan area as the point of origin of the vehicle.

While Alpena has no rail passenger service, the Detroit and Mackinaw Railway provides daily freight service. Shipments to and from Chicago and Detroit favor Chicago by 3 to 1 which is in sharp contrast with motor truck freight which as reported to us by the

Alpena, Michigan con't

largest local trucker, is directly opposite in the same ratio on out-bound freight with a 2 to 1 ratio favoring Detroit as to inbound. Although there was no attempt to explain this variation, highway maps reveal that the truck route is a shorter direct haul to Detroit. Furthermore, the bulk freight shippers, Huron Portland Cement Company and Wyandotte Chemicals Corporation utilize ships in the transportation of their products, the bulk of which goes via the water route to the Detroit area.

There are three daily bus runs directly to Detroit. To reach Chicago, transfers are made in either Flint or Detroit. Traffic volume to and from Detroit is substantially heavier than to and from Chicago.

The local postoffice estimates that parcel post volume for Detroit and Chicago is about equal with regular Detroit mail exceeding that of Chicago by one-third. Mail service is as follows:

<u>Close Alpena</u>	<u>Arrive Detroit</u>	<u>Arrive Chicago</u>
11:25 A.M.	10:00 P.M.	6:45 A.M.
*2:00 P.M.	3:00 A.M.	6:45 A.M.
5:15 P.M.	7:05 A.M.	11:30 A.M.
<u>Leave Detroit</u>	<u>Leave Chicago</u>	<u>Arrive Alpena</u>
*10:50 P.M.	6:00 P.M.	7:35 A.M.
	*8:00 P.M.	12:00 M

\* Includes parcel post

Conclusion:

Because of the affiliations of its major industries, the eastern connections of the planned quarry and the ultimate use of its production, the area's resort trade, and the interests of the people, Alpena is closer tied with Detroit and the east rather than Chicago and the west.

July 21, 1953



## Battle Creek, Michigan

Battle Creek is located in the south central portion of the Lower Peninsula on route US 12, 120 miles from Detroit and 165 miles from Chicago. The 1950 census showed the city to have a population of 48,700 and the county area of 120,800.

The leading industries of the area are represented by the following companies:

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Oliver Corp. (Br. of Chicago)	Harvesting Machinery	4,100
Kellogg Company	Ready to eat cereals	3,300
Eaton Mfg. Company	Automotive valves	3,100
Post Cereals Division	Cereal foods	2,900
Clark Equipment Company	Material Handling Equip.	2,400
Michigan Carton Company	Boxboard & folding crates	1,400
United Steel & Wire Company	Wire products	800
Detroit, Michigan Stove Co. (Br. of Detroit)	Gas & Electric ranges	600
Rich Manufacturing Company	Automotive valves	500

Inasmuch as the principal raw materials are steel and grain, the Chicago area is the principal source of the local industries' basic inventory. Most producers have national markets, and look beyond Chicago and Detroit. Several companies such as Eaton Manufacturing Company and Rich Manufacturing Company, that do show distribution preferences, sell in a 4 to 1 ratio in the Detroit area.

While Chicago is considered to be somewhat the better source of supply for retail and wholesale trade, we were told that all save one local investment house operates primarily through Detroit connections.

Local preferences in shopping, radio, amusements, and so on, veer toward Detroit as is reflected by the following ratios:

	<u>Detroit</u>	<u>Chicago</u>
Radio poll	82	11
Traffic survey	740	110
Long distance calls	3603	1902

Good automobile transportation is said to be an increasing factor in further developing this trend.

There is a well developed agricultural area in the county with livestock production predominating. Because of the Chicago packers' preference for western livestock, over 90% of such production flows to Detroit.

Both passenger and freight rail service is about equally divided between Detroit and Chicago, however, since automobile driving time to Detroit is relatively short, Chicago passengers predominate. Bus service which is more frequent than rail schedules carries heavier passenger loads to Detroit. Likewise, air passenger service to Chicago is heavier than to Detroit because of the much shorter driving distance to Detroit.

Battle Creek, Michigan con't

Detroit rail freight is somewhat less than that to Chicago, but truck freight is about equal. If agricultural trucking is considered, the bulk of the road movement is toward Detroit.

A recent sampling of mail indicated that outgoing parcel post was about equal with incoming favoring Detroit. Regular mail both ways showed Detroit ahead of Chicago. While mail schedules were not obtained, service is about equivalent both ways with about a two hour differential in favor of Detroit.

Conclusion:

Manufacturing is so diversified that markets are more national than local in scope, however flows that are directional, channel toward Detroit rather than Chicago. Agriculture and personal interests are closely integrated with Detroit and, unquestionably, Detroit and Battle Creek are more closely allied than are Chicago and Battle Creek.

August 6, 1953

T-4a

Benton Harbor, Michigan

Benton Harbor is located on Lake Michigan 92 miles from Chicago and 184 miles from Detroit. The "twin cities" St. Joseph and Benton Harbor had a combined population of 29,000 in 1950. 18,400 from adjacent sections should be added to make up the composite trading area.

Principal industries of this area are:

<u>Company</u>	<u>Products</u>	<u>Employees</u>
Whirlpool Corp.	Home Laundry equipment	3,500
Auto Specialties Co.	Hydraulic and mechanical jacks	2,400
VM Corporation	Phonograph record changers	1,000
Clark Equipment Co.	Material Handling equipment	650
Benton Harbor Malleable Industries	Die castings - forgings	630
Industrial Rubber Goods	Molded rubber parts	600
Michigan Fruit Cannery	Processors of fruits & veg.	600
Superior Steel Co.	Castings	600
New Products Co.	Aluminum, zinc, magnesium castings	500

There are a number of smaller industries making a diversified group of products. In general, industrial products tend to move nationally rather than to either Detroit or Chicago markets.

It is stated that Chicago is preferred over Detroit both as to source of supply and as a market. Local interests also are said to be directed to Chicago. This is confirmed by a record of long distance calls in the ratio of 6 to 1, and road traffic of 290 to 20, both in favor of Chicago over Detroit. The Chicago Tribune alone is stated to have a local circulation of 100 to 1 over all Detroit papers.

Excellent freight service is available by both train and motor truck. In all cases checked Chicago volume is greater than that to and from Detroit.

Both rail and bus passenger service to Detroit is poor; to Chicago it is excellent. For instance, the South Shore Line maintains almost hourly rail motor coach service to Chicago. No comparable service exists toward Detroit; passenger traffic is obviously proportionate to the service.

Chicago mail exceeds that of Detroit as is shown in the following schedule:

<u>Pieces Outgoing</u>		<u>Pieces Incoming</u>
5,000	Chicago	3,000
2,000	Detroit	900

Benton Harbor con't

The following is a schedule of mail service:

<u>Close Benton Harbor</u>	<u>Arrive Chicago</u>	<u>Arrive Detroit</u>
2:30 A.M.	5:00 A.M.	10:35 A.M.
8:45 A.M.		4:50 P.M.
9:30 A.M.	11:05 A.M.	
4:40 P.M.	8:50 P.M.	3:00 A.M.
6:48 P.M.		3:00 A.M.
<u>Leave Chicago</u>	<u>Leave Detroit</u>	<u>Arrive Benton Harbor</u>
11:15 P.M.		2:14 A.M.
	12:10 A.M.	7:00 A.M.
	3:20 A.M.	8:30 A.M.
9:40 A.M.		2:30 P.M.
5:20 P.M.		7:18 P.M.

Conclusion:

While many manufacturers have national markets, this area is oriented toward Chicago.

August 3, 1953

Big Rapids, Michigan

Big Rapids is located on US 131 in the west central portion of the Lower Peninsula 185 miles from Detroit and 228 miles from Chicago. Its present population is estimated at 7,370.

The major industries are as follows:

<u>Company</u>	<u>Products</u>	<u>Employees</u>
Denham Manufacturing Co.	Auto & Refrigerator parts	230
Wolverine Shoe & Tanning Corp.	Shoes and gloves	221
Hanchett Manufacturing Co.	Saw shapers & grinders	154
Rapids Furniture Shops	Tables	123
Pine Shops, Inc.	Furniture	104

There are also several companies with diversified production, employing 165 persons.

Both Detroit and Chicago are considered as negligible sources of raw materials; and are believed to be about equal export markets. Likewise, local wholesalers and retailers consider Grand Rapids as a source of supply in preference to Detroit or Chicago.

Summer resort patronage is being developed. Major sources of this trade are said to be Illinois, Indiana, and Michigan. The volume is in the order named.

There is no rail passenger service. There are five buses in and out of Big Rapids daily for Detroit and Chicago both via Grand Rapids, a transfer point. The local agent estimates that Detroit and Chicago passenger volume is about equal.

Rail freight, which is on a five day a week basis, carries a fair volume to Chicago, but because of adverse rates, Detroit volume is negligible. While truck freight with daily runs to both cities is predominantly to Chicago, local sources believe that shipments in company-owned trucks to the Detroit market by the larger industries about equalize total freight to both points.

Volume of mail is said to be equal to and from both cities, however, because of mail order business and other factors, parcel post to and from Chicago substantially exceeds that from Detroit. The mail schedules are as follows:

<u>Close Big Rapids</u>	<u>Arrive Chicago</u>	<u>Arrive Detroit</u>
9:00 A.M.	8:20 P.M.	4:50 P.M.
1:00 P.M.	(5:00 A.M.	8:50 P.M.
5:30 P.M.	(next day	3:00 A.M.
<u>Leave Chicago</u>	<u>Leave Detroit</u>	<u>Arrive Big Rapids</u>
4:10 P.M.		1:00 A.M.
	11:30 P.M.	6:45 A.M.
11:30 P.M.		9:00 A.M.
	3:20 A.M.	11:30 A.M.



Big Rapids, Michigan con't

The number of outgoing telegrams to Chicago slightly exceed those sent to Detroit. Conversely, telephone calls to Detroit as compared with Chicago are in the ratio of 185 to 86. Radio listening surveys indicate that more families listen to a major station in Detroit than to a major station in Chicago: ratio, 65 to 43.

Conclusion:

Obviously, neither Chicago nor Detroit participate actively in this market. Grand Rapids, 56 miles away, seems to be the focal point of retail and wholesale trade.

July 27, 1953

## Cadillac, Michigan

Cadillac is located on US 131 in the northwest inland area of the Lower Peninsula. 192 miles from Detroit and 269 miles from Chicago. It is situated near Lakes Mitchell and Cadillac, a resort area of some prominence. The census of 1950 gave the population as 10,400.

The major industries are described as follows:

<u>Company</u>	<u>Products</u>	<u>Employees</u>
B. F. Goodrich Co.	Auto Parts	419
Kysor Heater Co.	Bus & Truck Heaters	268
Cadillac Malleable Iron Co.	Malleable Iron Castings	243
Chris Craft Corporation (Branch of Algonac, Michigan)	Speed Boats	199
St. Johns Table Co.	Dinette Furniture	188

The three first named companies employ 50% of the local industrial labor. There are 12 other industries that make a variety of products and their aggregate payroll consists of approximately 542 employes. The nature of the products of both the large and small industries makes Detroit a predominant market over Chicago. Detroit and Chicago share proportionately in supplying the manufacturing needs of this territory.

Wholesale and retail source trade which is not handled at Grand Rapids is divided about equally between Detroit and Chicago. Resort trade, both summer and winter, is derived predominantly from Detroit, although recently there has been an increase from the Chicago area.

The Pennsylvania Railroad provides passenger service only three days a week in the summer with none the rest of the year, although freight service is on a year round five day a week basis. The Ann Arbor Railroad also provides daily freight service between Toledo and Frankfort, however, service is such that rail traffic is negligible.

Motor freight is provided by several companies with one day delivery service to Detroit and Chicago. While incoming freight is about equal from both points, outgoing is definitely in favor of Detroit. Also, Detroit is favored by having a maximum weight highway for the entire distance which is non-existent on the Chicago route.

Four bus runs are in operation daily to and from both Chicago and Detroit. On each, except one trip to and from Detroit, passengers must transfer. The number of Detroit and Chicago passengers are about equally divided.

About 60% to 65% of mail is between Cadillac and Detroit, almost a 2 to 1 ratio over Chicago mail. Similarly long distance calls were in a ratio of 375 to Detroit to 103 to Chicago.

Mail service is as follows:

Cadillac, Michigan con't

Close Cadillac

7:40 A.M.  
3:30 P.M. (  
4:30 P.M. (

Arrive Detroit

4:50 P.M.  
3:00 A.M.

Arrive Chicago

8:20 P.M.  
5:00 A.M.

Leave Detroit

1:40 P.M.  
11:30 P.M.  
3:25 A.M.

Leave Chicago

5:20 P.M.  
8:00 P.M.  
11:55 P.M.  
7:20 A.M.

Arrive Cadillac

3:00 A.M.  
8:20 A.M.  
10:30 A.M.  
2:00 P.M.

Conclusion:

Cadillac is associated more closely with Detroit than Chicago because of allied industrial production, transportation, resort trade, and communications.

July 24, 1953

## Cheboygan, Michigan

Cheboygan is located on the northern shore of the Lower Peninsula, 273 miles from Detroit and 397 miles from Chicago. The population of 5,700 is temporarily increased in the summer months by the resort trade in the surrounding territory.

While industries are few, the larger ones are:

<u>Company</u>	<u>Product</u>	<u>Employee</u>
Detroit Tap and Tool Co. (Branch of Detroit)	Automotive parts	80
Great Lakes Manufacturing Co.	Garments	60
Plymouth Industries	Camera Cases	40

Apparently there is little preference industrially between Detroit and Chicago save in the case of Detroit Tap and Tool Company, which deals almost exclusively in the Detroit area.

There are no wholesalers, but retailers are said to look to Detroit for inventory almost to the exclusion of the Chicago area.

The interests of the population in athletic events, metropolitan shopping, and radio are stated to have been in Detroit for years. The ratio of long distance calls to Detroit of 362 compared with 61 to Chicago, and a radio listening poll with a ratio of 74 to 12 favoring Detroit confirms this. According to a license plate survey, summer residents in the area are drawn from southeastern Michigan, Ohio, Indiana, and Illinois with the number of tourists in the order named.

The city is on the New York Central Railroad and has daily freight and passenger service. While passenger and express volumes favor Detroit, outgoing freight is about equal to Chicago or Detroit while incoming from Chicago is heavier because of the mail order business. Motor freight volume is stated to be heavily in favor of Detroit.

There are three buses from Detroit daily and four returning. Chicago passengers must change at Flint or Detroit. The number of passengers to and from Detroit is said to be much greater than that traveling to or from Chicago.

Detroit mail exceeds that of Chicago by 3 to 1. Incoming parcel post is about equal with outgoing 2 to 1 in favor of Detroit. Mail service is as follows:

<u>Leave Cheboygan</u> 9:30 P.M.	<u>Arrive Detroit</u> 7:00 A.M.	<u>Arrive Chicago</u> 11:00 A.M.
<u>Leave Chicago</u> 4:15 P.M.	<u>Leave Detroit</u> 10:50 P.M.	<u>Arrive Cheboygan</u> 7:40 A.M.

Conclusion:

While the industrial import of the community is not great, on balance, more of the production seems to flow toward Detroit than Chicago. Local interests and tourist trade definitely swing the balance in favor of Detroit.

### Coldwater, Michigan

Coldwater is located in the central southernmost part of the state about 108 miles from Detroit and 161 miles from Chicago. Its 1950 population was 8,543.

There are about 20 industrial firms employing some 2,500 persons, the major ones of which are:

<u>Company</u>	<u>Products</u>	<u>Employees</u>
Midwest Foundry	Plastic Mannequins and castings	490
Homer Furnace & Foundry Co.	Castings	260
Federal Mogul Service (Branch of Detroit)	Bearings	250
M.T. Shaw, Inc.	Shoes	125
Hillsdale Manufacturing Company	Clothing	100

Local opinion is that both Chicago and Detroit are equivalent as sources of supply and distribution for manufactured goods. Prevailing opinions as to freight volumes, both rail and truck, tend to confirm this.

Coldwater is the center of a substantial agricultural area. Small grains are the major crops, and primarily are utilized locally in cattle feeding and hog raising. Detroit area commission firms are said to work the area so extensively, that they practically have a monopoly as outlets, except for the local market in Fort Wayne, Indiana. Furthermore, the Chicago packers prefer corn fed Iowa cattle to the Michigan cattle which are fattened differently. This tends to drive Michigan-fed cattle toward Detroit because of price differential. Also, the locally extensive operations of a Hillsdale, Michigan, buyer and the local truckers divert a substantial portion of livestock and poultry volume to Detroit. One informed source estimates that it amounts to 90% of local production. Dairy products are also important; the largest producer of butter ships its entire output to Detroit.

While local interests are said to be divided about equally between Detroit and Chicago, such statements are not confirmed statistically. For instance: Detroit is preferred over Chicago in a radio listening poll in the ratio of 89 to 14; in long distance calls in the proportion of 541 to 182, and in bus travel 2 to 1 in favor of Detroit.

Area summer resort patronage is third in economic import. There are numerous inland lakes in the vicinity. Most of the summer residents come from southern Michigan, northern Indiana, and Ohio.

Freight service is provided by the New York Central Railroad with transfer point for both cities at Toledo, Ohio. Because of poor rail connections truck freight carries the larger volume with a slight edge toward Chicago incoming, and an equal division on outgoing. Private trucking of agricultural products is definitely toward Detroit.

The only public transportation is by bus. Service, except travel time, is comparable to Detroit and Chicago



Coldwater, Michigan can't

Since Coldwater is on a branch railroad line and part of the mail follows one indirect route by train and the remainder by truck (star route) to another junction point, the postmaster was unable to give even reasonably accurate departure or arrival times for Chicago or Detroit. It appears, however, that service is about equal eastward and westward.

Conclusion:

While manufacturing tends toward a reasonably equal distribution, agriculture and personal interests definitely tend toward Detroit.

August 4, 1953

T-9a

### Gaylord, Michigan

Gaylord is located on US 27 in the north central portion of the Lower Peninsula, 228 miles from Detroit and 348 miles from Chicago. The population in 1950 was 2,271.

Gaylord has three local industries:

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Standard Products Co.	Auto parts	225
Gaylord Manufacturing Co.	Automotive gears	165
Gaylord Tool and Gage Co.	Precision tools	12

The sources of supply and markets for these companies are in the Detroit area.

Since there are no local wholesalers, merchants' inventories are mostly supplied by nearby cities and the balance is about equally divided between Detroit and Chicago.

Resort patronage is a substantial economic factor in the area. During the summer of 1952, 115,000 persons registered at the state park nearby. 27,000 visited the section to participate in winter sports in the 1952-53 season. The majority of these tourists come from metropolitan Detroit.

There are direct rail connections to Detroit; there are none to Chicago except via Detroit. The train leaves Gaylord at 11:18 P.M. and arrives in Detroit at 7:05 A.M. The North-bound trip leaves Detroit at 10:50 P.M., and arrives at 6:22 A.M. There is also a weekend resort special train during the summer months. On both of these trains, Detroit passengers are said to outnumber those of Chicago by 4 to 1.

Daily freight service by rail is furnished via Detroit. Detroit freight arrives in two days, Chicago, in four to five. Although the volume of outgoing freight is about evenly divided, incoming is predominantly from Chicago because of the mail order business. Similarly, incoming express is 3 to 1 in the number of shipments from Chicago as contrasted to Detroit, and exactly in the opposite ratio on outgoing express.

Because of faster service truck freight makes up the bulk of the shipments and is predominantly towards Detroit (3 to 1 ratio), while incoming from Chicago slightly exceeds that from Detroit.

Gaylord is on the direct bus line between Detroit and the Upper Peninsula; five daily trips each way with stops at Gaylord. There is also a similar direct line to Toledo. No direct service is provided to Chicago. Detroit passenger traffic is estimated at 3 to 1 over Chicago.

Incoming and outgoing mail is stated to be in a ratio of 3 to 1 to and from Detroit as compared with Chicago. The number of outgoing telegrams to Detroit is double that to Chicago and long distance calls were in the ratio of 313 to 8 during a test period in 1952.

Gaylord, Michigan con't

The mail schedules between Gaylord and Chicago were not readily available. However, Chicago mail all flows through Detroit requiring several more hours for receipt. Mail leaving Gaylord at 11:18 P.M. arrives in Detroit at 7:05 A.M. Detroit outbound mail leaves at 10:50 P.M. and arrives at 6:22 A.M.

Conclusion:

Gaylord, which seemed to be a representative community of north central Michigan, is definitely oriented toward the Detroit market. Its resort trade and the few manufacturers derive the bulk of their income from Detroit. Communications and travel are both more direct and voluminous to Detroit.

July 22, 1953

T-10a

## Grand Rapids, Michigan

Grand Rapids is located in the west central portion of the Lower Peninsula some 172 miles from Chicago and 147 miles from Detroit. In 1950 the city proper had a population of 176,515 and the metropolitan area a population of 241,764. The importance of the area can be visualized by the following figures:

	1946 est.	1952 est.
Industrial production	\$156,000,000	\$330,000,000
Sales at wholesale	150,000,000	330,000,000
Sales at retail	155,000,000	372,000,000

Although for a time the city was known as the Furniture Capital, that industry no longer predominates. With the growth of the automobile business in the Detroit area came a development and expansion of metal products business in Grand Rapids. Today, approximately 700 manufacturers produce 3,000 different products, some of which are furniture, cabinet work, radio and electrical equipment, chemicals, auto parts and bodies, refrigerator cabinets, machine tools, dies, stampings, castings, extruded metals and die castings. The Michigan Unemployment Security Commission recently estimated that of the 54,800 factory employees 30,600 were engaged in metal trades as compared with 8,200 in furniture and 15,900 in other production.

The following companies are the major employers of labor in the area. Those employing more than 2,000 persons are designated (1) and those employing between 1,000 and 2,000, (2).

<u>Company</u>	<u>Group</u>	<u>Products</u>
General Motors Corp. (Br. of Detroit) 3 plants	(1)	Diesel parts etc., stampings
Nash-Kelvinator Corp. (Br. of Detroit)	(1)	Refrigerators
Lear, Inc.	(1)	Electronic devices, aircraft parts
American Seating Co.	(2)	Church, schools and theatre seating
Doehler Jarvis Co.	(2)	Automotive hardware
Jervis Corp.	(2)	Stove & refrigerator hardware
Keeler Brass Co.	(2)	Automotive & refrigerator hardware
McInerny Spring and Wire Co.	(2)	Automotive springs
R. C. Allen Business Machines	(2)	Business machines, machine tools
American Box Board Co.	(2)	Paper board
F. L. Jacobs Co. (Br. of Detroit)	(2)	Stampings
Chesapeake & Ohio Railway Co. (Payroll checks drawn on a Detroit bank)	(2)	Transportation

While some of the foregoing manufacturing companies have a wide distribution of their products, major production tends toward automotive lines and, therefore, favors Detroit. In addition, there are many other sizeable producers of automotive products in the area, namely:

Grand Rapids, Michigan con't

Applied Arts Corp.	Stampings
Hayes Manufacturing Corp.	Auto Bodies - stampings
Jarecki Products, Inc.	Tools, dies, stampings
McCord Corp. (Br. of Detroit)	Mufflers, etc.
Michigan Bumper Corp.	Bumpers, auto parts

Informed sources state that shipments of steel into Grand Rapids are for the most part raw steel from the Gary area.

Truckers' estimates of shipments out of Grand Rapids to Detroit vary from 4 to 1 to 2 to 1 over Chicago. The railroad reputed to carry the largest tonnage, indicated that Detroit shipments predominate. Another line states that Chicago leads in carload shipments, while Detroit is favored in L.C.L. A third line reveals that shipments predominate to and from Detroit.

No estimates were available on the trends towards Chicago or Detroit in retail or wholesale trade, although some informants did state that incoming consumer goods freight tended to be heavier from Chicago than from Detroit.

It seems to be the general opinion that the local interests of residents in shopping, sports, entertainment, and so on, are equally divided between Detroit and Chicago; however, the following facts significantly favor Detroit:

Rail passengers	From Detroit 9856	From Chicago 8696	
June 1953	To Detroit 7950	To Chicago 6597	
Bus passengers	}		
First 6 months, 1953			
Air traffic	4 to 1 ratio in favor of Chicago	To Detroit 3699	To Chicago 2220
Radio listening	27 to 24 ratio in favor of Chicago		
Long distance calls	7240 to 6103 ratio in favor of Detroit		
Traffic survey	1770 to 420 ratio in favor of Detroit		
Mail	Ratio about equal		

While both train and bus service to Detroit are slightly better than to Chicago, the Chesapeake and Ohio Railway, which furnishes the best rail transportation, has comparable service to both points, with shorter running time to Detroit.

The local postmaster reports that neither Detroit nor Chicago has any appreciable advantage in mail service.

Conclusion:

The growth of Detroit's automotive industry has been instrumental in developing a corresponding industrial growth in Grand Rapids, so that heavy manufacturing is now vastly more important than the furniture business which has sizeable sales outlets in Chicago. The establishment of large branch plants of Detroit manufacturers in the area has consistently oriented local manufacturing towards Detroit.

Furthermore, there are certain types of financial flows between Grand Rapids and Detroit that do not exist between Grand Rapids and Chicago. The payroll of the largest rail shipper, Chesapeake and Ohio



Grand Rapids, Michigan con't

Railway is paid by checks written in Detroit and drawn on a Detroit bank. The area is served by Michigan Consolidated Gas Company and revenues flow to Detroit. Electric power is furnished by Consumers Power Company, Jackson (Detroit territory), and its revenues flow out of Grand Rapids to Jackson.

On balance, Grand Rapids has a major orientation toward Detroit which appears to be increasing.

July 28, 29, 30, 1953

## Holland, Michigan

Holland is located on Lake Macatawa which connects with Lake Michigan and is 176 miles from Detroit and 150 miles from Chicago. The present population of the city is said to be 15,800 to which may be added another 15,000 residents of the immediate area.

There are about 50 manufacturers in the section making metal products, wood products, heating accessories, and food products. Some of the better known firms are:

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Holland Furnace Company	Residential furnaces	650
H. J. Heinz Company	Food products	600
Crampton Manufacturing Company	Automotive hardware predominant, die castings, etc.	600
West Michigan Furniture Company	Furniture	500
Baker Furniture Company	Furniture	450
Chris Craft Corporation (Branch of Algonac, Michigan)	Boats	450
Parke, Davis & Co. (Br. of Detroit)	Drugs	200

Chicago is stated to be a slightly better source of industrial supplies than Detroit and, in general a better market place. Yet, of the seven most prominent concerns, two are branches of Detroit area companies, and a third has enjoyed a six figure Detroit line of bank credit for several years.

Garden products which the area produces in some volume are said to flow equally to both Chicago and Detroit.

Wholesale sources of supply are stated to be predominantly located in Chicago.

While we were informed that local residents have little interest in either Detroit or Chicago for shopping, etc., a radio survey, traffic flow study, and a report of long distance calls indicate a greater interest in Chicago than Detroit.

Summer resort patronage is quite important to the area; St. Louis, Missouri is the residence of the largest number of visitors. While both Missouri and Illinois account for the major patronage, Detroit area customers are also numerous. One of the best resort hotels is owned by a prominent Detroiter.

The Chesapeake and Ohio Railroad provides freight and passenger service to both cities with the time element favoring Chicago. Chicago passenger traffic is heavier than that of Detroit. Freight movements in and out are said to be equally divided between both places. Greyhound bus traffic follows about the same comparative volumes as rail passenger traffic.

Motor freight between Holland and the two cities is said to be on a reasonably equal time basis with the Detroit traffic slightly heavier than that to and from Chicago.

Holland, Michigan con't

The postmaster estimated outgoing volume to be about 2 to 1 for Chicago with no comparison of incoming mail available. The mail schedules are:

Leave Holland	Arrive Chicago	Arrive Detroit
1:13 A.M.	5:00 A.M.	
5:00 A.M.		10:35 A.M.
8:37 A.M.	11:05 A.M.	
3:35 P.M.		8:15 P.M.
7:20 P.M.	11:45 P.M.	
8:37 P.M.		3:00 A.M.
11:30 P.M.		8:30 A.M.
Leave Chicago	Leave Detroit	Arrive Holland
	8:30 A.M.	12:45 P.M.
4:10 P.M.		8:30 P.M.
	4:30 P.M.	1:13 A.M.
	11:30 P.M.	8:30 A.M.
11:30 P.M.		4:15 A.M.

Conclusion:

While Holland is stated to have better sources and markets in Chicago than in Detroit, it is observed that freight tonnage by rail is about equal, and by truck in favor of Detroit.

Were it not for personal interests, slight though they may be, the area might be described as neutral, however, a closer association exists with Chicago than with Detroit.

It would appear from an earlier report to which we have had access, that a trend toward Detroit has been in progress.

July 30, 1953

### Ionia, Michigan

Ionia is located on Michigan Route 66, south of the central part of the Lower Peninsula. It is 122 miles from Detroit and 205 miles from Chicago. Current population is said to be 6,444.

The principal industries of the community are:

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Ionia Manufacturing Co. (Div. Mitchell-Bentley Corp., Owosso)	Station wagon & custom auto bodies, auto trim, radio & TV cabinets	1,200
Grand Valley Packing Company	Meat and meat products	125

There are also several smaller companies, employing a total of 185 persons and producing a variety of manufactured goods.

While the cabinet products of the Ionia Manufacturing Company tend to move towards Chicago, almost all of its other products move to Detroit. Since the latter products are major items, and also because raw materials and supplies are principally purchased in Detroit, its preponderant trade is with that city.

Because of the economical shorter haul, the products of the fertile farming area surrounding Ionia, (finished cattle, grain, fruits, etc.), are primarily marketed in Detroit.

Trucking companies report that Detroit freight exceeds Chicago by a ratio of 3 to 1. Although rail freight is heavier going to Chicago, it is said to be made up chiefly of bulky tanks made by one of the smaller industries. Because of mail order business, Chicago express exceeds Detroit by a ratio of 4 or 5 to 3.

The local residents' interests in shopping, sports, and entertainment are said to be decidedly towards Detroit. This preference is confirmed by: a poll of radio listening in which Detroit's WJR was favored over Chicago's WBBM in the ratio of 85 to 26; a record of long distance calls to Detroit of 360 as compared to those to Chicago of 90; an estimated 2 to 1 ratio of telegrams to Detroit. Mail is also predominantly directed to Detroit.

Mail schedules are as follows:

<u>Close Ionia</u>	<u>Arrive Detroit</u>	<u>Arrive Chicago</u>
1:25 P.M.	6:00 P.M.	8:20 P.M.
4:47 P.M.		5:00 A.M.
7:00 P.M.	3:00 A.M.	5:00 A.M.
<u>Leave Detroit</u>	<u>Leave Chicago</u>	<u>Arrive Ionia</u>
11:00 P.M.	4:00 P.M.	3:54 A.M.
	8:00 P.M.	2:20 A.M.
		3:54 A.M.

Ionia, Michigan con't

The Grand Trunk Railway furnishes the only passenger services with two trains daily on the Detroit-Muskegon run. Connections at Durand may be made to Chicago, trip time seven hours as compared with four hours to Detroit. Detroit traffic is favored by a 3 to 1 ratio. A Chesapeake and Ohio Railway train to Detroit is available at Lake Odessa a few miles south of Ionia.

There are several direct bus runs to and from Detroit daily. While the number of trips to and from Chicago are comparable, a transfer must be made at Grand Rapids. Traffic is in favor of Detroit, 3 to 1, outgoing, and 5 to 1 incoming.

Conclusion:

Both the industrial and agricultural products of the area move towards Detroit. Local interests, and communications favor Detroit over Chicago. It is apparent that the economy and the social life of Ionia are more closely integrated with east Michigan than any other major area.

July 31, 1953



### Kalamazoo, Michigan

Kalamazoo is located on US 12 in the southern part of the Lower Peninsula about 140 miles from both Detroit and Chicago. The city proper is said to have a present population of 59,500 and the metropolitan area, 126,700.

The 225 manufacturing plants of the area produce such a diversified line of products that the area is said not to be dependent for markets on any particular section of the country.

The major industrial companies are as follows:

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Upjohn Company	Pharmaceuticals	4100
Sutherland Paper Company	Paper food boxes	3200
Kalamazoo Vegetable Parchment Co.	Household Paper	2260
Ingersol Prod. Div. (Borg Warner)	Forgings - steel furnaces	1453
Allied Paper Company	Fine paper	883
Shakespeare Products Company	Fishing tackle, auto & air-craft parts	850
Kalamazoo Paper Company	Fine paper	817
Fuller Manufacturing Company	Truck transmission	810
St. Regis Paper Company	Fine paper	804
Ruud Manufacturing Company	Water heaters	551
A M Todd Company	Essential Oils	46
	(Annual sales est. \$45,000,000)	

While most distribution is national in scope and the sources of supply are nation wide, Chicago is said to be somewhat better than Detroit as a source and market for local industry.

The agriculture of the area is very important. While celery was formerly the big crop, swine raising and cattle feeding now vastly exceed it in import. Informed sources point out that because of the preference of Chicago packers for western livestock, a good 90% of the cattle and swine production flows into the Detroit area.

Local retailers and wholesalers do not seem to prefer either city as sources of supply. A similar statement was made relative to local personal tastes in radio, shopping, etc. Ratios on radio listening, phone calls and traffic flow are so nearly equal that the statement may be considered as confirmed.

Equivalent rail and passenger service exists between the two points. Detroit freight is said to be in a 60 to 40 ratio over Chicago while eastward outbound freight has a ratio of 55 to 45 over western, with the exact reverse inbound.

Bus service between cities is comparable. While train passenger traffic favors Chicago by about 33 1/3%, bus favors Detroit by 45%. Because driving time to Detroit proper approximates air time (downtown to downtown), the heaviest air traffic is towards Chicago. It is stated that personal use of automobiles predominates to and from Detroit.

Kalamazoo, Michigan con't

Truck freight while equal in service between the two points, favors Chicago because of the tonnage of paper products. Because of the mail order business, mail and incoming express are heavier from Chicago. Outgoing express is evenly divided.

While mail schedules were not readily available, the postmaster stated that service was almost identical with Chicago volume believed to be about 15% larger than Detroit.

Conclusion:

The industrial output of Kalamazoo is national in scope and, consequently, does not lend itself to measurement as between Detroit and Chicago. It is probable that Chicago is a better source of supply than Detroit. The difference between the industrial marketing in Detroit and Chicago is probably offset by the agricultural flow to Detroit. Personal interests of the residents of the community seem almost equally divided.

Kalamazoo, located equidistant from both metropolitan areas, seems neutral in both its economic and social preferences.

August 5, 1953

### Ludington, Michigan

Ludington is located on Lake Michigan at about the midway point of the eastern shore. It is 237 miles from Detroit and 241 miles from Chicago. Its present population is said to be 9,500.

The city's principal industries are as follows:

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Star Watch Case Company	Watch cases	403
Dow Chemical Company (Branch of Midland, Michigan)	Chemicals	320
Carrom Industries, Inc.	Furniture and wood games	163
Jebavy and Company, Inc.	Fruit processors	150
Electric Tamper & Equipment Co.	Road construction machinery	140
Great Lakes Foundry & Machine Co.	Gray iron castings	101

There are about 30 smaller manufacturers employing 545 persons and making a diverse group of products.

The largest single employer is the Chesapeake and Ohio Railway with 860 on its payroll. All payroll checks issued to these employees are drawn on a Detroit bank.

This city is a freight trans-shipment point for freight flowing from Detroit and eastern points to the central northwest and vice versa. Little Chicago freight passes through on this route which uses a fleet of car ferries to Milwaukee, Manitowoc and Kewaunee, Wisconsin. These ferries also carry automobiles and passengers with the majority coming from Detroit and the east.

Chicago and Detroit share about equally as to markets for local products. Chicago appears to be favored as a source of supply by local industry, wholesalers and retailers in a 60 to 40 ratio.

Personal interests of local residents are about equally divided between the two cities, however, because of better reception, Chicago radio programs are said to have a 90 to 10 advantage (a radio survey of one large Detroit station and one Chicago station showed the ratio to be 73 to 18 in 1949).

Summer resort patronage is important with an estimated 80% of the visitors coming from Ohio, Indiana, and Illinois.

The only passenger service is by bus. There are five bus runs to and from both Chicago and Detroit each day. The number of passengers is stated to be divided equally between these two cities.

There are four daily freight trains to Detroit as compared to Chicago. Detroit freight is 5 to 1 over that to Chicago but a large part of the traffic to Detroit arises out of trans-shipments.

Incoming truck freight from Detroit is heavier by 3 to 1 as

Ludington, Michigan con't

compared to that of Chicago. No information was readily available as to export.

Water freight, exclusive of the car ferries, is comparatively negligible. However, car ferry freight has made this city one of the ten largest ports on the Great Lakes.

Mail and Parcel Post to and from Chicago is said to exceed Detroit mails by one third. The mail schedules are:

Leave Ludington	Arrive Detroit	Arrive Chicago
3:30 P.M. {		
4:10 P.M. {	3:00 A.M.	6:00 A.M.
5:15 P.M. {		
5:30 P.M. {	8:15 A.M.	6:00 A.M.
12:15 P.M. }		
Leave Detroit	Leave Chicago	Arrive Ludington
11:40 P.M.	5:10 P.M.	4:45 A.M.
1:30 A.M.		9:45 A.M.
	12:30 A.M.	11:00 A.M.

While Western Union volume is said to be about equal between Detroit and Chicago, long distance calls to Chicago exceed those to Detroit in a 257 to 213 ratio.

Conclusion:

Production is about equally divided between Detroit and Chicago as are local interests. However, the influence of Detroit and eastern vehicular traffic for car ferries, particularly when lay-overs of a few hours are frequently required, must affect the community's retail trade to some extent.

July 27, 1953

## Midland, Michigan

Midland, which is located about 115 miles from Detroit and 282 miles from Chicago, is also about 20 miles from both Bay City and from Saginaw. It is situated at the western apex of the triangle enclosing the trading section which for a long time has been known as the Tri-City Area. While the labor force in each community is predominantly local, there is a substantial volume of inter-city commuting, particularly with the residents of Bay County who make up a substantial portion of Midland's working personnel.

The comparative size of Saginaw, and secondly, Bay City, to Midland, with the attendant larger retail sections, tends to draw major shopping trade even from Midland. The proximity of Saginaw Bay also encourages an inter-city movement for relaxation and entertainment. This is clearly revealed by inspection of a traffic flow map, which indicates a substantial vehicular movement between Midland and Saginaw.

By recent annexations of territory, the population of Midland has currently increased from 16,136 to 21,005. The population of Saginaw is 92,900 and that of Bay City, 52,500.

Midland is the home of the Dow Chemical Company, one of the world's largest producers of chemicals and light metals other than aluminum. Over 600 chemical, drug, plastic, and metal raw and semi-raw products are produced in the local plant from materials substantially obtained in the regions of the plant. Sulphur, which is imported from Texas, is carried largely by company owned ships and trans-shipped from Bay City. Oil and other petroleum products are derived largely from local areas, and are refined by Pure Oil Company to Dow's specifications.

Obviously, the labor force of 10,000 is not entirely local (population 21,000, Dow workers 10,000) but is recruited from the entire Tri-City labor market.

While consumption of Dow products is world wide, the major trend of its chemical output is towards Chicago where there are more users of chemicals than in Detroit, however, there is a heavy flow of plastics to Detroit. Also, the Fruehauf Trailer Company of Detroit is a substantial user of magnesium produced in Midland and fabricated in the Dow mill at Madison, Illinois.

The Dow-Corning Company, a subsidiary of Dow and the Corning Glass Works, manufacture silicone products. About 65 per cent of the production flows through Cleveland to the east and southeast. This company employs about 1,000 people.

A recently announced program for atomic energy development between Dow Chemical and Detroit Edison Company will strengthen the links between Midland and Detroit.

Local interest in radio, newspapers, sports, shopping, etc., tend to converge in the Detroit area rather than to the west. Local merchants and wholesalers apparently prefer Detroit and eastern markets to those in Chicago. This is confirmed by a recent record of long distance telephone calls from Midland which reflected a ratio of 834 to



Midland, Michigan con't

Detroit to 145 to Chicago.

Midland is served by the Chesapeake and Ohio and New York Central Railroads. New York Central provides the only rail passenger service, one daily train each way. It leaves Detroit at 8:35 A.M. and arrives in Midland at 11:50 A.M.; it leaves Midland at 12:50 P.M. and arrives in Detroit at 4:25 P.M. We are informed that the majority of the tickets sold are to or through Detroit to eastern and southeastern parts of the country.

Four major motor freight lines operate overnight hauls to both Chicago and Detroit. The bulk of inbound freight is said to originate in Detroit and the east while the outbound movement is predominantly to the west and southwest.

Bus runs to Detroit are made three times daily (one with a change at Bay City). No direct route exists to Chicago, and the most expeditious route is by transferring at Flint some 50 miles north of Detroit with a resulting lay-over. The bulk of the traffic is to and from Detroit.

Capital Airlines have two morning and two afternoon flights from Detroit to the Tri-City airport and two evening flights out. Service to Chicago consists of one flight each way, daily. It is apparent that because of the recently improved service there is a closer connection with Detroit.

The local postmaster and the superintendent of mails both stated that mail and parcel post shipments appeared to be divided equally between Detroit and Chicago, however, mail service to Detroit is more prompt as shown in the following schedule:

Outgoing:

<u>Leave Midland</u>	<u>Arrive Detroit</u>	<u>Arrive Chicago</u>
* 10:00 A.M.	(	
10:45 A.M.	( 4:30 P.M.	6:30 P.M.
12:30 P.M.	(	
* 4:55 P.M.	10:30 P.M.	
* 6:15 P.M.	(	
8:00 P.M.	( 3:00 A.M.	9:40 A.M.

Incoming:

<u>Leave Detroit</u>	<u>Leave Chicago</u>	<u>Arrive Midland</u>
8:00 A.M.	11:00 P.M.	12:00 Noon
	(Prev. day)	
* 10:50 P.M.	* Early evening	4:00 A.M.
		6:30 A.M.

\*Runs so marked carry Parcel Post as well as regular mail.

Midland, Michigan con't

Conclusion:

Although the products of Dow Chemical Company, Midland's major industry, have nation-wide distribution, the products that are distributed regionally, flow to the west rather than to the Detroit area. The population of Midland is definitely associated with the Tri-City (Saginaw-Midland-Bay City) area. This latter section has always been more closely associated with Detroit because of transportation, trade, commerce and historical developments. As an integral part of a trading area, the far largest part of which lies in the Detroit Branch territory, Midland is allied more closely with Detroit than with Chicago.

July 20, 1953

T-16b

## Mount Pleasant, Michigan

Mount Pleasant is located near the geographical center of Michigan's Lower Peninsula being 142 miles from Detroit and 255 miles from Chicago. Population, 1950 census, is 11,950.

One of the most important units in the economic life of the community is the Central Michigan College of Education, the plant of which is valued in excess of \$19,000,000. Although the enrollment of 2,000 is representative of the entire state, a majority come from the central and northern portions of the Lower Peninsula because of a preponderance of Schools of Education in other areas of Michigan.

While there are several local industries, they are overshadowed by the following:

<u>Company</u>	<u>Employees</u>
Ferro Stamping and Manufacturing Co. (Branch of Detroit)	500
Roosevelt Oil and Refining Co.	200

Mount Pleasant is the petroleum center of the state. The major oil and gas producing areas of the state are within a radius of 35 to 45 miles. However, since Michigan is basically an oil importing state, local oil production is refined and marketed within the state. This particular area is said to serve northern and east central Michigan.

The gas produced is sold principally to Michigan Consolidated Gas Company (Detroit), and Consumers Power Company (Jackson); these two companies serve almost the entire state. In addition to these two companies, the Michigan Gas Storage Company imports gas from southern fields and stores it in exhausted fields for subsequent sale to the two major distributors.

Because of better trucking facilities, local distributors and wholesalers favor Detroit as a point of supply over Chicago. Furthermore, population interests in shopping, radio, newspapers, and athletic events lean predominantly toward Detroit because of proximity and transportation.

There is no rail passenger service into the city. Freight service on the Chesapeake and Ohio and Ann Arbor Railroads consists of six trains daily. Basically, they run from Toledo, Ohio, the junction for Chicago, Detroit and the east to west Michigan ferry port cities (destination Wisconsin and Upper Michigan). Tri-weekly, freight trips are made from Saginaw to Ludington where there are connections with ferries to Wisconsin. No estimates of outgoing freight are available, but incoming from Chicago is said to be somewhat heavier than from Detroit. Incoming truck freight is said to be about equal from Chicago and Detroit, although outgoing to Detroit exceeds that toward Chicago by 100%. This is attributed to shipments to its Detroit headquarters by Ferro Stamping and Manufacturing Company.

While there are several bus runs to and from Detroit daily, no direct routes extend to Chicago. Bus changes at Grand Rapids or Lansing

Mount Pleasant, Michigan con't

with layovers are required to reach Illinois. It is not surprising that passenger traffic to and from Detroit exceeds Chicago by 2 to 1.

Although parcel post is about equally divided between Detroit and Chicago, outgoing first class mail is stated to favor Detroit by a 3 to 1 ratio, and incoming shows that a major part comes from Detroit rather than Chicago. Telephone calls to Detroit, as contrasted with Chicago, are in the ratio of 492 to 90.

Mail connections are as follows:

<u>Close Mt. Pleasant</u>	<u>Arrive Detroit</u>	<u>Arrive Chicago</u>
9:00 A.M.	5:30 P.M.	8:20 P.M.
12:00 M	8:15 P.M.	8:20 P.M.
5:00 P.M.	3:00 A.M.	7:00 A.M.
<u>Leave Chicago</u>	<u>Leave Detroit</u>	<u>Arrive Mt. Pleasant</u>
11:00 P.M.		10:30 A.M. *
	10:50 P.M.	( 7:00 A.M. **
		( 8:00 A.M.

\* Business delivery; day of arrival, residential next day

\*\* Delivery to business and residences on day of arrival

Conclusion:

Although Mount Pleasant's Central State College of Education orients its economy northward, the regional effect of gas production, storage and sale to Michigan's two largest gas utilities which have their headquarters and maximum sales of gas in Southeastern Michigan over-balances this influence and directs its interests toward the Detroit area. Furthermore, its largest factory is almost entirely engaged in work for Detroit industry.

It, therefore, appears that the economy of Mount Pleasant is more closely associated with that of Southeastern Michigan than other areas, and local population interests tend toward Detroit.

July 20, 1953

## Muskegon, Michigan

Muskegon is located on a lake of the same name, which connects with Lake Michigan. It is 187 miles from Detroit and 180 miles from Chicago. The 1950 census showed Muskegon's population as 48,037 but the trading area known as Greater Muskegon had a population of 94,071.

The metropolitan area is heavily industrialized as is indicated by the distribution of the 51,500 person working force, 31,500 of whom are engaged in manufacturing. 1952 industrial payrolls totaled \$142,000,000. An increase of \$8,000,000 in payrolls is forecast for 1953.

The Campbell, Wyant, Cannon Foundry, reputed to be the world's largest motor casting producer, employs about 3,000. Continental Motors Corporation (executive offices--Detroit), stated to be the largest independent producer of internal combustion engines, has about 12,000 on its payroll and employs over 30% of the local industrial labor force. With its local suppliers, it absorbs in excess of 40% of the community's manufacturing labor. Its expansion program includes a \$7,000,000 turbo-jet engine plant which will employ over 1,200 persons.

There are six other companies with from 1,000 to 3,000 employees making such products as billiard tables, bowling alleys, gray iron castings and patterns, cranes and hoists, electric refrigerators, space heaters, office furniture and filing equipment. In addition, there are about 150 other factories with widely diversified products, including tool and die shops and related industries which sell chiefly to the automobile companies.

The area uses large quantities of steel, most of which comes from the Gary, Indiana, section. Chicago is stated to be preferred (60 to 40 ratio) over Detroit by local retailers and wholesalers. Representatives of the Chamber of Commerce feel that in spite of heavy automotive types of production, diversified manufacturing makes Chicago and Detroit about equal as export markets with the tonnage edge toward Detroit and the dollar volume westward. After interviewing the treasurer of each of the two largest employers of labor, it appears that the major trade flow for their companies and the community is eastward. One made the direct statement that he felt Muskegon's economy was now closely linked with points east of Muskegon rather than points west.

While local interests of the population, shopping, sports, etc. are stated to be about equal between Detroit and Chicago, the increasing automotive type of production is expected to draw interests closer to Detroit. This trend is emphasized by the long distance calls to Detroit and Chicago which are in the ratio of 2,897 to 2,505.

Railroad passenger service is provided to Detroit by one Grand Trunk train a day. However, the Chesapeake and Ohio with two trains a day from Grand Rapids provides better service to Detroit. Consequently, most people drive to Grand Rapids and take the train for Detroit from there. The Chesapeake and Ohio provide two trains a day on a branch line running to Holland, where passengers can transfer to the Grand Rapids-Chicago train.

There is bus service to both cities. Seven round trips are made to Detroit daily and five to Chicago. While outgoing passenger traffic is divided about equally, Detroit exceeds in the incoming flow.



Muskegon, Michigan con't

Capital Air Lines has flights to and from both cities daily. Because of the shorter route to Chicago, traffic to and from that point is greater than from Detroit.

Private auto traffic makes up much of the transportation with the two cities. Surveys have indicated that traffic to and from Michigan City, Indiana, and the west compares to traffic to and from the Detroit metropolitan area in the ratio of 460 to 440. This does not include the movement of 140 vehicles entering or departing from the area of Flint, Michigan, and eastward.

Rail freight to Detroit is greater in tonnage than that to Chicago. The heavy volume of common carrier truck freight also favors Detroit and is augmented by private trucking flowing toward automotive centers. To a large extent, incoming steel is said to be moved by contract carriers.

Muskegon harbor is used by both lake and ocean-going freighters. The principal items of commerce are petroleum products, pig iron, coal, coke, stone, and manufactured products. The 1952 outgoing water freight to several areas was as follows:

To Chicago area	1,500 Tons
Detroit area	70,100 Tons
Lake Erie Ports	347,300 Tons

Incoming and outgoing mail and parcel post are in about a ratio of 3 pieces of Chicago mail to 2 of Detroit. Mail schedules are as follows:

<u>Leave Muskegon</u>	<u>Arrive Chicago</u>	<u>Arrive Detroit</u>
6:45 A.M.	11:05 A.M.	
10:30 A.M.	8:20 P.M.	6:00 P.M.
2:00 P.M.		8:15 P.M.
5:30 P.M.	11:45 P.M.	11:50 P.M.
7:40 P.M.		3:00 A.M.
9:10 P.M.		7:35 A.M.
9:30 P.M.	5:00 A.M.	

<u>Leave Chicago</u>	<u>Leave Detroit</u>	<u>Arrive Muskegon</u>
11:30 P.M.		6:20 A.M.
	11:30 P.M.	6:35 A.M.
	12:55 A.M.	6:35 A.M.
	1:40 P.M.	7:15 P.M.
4:10 P.M.		9:40 P.M.

Conclusion:

Since representatives of the Chamber of Commerce did not consider the volume of water freight during the survey interview, it would be logical to assume that Muskegon's economy definitely faces eastward.

Muskegon, Michigan con't

Creeping changes which have changed trade flows gradually might not be as apparent to service organizations as they would be to the senior financial officers of the two largest manufacturers in the area, both of whom are convinced of an eastward directional flow.

The growing importance of automotive types of production to the area should continue to strengthen the present eastward orientation. From developments since an earlier report to which we have had access, the conclusions of a trend toward the Detroit area are confirmed.

July 28, 1953

T-18b

### Niles, Michigan

Niles is located in the southwestern corner of the Lower Peninsula, 90 miles from Chicago and 180 miles from Detroit. In 1950 the population was 13,145.

The major industries of the city are:

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Simplicity Pattern Co.	Dress patterns	1000
Kawner Manufacturing Co.	Store fronts, doors, windows	600
National Standard Co.	Stainless steel spring sheets	500
Tyler Fixture Co.	Display and storage equipment for food stores	450

Twenty five smaller industries and the foregoing four employ about 3,750 and make a diversified line of products. Most products manufactured are distributed nationally.

Informed sources state that while the Gary area is the predominant source of steel for local manufacturers, neither Detroit nor Chicago are prime markets for the community's products.

Community interests and the buying of wholesalers and retailers are likewise not directed to either of the two cities, but rather to South Bend, Indiana, only 8 miles away. Local interests other than South Bend are directed chiefly to Chicago as is shown in the ratios both favorable to that city of long distance calls of 1,066 to 283 and road traffic of 470 to 300. The comparative road traffic figure to South Bend is 3,640.

Niles is on the main line of the New York Central Railroad. Both Chicago and Detroit have comparable rail service, however, the traveling time to Detroit is two hours longer. Passenger traffic to and from Chicago exceeds that to and from Detroit. Bus passenger volume is said to be about equal.

Rail freight provides equal service and the tonnage to and from both points is said to be about equal. Motor freight is in slight contrast. Service is about equal but incoming freight is heavier from Chicago and outgoing heavier to Detroit.

Twice as much parcel post is received from Detroit as is received from Chicago. First class mail is in the opposite ratio. The following is a schedule of mail service:

Leave Niles	Arrive Detroit	Arrive Chicago
3:25 A.M.	10:30 A.M.	
12:36 P.M.	5:50 P.M.	
10:39 P.M.	4:00 A.M.	
2:23 A.M.	7:35 A.M.	
5:08 P.M.	9:40 P.M.	

Niles, Michigan con't

Leave Niles	Arrive Detroit	Arrive Chicago
3:41 P.M.		5:40 P.M.
6:45 A.M.		9:40 A.M.
5:10 A.M.		7:45 A.M.
8:03 P.M.		9:50 P.M.
11:59 A.M.		1:55 P.M.
10:24 A.M.		12:15 P.M.
7:07 A.M.		9:12 A.M.
Leave Chicago	Leave Detroit	Arrive Niles
1:05 A.M.		3:25 A.M.
10:40 A.M.		12:36 P.M.
8:35 P.M.		10:39 P.M.
12:15 A.M.		2:23 A.M.
3:30 P.M.		5:08 P.M.
	12:15 P.M.	3:41 P.M.
	12:10 A.M.	6:45 A.M.
	11:40 P.M.	5:10 A.M.
	4:45 P.M.	8:03 P.M.
	8:30 A.M.	11:59 A.M.
	7:00 A.M.	10:24 A.M.
	3:20 A.M.	7:07 A.M.

Conclusion:

The economy of Niles does not seem to be associated directly with Detroit or Chicago. While various factors indicate some signs of preference one way or another, national markets have a more pronounced effect on the community than most cities of similar size. Outside preferences among residents are unquestionably directed towards South Bend.

August 3, 1953

### Petoskey, Michigan

Petoskey is located on Little Traverse Bay 264 miles from Detroit and 360 miles from Chicago. The 1950 population was 6,468.

The Petoskey trading area includes the nearby resort areas chief of which are Bay View to the east and Harbor Springs across the bay. At one time this resort area was patronized predominantly by people from Indiana and Illinois. The improvement of roads and automobiles has reversed the trend so that seasonal guests now are predominantly from Michigan. Detroit newspapers frequently mention this resort area in connection with social events, and a recent count of automobile license plates in Petoskey showed the distribution as follows:

<u>State</u>	<u>%</u>
Michigan	51
Ohio	13
Illinois	12
Indiana	10
All others	14

Petoskey Portland Cement Company is the city's largest manufacturer, employing 320 persons. During 1952 it shipped 61,000 tons to West Michigan ports; 55,000 tons to Detroit; and 72,000 tons to Chicago. Current figures together with an estimate for the balance of the year indicate that Detroit and Chicago will share equally in volume in 1953.

Other manufacturers in Petoskey are:

<u>Name</u>	<u>Employees</u>	<u>Product</u>	<u>Principal Market</u>
Michigan Maple Block	74	Butcher blocks, etc.	Detroit & Chicago equally
Barnum Bros. Fibre Co.	55	Fibre products	Detroit
Petoskey Plating Co.	56	Electro plating	Detroit
Petoskey Mfg. Company	50	Zinc die castings	Detroit
Curtis Wire Products	30	Refrigerator shelving	Detroit

Purchases by local wholesalers are divided equally between Chicago and Detroit, after Grand Rapids which predominates. Retailers seem to prefer Grand Rapids, Chicago, and Detroit in the order named, although there is a substantial volume of buying in eastern United States by seasonal retailers many of whom operate stores in the south during the winter.

While it has been stated that the interests of local residents in shopping, radio, and sports are toward Chicago, available statistical material contradicts this opinion. For instance: Petoskey is on the Goebel Sports Broadcast network (Detroit baseball and football). A survey in Emmet County (Petoskey is county seat) of the number of listeners to the most powerful stations in Detroit and in Chicago indicated a preference for Detroit in the ratio of 54 to 20. Also, long distance calls to Detroit exceed those to Chicago in a ratio of 369 to 182.



Petoskey, Michigan con't

Rail passenger and freight service via Chesapeake and Ohio, and Pennsylvania Railroads is available. Throughout the entire year, one Chesapeake and Ohio passenger train runs to Grand Rapids where connections are made for Detroit and Chicago. There is another Chesapeake and Ohio train and one on the Pennsylvania both of which run thru pullmans to Chicago during the resort season. At Indian River, 20 miles away, the New York Central runs both a resort special in season and a regular daily train to Detroit. Running time to Chicago on the regular Chesapeake and Ohio run is about 15 hours as contrasted with the Detroit to Indian River run of eight hours.

Both rail freight and passenger traffic directly out of Petoskey to Chicago are heavier than to Detroit. Express shipments to and from Chicago are stated to exceed Detroit express in the summer and to be about equal during the remainder of the year.

Bus passenger volume to and from Detroit is stated to be 15 times greater than that to and from Chicago.

Out of 692 outbound air passengers in June, 1953, 285 went to Chicago, and westward, and 330 to Detroit and the east.

Motor truck freight to Chicago is estimated to be about 1/3 greater than that to Detroit. This estimate does not include the volume transported in trucks owned by manufacturers or trans-shipments to Indian River.

A sampling of mail revealed the following:

	<u>Chicago</u> (Pieces)	<u>Detroit</u> (Pieces)
Parcel post-incoming	200	150
outgoing	30	20
First Class mail-incoming	250	230
outgoing	150	135

Mail schedules are as follows:

<u>Close Petoskey</u>	<u>Arrive Detroit</u>	<u>Arrive Chicago</u>
2:30 P.M.		7:00 A.M.
7:30 P.M.	7:00 A.M.	
<u>Leave Detroit</u>	<u>Leave Chicago</u>	<u>Arrive Petoskey</u>
10:50 P.M.	4:10 P.M.	6:00 A.M.
		7:00 A.M.

Conclusion:

Resort patronage has been originating in increasing volumes, in lower Michigan for a number of years. The largest manufacturer's volume is divided equally between Detroit and Chicago with the remainder being sold in Michigan. Other manufacturers sell almost exclusively in the Detroit market. Detroit has an advantage of several hours over Chicago in mail transportation service.

### Sturgis, Michigan

Sturgis is located somewhat west of the center of the state, near the southern boundary. It is 133 miles from Detroit and 136 miles from Chicago. The 1950 population was 7,786. Industrial employment is estimated at 4,000; 40% of the employees come from contiguous areas.

There are about 51 manufacturers in Sturgis of which 41 employ fewer than 100 persons. The larger companies are as follows:

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Kirsch Co.	Refrigerator and air conditioning condensers; drapery hardware	1,100
Wade Electric Prod. Co.	Auto parts	300
National Carbon Coated Paper Co.	Sales books	200
Marvel Industries, Inc.	Trailer and refrigerator parts	200
Huntley-Van Buren Co.	Office chairs	200
Harter Corporation	Office chairs	175
Transogram Midwest, Inc.	Toys	175
Formed Tubes, Inc.	Tube fabrications	150
Freeman Manufacturing Co.	Surgical garments	125
M & R Dietetics Labora- tory	Dairy products	100

Informed local residents are of the opinion that industrially the city is served equally by Chicago and Detroit as a source of supply and as markets. This opinion is confirmed by the estimates of freight shipments which favor Detroit by 2 to 1 outgoing and Chicago 2 to 1 incoming.

The city is in the heart of an excellent agricultural area. It has harvested better than 10% of the state's corn and winter wheat crop and almost that per cent in oats in recent years. Despite this fact, little grain is sold, inasmuch as the area is one of the best swine producing sections of the state, with cattle feeding running a fairly close second. Because of aggressive buying on the part of Detroit commission firms and a prejudice in the Chicago market against Michigan livestock as compared to that of Iowa, informed sources state that some 90% of local agricultural products move to Detroit.

It is stated that retailers buy about equally from Detroit and Chicago sources.

Local interests are said to favor Detroit both as to amusements and shopping. This is confirmed by a traffic flow survey which favors Detroit 330 to 20, a radio listening poll towards Detroit in the ratio of 55 to 45, and a long distance call ratio, almost neutral, 306 to 341 towards Chicago. Local Sturgis opinion is that the development of highways and automotive transportation has placed the section in Detroit's orbit.

Rail freight is available on two lines, as is passenger service. Both are such that freight moves chiefly by truck and passengers by

Sturgis, Michigan con't

automobile or bus. Outgoing bus passengers are in the ratio of 2 to 1 for Detroit and incoming volume is even. Incoming freight favors Chicago and outgoing Detroit, each in a 2 to 1 ratio.

Mail is heavier to and from Chicago than Detroit. The following is a schedule of mail service:

<u>Close Sturgis</u>	<u>Arrive Chicago</u>	<u>Arrive Detroit</u>
10:10 A.M.	2:10 P.M.	8:40 P.M.
4:15 P.M.	8:50 P.M.	3:00 A.M.
7:15 P.M.	12:50 A.M.	7:20 A.M.
8:15 P.M.	4:40 A.M.	7:50 A.M.
5:30 A.M.	12:55 P.M.	2:45 P.M.
1:30 P.M.		8:55 P.M.
<u>Leave Chicago</u>	<u>Leave Detroit</u>	<u>Arrive Sturgis</u>
	11:45 P.M.	12:12 A.M.
12:05 A.M.	9:00 P.M.	6:05 A.M.
	12:45 A.M.	10:37 A.M.
10:30 A.M.		2:05 P.M.

Conclusion:

Industrially, Sturgis shows little, if any, preference. In agriculture and personal interests, it is definitely oriented toward Detroit.

August 4, 1953

### Traverse City, Michigan

Traverse City is located on Grand Traverse Bay, an arm of Lake Michigan. It is 319 miles from Chicago and 242 miles from Detroit. Population in 1950 was 16,974.

Major manufacturers are as follows:

<u>Company</u>	<u>Products</u>	<u>Employees</u>	<u>Major Market</u>	<u>Head Office or Affiliation</u>
F. L. Jacobs Co.	Auto parts	700	Detroit	Detroit
Parsons Corp.	Rockets, air craft parts	450	Detroit and Armed Forces	Detroit
Cone Drive Gears	Gears and speed reducers	335	Detroit	Detroit
Traverse City Iron Wks.	Fire hydrants valves, fittings	100		Local
Sheffer Collet Co.	Automotive tools	90	Detroit	Local

There are about 40 other local industries including six packers of the cherry crop, which seasonally is an important economic factor. These latter six concerns employ about 2,100 at the peak of the harvest.

To some extent, more suppliers to local industry are located in Detroit than Chicago, and markets for local products are substantially greater in Detroit. Local wholesalers buy principally in the Detroit market; however, retailers favor Chicago as a source for supplies which cannot be obtained from local wholesalers.

For a number of years local residents have gone to Detroit in greater numbers than Chicago. A traffic survey indicates the ratio to be 100 to 30. The city is considered to be in the listening area of Detroit's radio station, WJR, rather than any station in Chicago.

The area also has a substantial resort trade. A recent sampling of requests for information on resorts indicated the following:

<u>State</u>	<u>Number of Requests</u>
Michigan	174
Illinois	52
Ohio	49
Indiana	28

Michigan inquiries made up more than 50% of the total which was in line with the average for the past five years.

Railway Express is stated to be about equal in incoming and outgoing volume from Detroit and Chicago, Detroit manufacturing having offset in recent years the previous trend towards Chicago. Rail freight from Chicago is substantially greater than that from Detroit. Outgoing rail freight to both points is negligible. Similarly, Detroit rail

Traverse City, Michigan con't

passenger volume is small in comparison with that of Chicago. Motor truck freight is about equal in incoming volume but the bulk of outgoing traffic is to Detroit.

There are six daily buses each way from Traverse City to Detroit; four to and from Chicago. Traffic in the summer is estimated at two Detroit passengers to one from Chicago, with the year round average of 3 to 1 in favor of Detroit.

There are three air flights daily to and from both Chicago and Detroit. Detroit traffic is stated to be well over that to Chicago.

Western Union estimates that during the summer, telegrams to Detroit and Chicago are about equal, but during the other seasons, Detroit has a 50% greater number. Long distance calls over a given period in 1952 numbered 894 to Detroit, as compared to 346 to Chicago.

The local post office stated that incoming mail and parcel post favored Chicago because of mail orders, but that outgoing volume was equally divided between Chicago and Detroit.

The following regular mail service is maintained:

<u>Close Traverse City</u>	<u>Arrive Detroit</u>	<u>Arrive Chicago</u>
7:30 A.M.	3:00 A.M.	5:00 A.M.
5:00 P.M. (Parcel Post)	3:00 A.M.	5:00 A.M.
8:30 P.M.	7:05 A.M.	

<u>Leave Chicago</u>	<u>Leave Detroit</u>	<u>Arrive Traverse City</u>
4:10 P.M.		Star route from Grand Rapids 5:20 A.M.
	10:50 P.M.	Star route from Grayling 7:20 A.M.

Conclusion:

Manufacturing and wholesale trade is predominantly with Detroit. Similarly, tourist trade from Michigan exceeds the aggregate from the three nearest states. Traffic flows, population interests and communications all favor the Detroit market over that of Chicago.

July 23, 1953



## Other Indicators of Trade Flows

In the course of this investigation of Trade Flows, it became apparent that a number of factors existed which were state-wide or regional in character and scope rather than local. In some instances, flows of revenue and disbursements go beyond community relationships. Opinions of prominent distributors of goods on the best locations of sales offices represent the judgment of persons qualified by experience to select logical channels of trade. One factor, that of the flow of tax monies, was not considered in this report. However, it can be said that the State of Michigan's revenues from Wayne County exceed its expenditures therein resulting in a net flow of Detroit funds into other areas. Other factors are described in the following paragraphs.

### Transportation

The principal railroad lines in Michigan having administrative offices in the state are the New York Central, Grand Trunk, and Chesapeake and Ohio. The Great Lakes Greyhound Lines provide the major passenger vehicular facilities.

Detroit is the headquarters of the division of the New York Central covering all points east of Buffalo, New York. Although revenues flow to New York and expenditures flow out of New York, the divisional headquarters in Detroit does all the accounting for and supervising of business done in this area.

Revenues from the Lower Peninsula of both the Grand Trunk and the Chesapeake and Ohio flow into Detroit where they are banked. Pay checks distributed in various parts of the state are drawn chiefly on a Detroit bank. The checks of one line are payable at any one of six banks located in Port Huron, Chicago, Detroit, or Battle Creek, with fund transfers from Detroit to cover. Supervision of business is also located in Detroit.

Similarly, most revenues of Great Lakes Greyhound Lines from Michigan, Illinois, Ohio, Kentucky, and Indiana flow into Detroit, and checks on a Detroit bank are used to meet disbursements including pay checks to individuals.

### Public Utilities

Other than for locally owned public service companies, out-state Michigan is served by four major utilities, namely: Detroit Edison Company; Consumers Power Company, Jackson, Michigan; Michigan Consolidated Gas Company, Detroit; and Michigan Bell Telephone Company, Detroit. Detroit Edison serves only Detroit Branch territory and thus is not discussed herein.

Net revenues after payrolls of all of the other companies, except Michigan Bell Telephone Company, flow to Detroit or Jackson which

Other Indicators of Trade Flows con't

is in the Detroit Branch area. From these points, taxes, purchases of gas and supplies, and expenditures for capital improvements, are made by checks drawn on the Detroit or the Jackson banks. In the case of the telephone company, almost all revenues flow to Detroit, from which even individual payroll checks drawn on Detroit banks are sent to employees.

Maps of territorial coverages are shown as exhibits.

#### Sales Forces

There is exhibited in this report a list, by no means complete, of nationally well known companies whose state or regional sales offices are in Detroit. Almost without exception, the territory covered is the entire Lower Peninsula and in many instances it includes all or part of adjacent states.

The fact that such sales offices are in Detroit appears to represent a composite judgment as to the relationship of Detroit to out-state areas.

#### Summary

It is apparent that there is a constant flow of funds to and from the Detroit area which tends to integrate this section even more closely with outstate Michigan. The location in the Detroit area of management of the businesses described further expands the influence of that city.

Many companies of national prestige have located their major sales offices in Detroit, which again stresses the fact that Detroit is a focal point of state-wide trade.

# CONSUMERS POWER COMPANY INTEGRATED ELECTRIC SYSTEM

SERVICE AREA IN GREY

## ELECTRIC SERVICE

ELECTRIC SERVICE SUPPLIED IN 1,463 COMMUNITIES.  
SERVICE AREA 26,781 SQUARE MILES.  
POPULATION 2,257,000.

10 STEAM-ELECTRIC PLANTS, GENERATING CAPACITY 885,250 K.W.

54 HYDRO-ELECTRIC PLANTS, GENERATING CAPACITY 156,107 K.W.

6 INTERNAL COMBUSTION PLANTS, GENERATING CAPACITY 11,214 K.W.






TOTAL GENERATING CAPACITY 1,052,571 K.W.

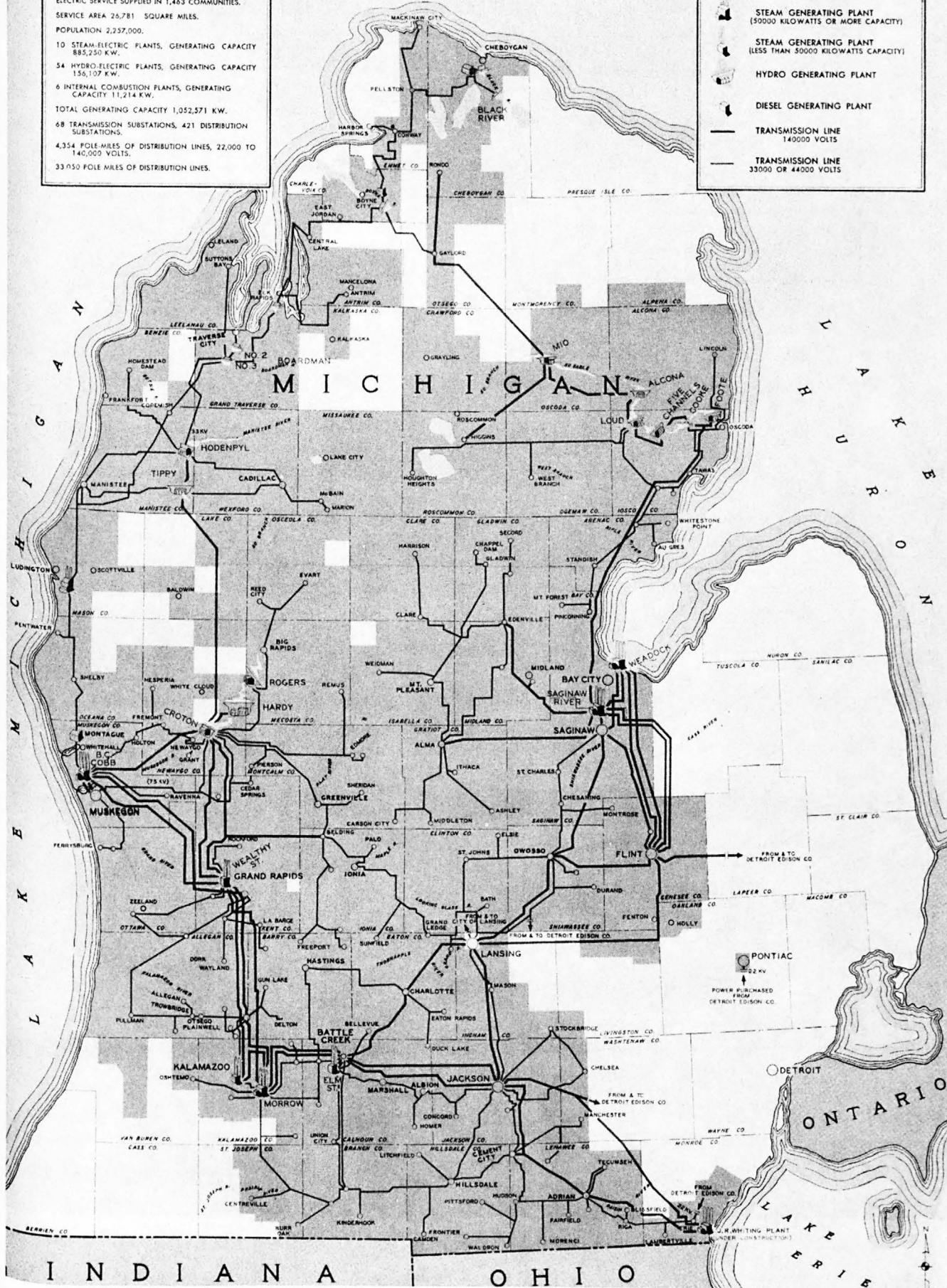
68 TRANSMISSION SUBSTATIONS, 421 DISTRIBUTION SUBSTATIONS.

4,354 POLE MILES OF DISTRIBUTION LINES, 22,000 TO 140,000 VOLTS.

33,050 POLE MILES OF DISTRIBUTION LINES.

## LEGEND

-  STEAM GENERATING PLANT  
(50000 KILOWATTS OR MORE CAPACITY)
-  HYDRO GENERATING PLANT  
(LESS THAN 50000 KILOWATTS CAPACITY)
-  DIESEL GENERATING PLANT
-  TRANSMISSION LINE  
140000 VOLTS
-  TRANSMISSION LINE  
33000 OR 44000 VOLTS





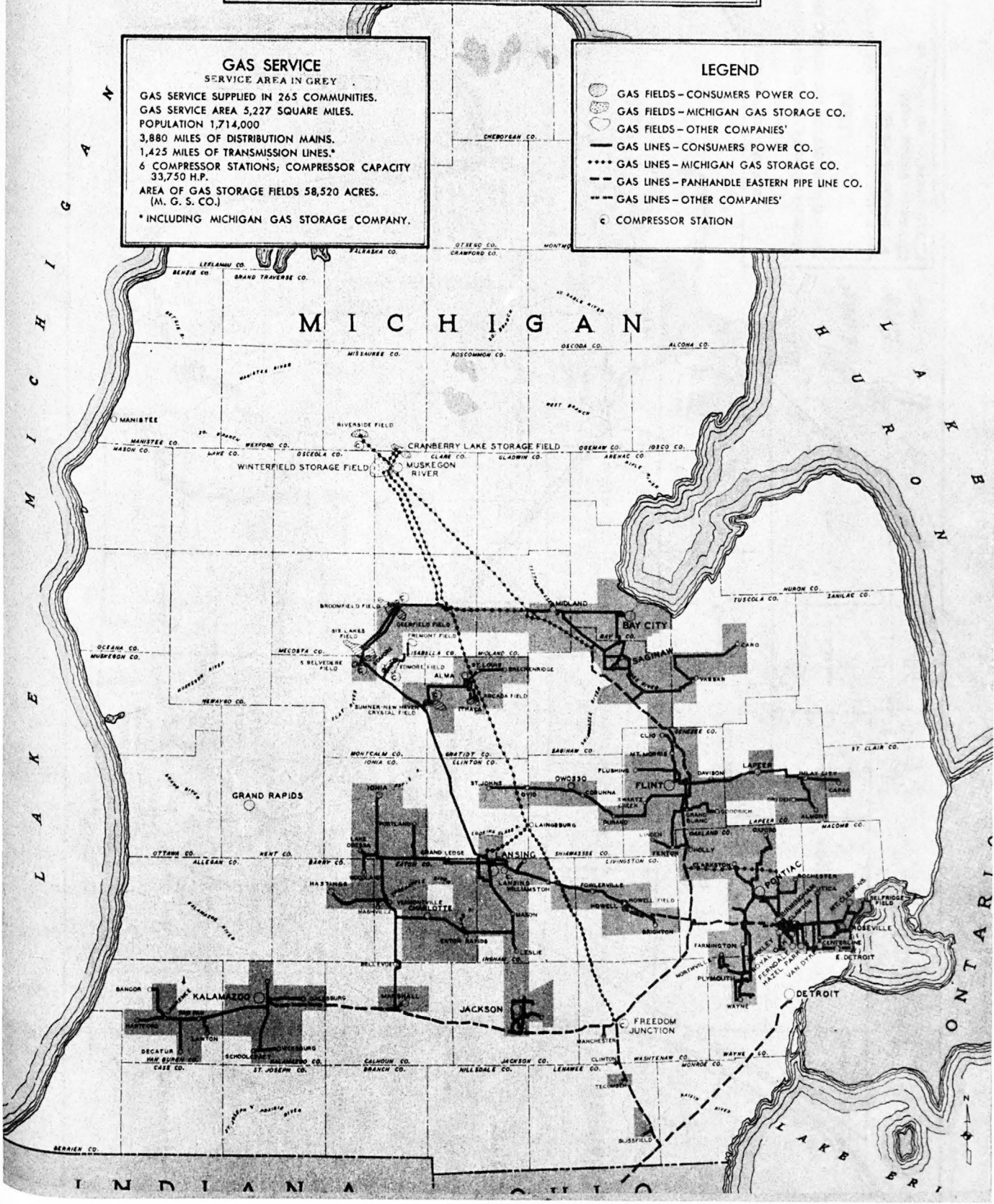
# CONSUMERS POWER COMPANY INTEGRATED NATURAL GAS SYSTEM

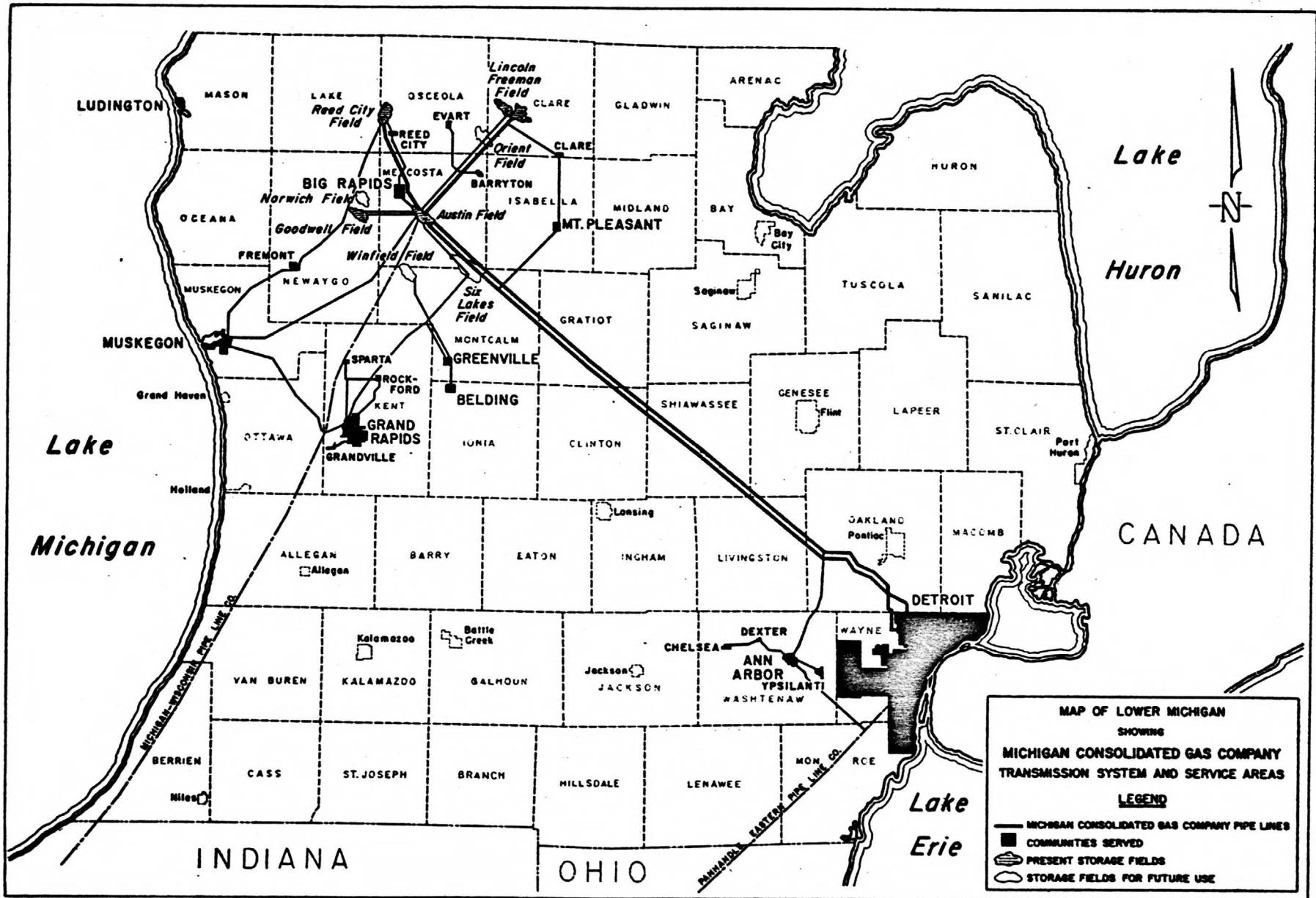
**GAS SERVICE**  
SERVICE AREA IN GREY

GAS SERVICE SUPPLIED IN 265 COMMUNITIES.  
GAS SERVICE AREA 5,227 SQUARE MILES.  
POPULATION 1,714,000  
3,880 MILES OF DISTRIBUTION MAINS.  
1,425 MILES OF TRANSMISSION LINES.\*  
6 COMPRESSOR STATIONS; COMPRESSOR CAPACITY 33,750 H.P.  
AREA OF GAS STORAGE FIELDS 58,520 ACRES.  
(M. G. S. CO.)  
\*INCLUDING MICHIGAN GAS STORAGE COMPANY.

**LEGEND**

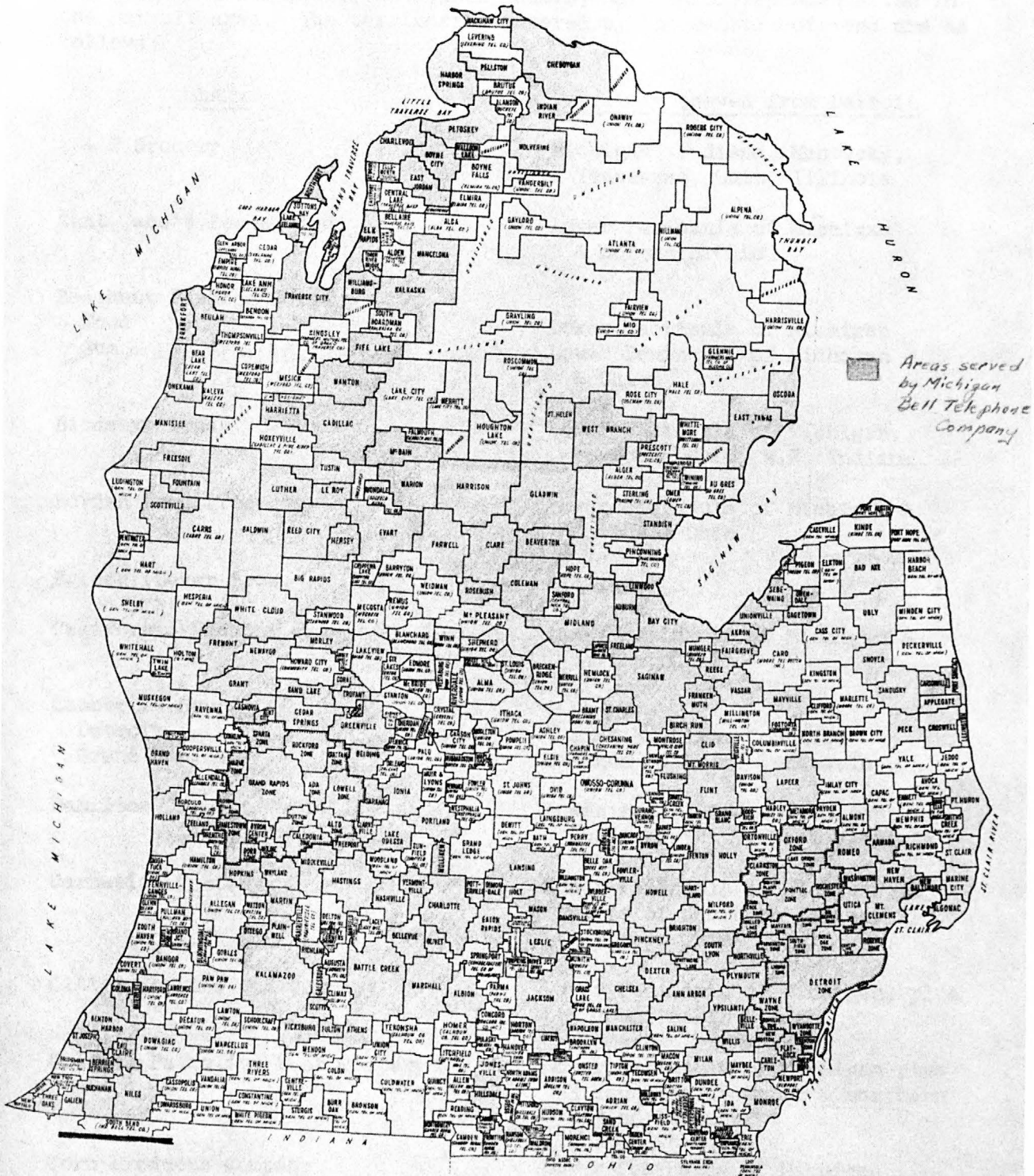
- GAS FIELDS—CONSUMERS POWER CO.
- GAS FIELDS—MICHIGAN GAS STORAGE CO.
- GAS FIELDS—OTHER COMPANIES'
- GAS LINES—CONSUMERS POWER CO.
- GAS LINES—MICHIGAN GAS STORAGE CO.
- GAS LINES—PANHANDLE EASTERN PIPE LINE CO.
- GAS LINES—OTHER COMPANIES'
- COMPRESSOR STATION







MICHIGAN BELL TELEPHONE COMPANY  
MICHIGAN BELL AND CONNECTING COMPANY EXCHANGE AREAS  
LOWER PENINSULA



Areas served  
by Michigan  
Bell Telephone  
Company

Sales Representation  
of  
Nationally Known Organizations

Radio station WJR made available to us a list of its customers. The following companies, nationally known, have sales representation in the Detroit area. The territories covered by the Detroit offices are as follows:

<u>Company</u>	<u>Territory served from Detroit</u>
A & P Grocery	Michigan, Indiana, Kentucky, Tennessee, Ohio, Illinois
Aunt Jane's Foods, Inc.	Lower Peninsula of Michigan & northern Ohio
Beechnut Packing Company Food Gum	Lower Peninsula of Michigan Lower Peninsula of Michigan & Ohio
Birdseye Foods	Lower Peninsula of Michigan, northern Ohio, N.E. Indiana
Borden Food Products	Lower Peninsula of Michigan & northern Ohio
Breeze (Lever Bros.)	Michigan
California Packing Sales	Lower Peninsula of Michigan & northern Ohio
Campbells Soup Detroit Grand Rapids	8 east Michigan Counties Balance of Lower Peninsula
Hamilton Carhart Overalls	Lower Peninsula of Michigan, Ohio, Kentucky, West Virginia
Carnation Company	Lower Peninsula of Michigan, & parts of northern Indiana & northern Ohio
Cities Service Oil Company	Lower Peninsula of Michigan, plus 3 counties in Upper
Colgate Palmolive Peet Company	Lower Peninsula of Michigan plus 3 counties in Upper & northern 1/3 of Indiana
Corn Products Company	Lower Peninsula of Michigan
Domino Sugar (Dearie & Company)	Lower Peninsula of Michigan

Sales Representation con't	
General Foods Sales Division	Lower Peninsula of Michigan & parts of northern Indiana & northern Ohio
General Mills, Inc.	Lower Peninsula of Michigan
Gulf Refining Company	Michigan, Ohio, Illinois, Indiana, & Part of Kentucky
Heintz & Company Detroit Grand Rapids	Eastern half of Lower Peninsula Western half of Lower Peninsula except Berrien County
Hills Brothers Coffee	Lower Peninsula of Michigan south of Benzie & Alcona counties plus part of northern Ohio
International Lead Company (Rogers Paint)	Michigan, Ohio, Indiana
International Milling Company	Lower Peninsula of Michigan plus 4 counties in Upper-Ohio, Pennsylvania, south half of Illinois, and parts of West Virginia, Kentucky, and Maryland
Johnson Waxes	Lower Peninsula of Michigan and northern Ohio
Kellogg Sales Company	Lower Peninsula of Michigan & northern Ohio & northern Indiana
Kroger Company	Lower Peninsula of Michigan
Lever Bros.	Lower Peninsula of Michigan
Libby McNeil & Libby	Lower Peninsula of Michigan
Thos. H. Lipton, Inc.	Lower Peninsula of Michigan
Mennen Products	Michigan, Indiana, Illinois, Ohio & Kentucky
Morton Salt Company	Lower Peninsula of Michigan
National Biscuit Company	Lower Peninsula of Michigan, plus part of northern Indiana
Northern Paper Mills	Lower Peninsula of Michigan
Parke, Davis & Company	Lower Peninsula of Michigan & 8 counties in northern Ohio

Sales Representation con't

Pillsbury Mills

Lower Peninsula of Michigan  
except VanBuren, Cass & Berrien  
Counties

Quaker Oats

Lower Peninsula of Michigan

Salada Tea Company

Lower Peninsula of Michigan &  
parts of northern Ohio &  
northern Indiana

C. A. Swanson & Sons, Inc.

Lower Peninsula of Michigan &  
northwestern Ohio



**1/2 MV/M DAYTIME**

**1/2**

**2**

**10**

**10**

**2**

**1/2**

**WJR**

**COVERAGE MAP**

The coverage map shows WJR's primary coverage area. The area includes all counties within the 1/2 millivolt per meter contour, as compiled by the WJR Engineering Department with approved field strength measuring equipment, plus some Northern Michigan counties outside the contour, determined as within the WJR listening area by authentic surveys and mail data.



## Radio Listening Survey

The following are the results of a survey made in 1949 by Broadcast Measurement Survey whose work is accepted by radio stations as being as accurate as possible.

One Detroit and one Chicago station were selected for our report; WJR, Detroit, and WBBM, Chicago. These stations were selected because of reasonable comparability: Both are 50,000 watts power, both are on the Columbia Broadcasting chain, both are on near frequencies so that they are reasonably close together on the radio dial.

Only counties in Head Office Territory are surveyed.

Day - Total Weekly  
Audience  
(%=% of Total Families  
in the County)

Night - Total Weekly  
Audience  
(%=% of Total Families  
in the County)

County	WJR Families		WBBM Families		WJR Families		WBBM Families	
	No.	%	No.	%	No.	%	No.	%
Alcona	1,210	90			1,190	89		
Allegan	1,490	12	4,770	40			3,520	29
Alpena	3,940	70			4,660	83		
Antrim	1,570	55	920	32	1,640	58	970	34
Arenac	2,150	91			2,280	97		
Barry	5,830	73	1,190	16	4,990	68	1,110	15
Benzie	370	19	1,130	59	210	11	1,200	62
Berrien			24,930	74			25,960	77
Branch	8,180	89	1,310	14	8,410	92	1,070	11
Calhoun	27,560	82	3,860	11	30,090	90		
Cass			5,510	70			5,290	67
Charlevoix	2,630	77	1,260	37	2,400	70	1,130	33
Cheboygan	2,430	74	410	12	2,760	84	370	11
Clare	2,180	87			2,310	93		
Clinton	8,200	93			8,380	95		
Crawford	660	77	190	22	690	80	160	19
Eaton	10,840	93	1,460	12	10,850	93		
Emmet	2,300	54	850	20	2,420	57	930	21
Gladwin	1,990	90	250	11	2,050	92		
Gd. Traverse	3,090	37	2,550	30	3,330	41	3,090	37
Gratiot	9,150	94	1,530	15	8,920	92	1,420	14
Ionia	9,950	85	3,110	26	10,440	89	3,020	25
Iosco	2,240	93			2,280	94		
Isabella	6,750	91	910	12	6,390	86		
Kalamazoo	8,900	25	4,210	12	7,060	20	4,430	12
Kalkaska	750	74	250	25	730	72	290	28
Kent	19,180	24	21,240	27	18,230	23	20,910	26
Lake	590	43	860	63	570	42	770	56
Leelanau	920	46	720	36	1,080	54	620	31
Manistee	1,440	27	2,940	55	1,340	25	2,880	54
Mason	1,010	18	4,020	73	790	14	3,830	69
Mecosta	3,020	65	2,000	43	3,060	66	1,840	39

Radio Listening Survey con't

County	Day - Total Weekly Audience (%=% of Total Families in the County)				Night - Total Weekly Audience (%=% of Total Families in the County)			
	WJR Families		WBBM Families		WJR Families		WBBM Families	
	No.	%	No.	%	No.	%	No.	%
Midland	8,080	85			8,740	92		
Missaukee	1,510	81	590	31	1,410	75	460	24
Montcalm	6,840	77			6,770	76		
Montmorency	630	85	80	11	620	84		
✓ Muskegon	4,030	11	25,450	72	3,660	10	28,370	80
Newaygo	1,630	28	3,840	67	1,220	21	3,750	65
Oceana	910	20	2,780	63	710	16	2,690	61
Ogemaw	1,890	96			1,810	92		
Osceola	3,410	87	1,600	40	3,210	82	1,600	40
Oscoda	600	93			580	90		
Otsego	1,170	83			1,250	89	180	13
✓ Ottawa	3,450	18	11,040	57	3,550	18	10,770	56
Presque Isle	2,000	76			2,200	84		
Roscommon	1,170	95	320	26	1,190	96	320	26
✓ St. Joseph	5,740	55	4,730	45	5,180	49	4,300	41
✓ Van Buren	1,560	13	6,970	60	1,300	11	6,760	59
Wexford	3,030	55	1,840	33	2,830	51	1,700	31

### Sports Broadcast

The Goebel Football and Baseball network carries regular broadcasts of the Detroit Lions football games and the Detroit Tigers baseball games.

The following are the stations on the network outside of Detroit Branch Territory:

WATZ	Alpena
WBCK	Battle Creek
WHFB	Benton Harbor
WATC	Gaylord
WOOD	Grand Rapids
WKMI	Kalamazoo
WKLA	Ludington
WKNK	Muskegon
WMBN	Petoskey
WTCM	Traverse City

Mr. McPhilleps of Radio Station WJR points out that the Goebel Brewing Company would not use these stations were there not a substantial, almost predominant, interest in Detroit sporting events in the areas served by the respective stations.

# RAILROADS OF MICHIGAN

MICHIGAN DEPARTMENT OF ECONOMIC DEVELOPMENT

SCALE OF MILES  
10 0 10 20 30 40



## KEY TO RAILROADS

- ANN ARBOR R.R.
- BOYNE CITY R.R.
- CHESAPEAKE AND OHIO R.R.
- CHICAGO AND NORTH WESTERN RY.
- CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC R.R.
- COPPER RANGE R.R.
- DETROIT, CARO AND SANDUSKY RY.
- DETROIT AND MACKINAC RY.
- DETROIT AND TOLEDO SHORE LINE R.R.
- DETROIT, TOLEDO AND IRONTON R.R.
- DULUTH, SOUTH SHORE AND ATLANTIC RY.
- EAST JORDAN AND SOUTHERN R.R.
- ESCANABA AND LAKE SUPERIOR R.R.
- GRAND TRUNK WESTERN R.R.
- LAKE SUPERIOR AND ISHPEMING R.R.
- MANISTEE AND NORTHEASTERN RY.
- MANISTIQUE AND LAKE SUPERIOR R.R.
- MINERAL RANGE R.R.
- MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RY.
- NEW YORK CENTRAL R.R.
- PENNSYLVANIA R.R.
- PORT HURON AND DETROIT R.R.
- WABASH RY.

NOTE: (a) Cities over 5,000 population in 1940 are named except for the Detroit area; also included are car-ferry ports and selected railroad junction points.

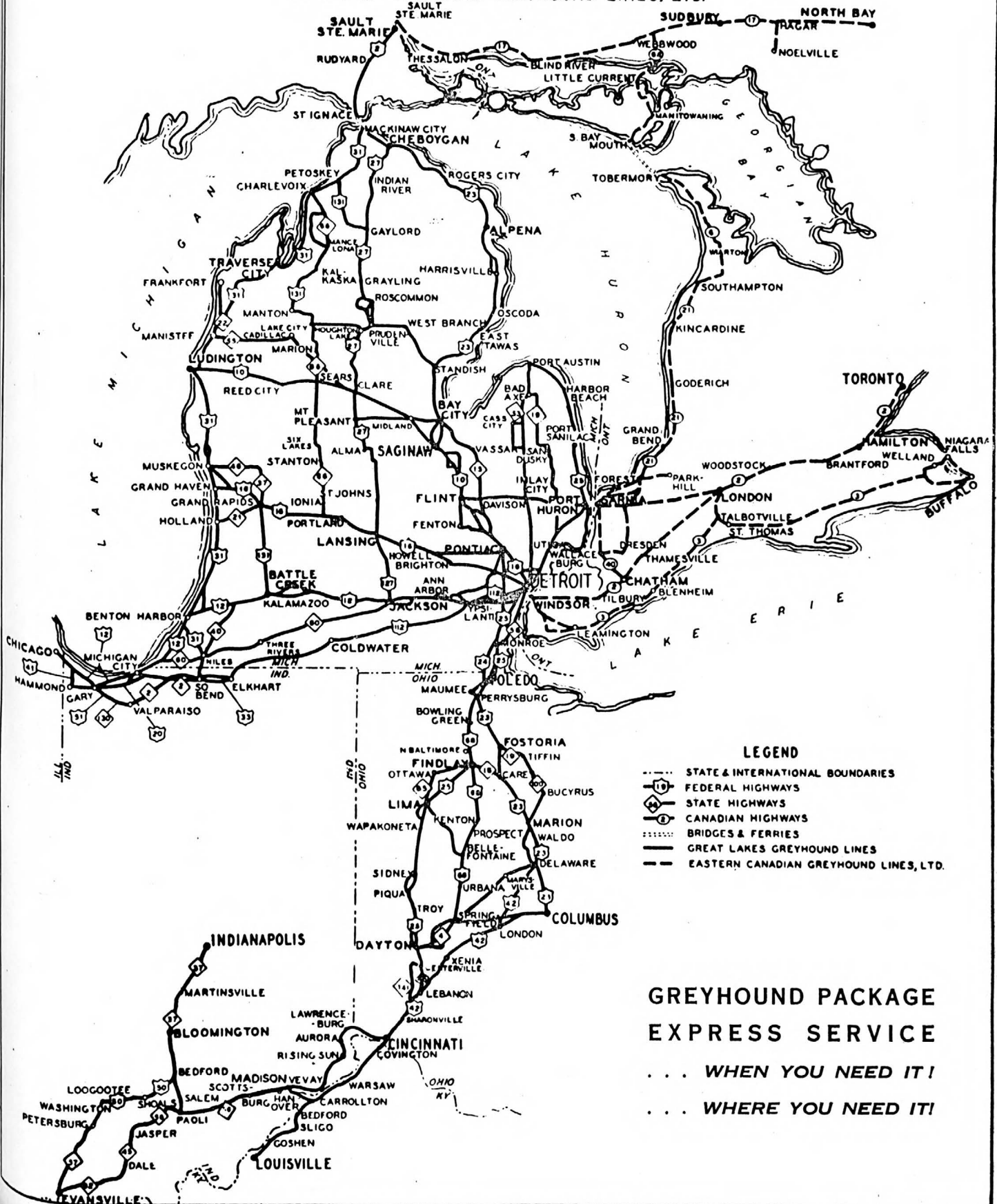
(b) County names are in italics.

(c) Railroad car-ferry routes are shown thus: - - - - -

Source: Michigan Public Service Commission

May, 1950

OPERATIONS OF  
**GREAT LAKES GREYHOUND LINES**  
 (DIVISION OF THE GREYHOUND CORPORATION)  
 AND  
**EASTERN CANADIAN GREYHOUND LINES, LTD.**



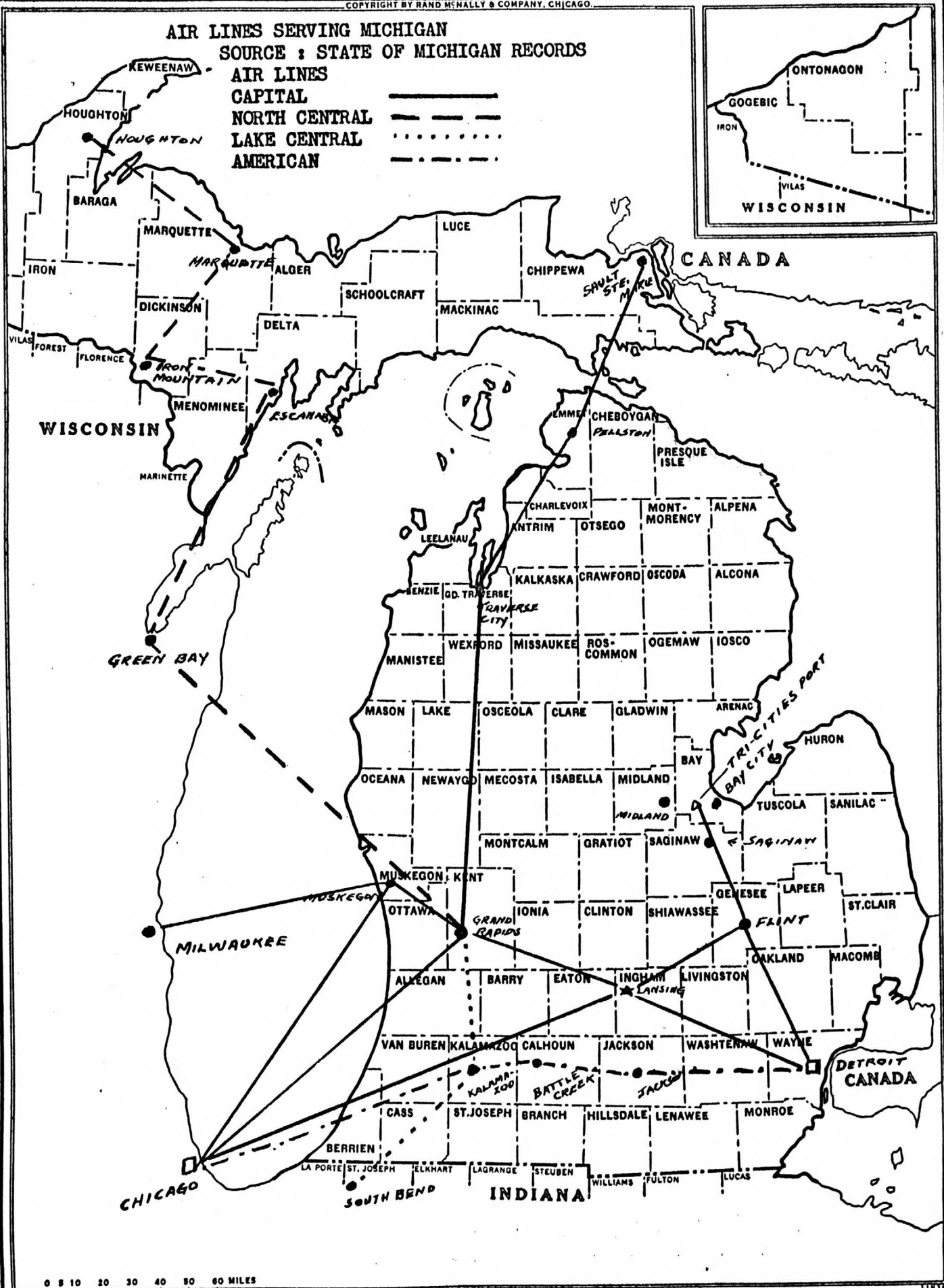
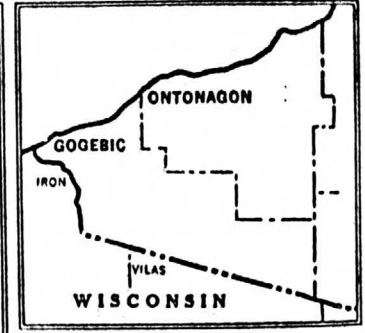
- LEGEND**
- STATE & INTERNATIONAL BOUNDARIES
  - ① FEDERAL HIGHWAYS
  - ② STATE HIGHWAYS
  - ③ CANADIAN HIGHWAYS
  - BRIDGES & FERRIES
  - GREAT LAKES GREYHOUND LINES
  - - - EASTERN CANADIAN GREYHOUND LINES, LTD.

**GREYHOUND PACKAGE  
 EXPRESS SERVICE**  
 ... WHEN YOU NEED IT!  
 ... WHERE YOU NEED IT!



COPYRIGHT BY RAND McNALLY & COMPANY, CHICAGO.

**AIR LINES SERVING MICHIGAN**  
 SOURCE : STATE OF MICHIGAN RECORDS  
**AIR LINES** —————  
**CAPITAL** —————  
**NORTH CENTRAL** - - - - -  
**LAKE CENTRAL** .....  
**AMERICAN** - · - · -



0 5 10 20 30 40 50 60 MILES

GEORGE M. FOSTER  
CHIEF DEPUTY COMMISSIONER

MICHIGAN  
STATE HIGHWAY DEPARTMENT  
LANSING 13

HARRY C. COONS  
DEPUTY COMMISSIONER  
CHIEF ENGINEER



CHARLES M. ZIEGLER  
STATE HIGHWAY COMMISSIONER

HIGHWAY ADVISORY BOARD  
V. F. SCHULTZ - ROYAL OAK  
H. G. GAULT - FLINT  
C. F. WINKLER - HOUGHTON  
L. P. SIMON - KALAMAZOO  
W. J. EMMONS - ANN ARBOR

July 30, 1953

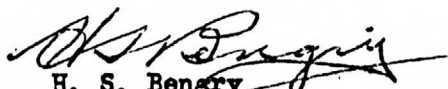
Mr. D. M. Irwin  
Supervisor  
Discount-Safekeeping Dept.  
Detroit Branch  
Federal Reserve Bank of Chicago  
Detroit 31, Michigan

Dear Mr. Irwin:

We recently furnished you with traffic information for twenty cities in the State. This information consisted of a set of maps showing traffic between each community and outstate areas. This material was prepared from analysis of road use interviews made in 1936 and with the result expanded to 1941 traffic flows. Later studies in some of the communities revealed that, although the traffic has substantially increased since 1941, the traffic interest of each of these communities remains proportionately the same. A radical change in the economy of any of these communities would, of course, materially affect its traffic interest.

We wish to acknowledge receipt of the traffic maps which you returned to us and trust that they have served your purpose.

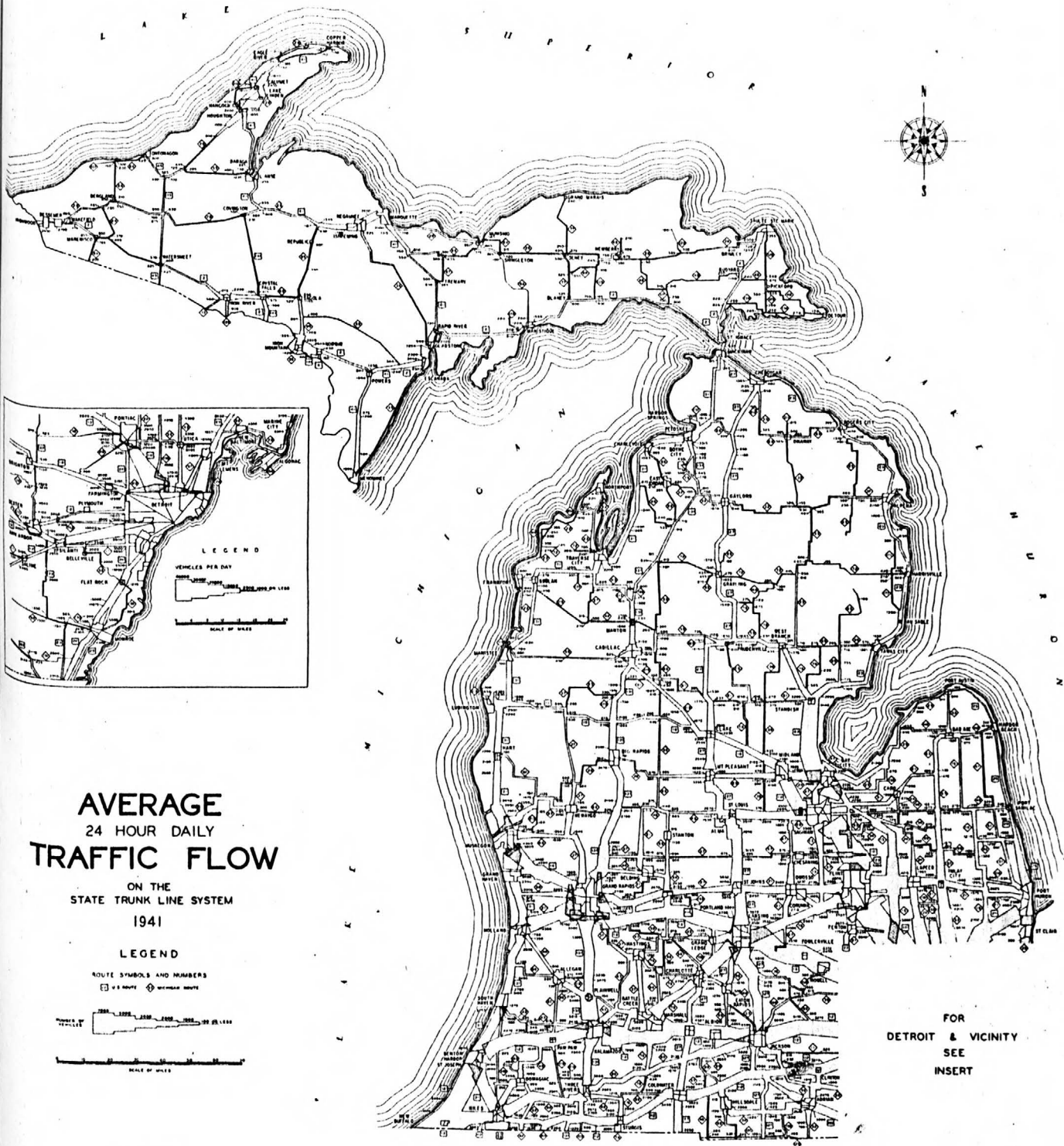
Very truly yours,

  
H. S. Bengry  
Asst. Planning Engineer

HSB:rw

NOTE: OF THE 20 CITY MAPS FURNISHED, ONLY THOSE RELATING TO CITIES IN THE HEAD OFFICE TERRITORY ARE EXHIBITED.

# HIGHWAY TRAFFIC



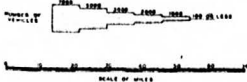
## AVERAGE 24 HOUR DAILY TRAFFIC FLOW

ON THE  
STATE TRUNK LINE SYSTEM  
1941

### LEGEND

ROUTE SYMBOLS AND NUMBERS

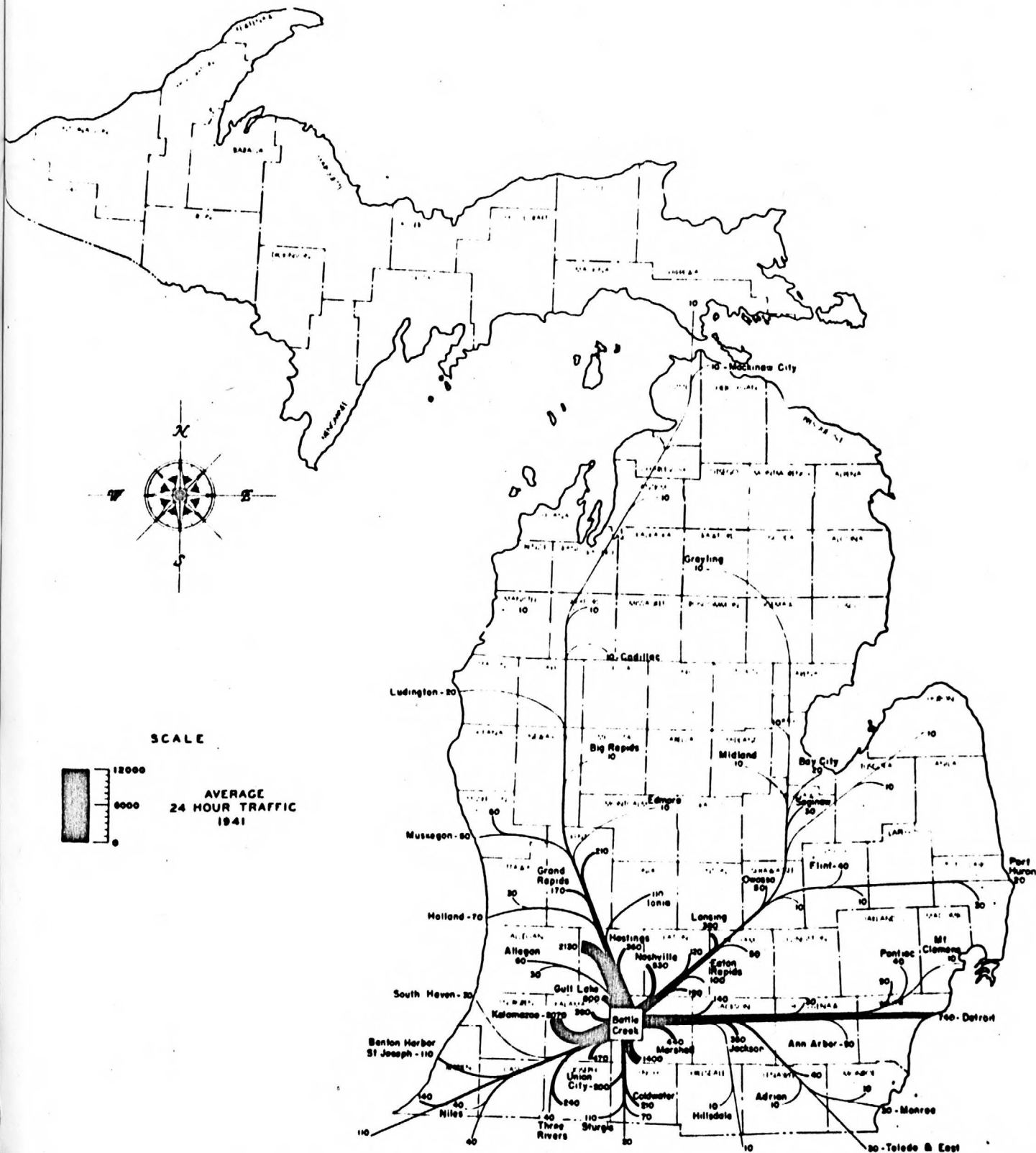
□ 1-9 TRUNK ROUTE    ♦ 10-99 TRUNK ROUTE



PREPARED APRIL, 1942



# HIGHWAY TRAFFIC *Between* BATTLE CREEK And OUTSTATE AREAS

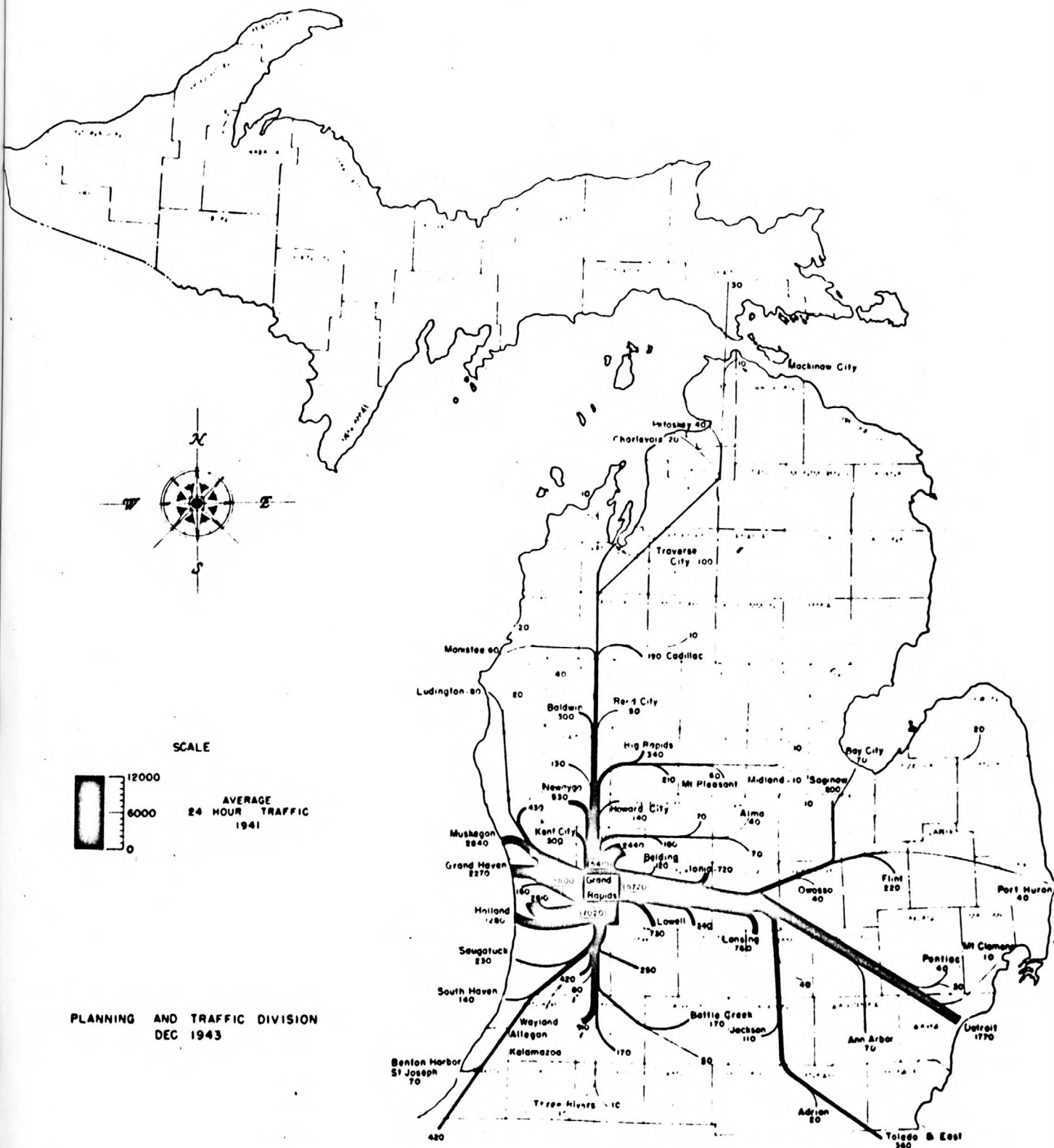


MICHIGAN STATE HIGHWAY DEPARTMENT · CHARLES M. ZIEGLER · STATE HIGHWAY COMMISSIONER  
PLANNING AND TRAFFIC DIVISION · APRIL 1944





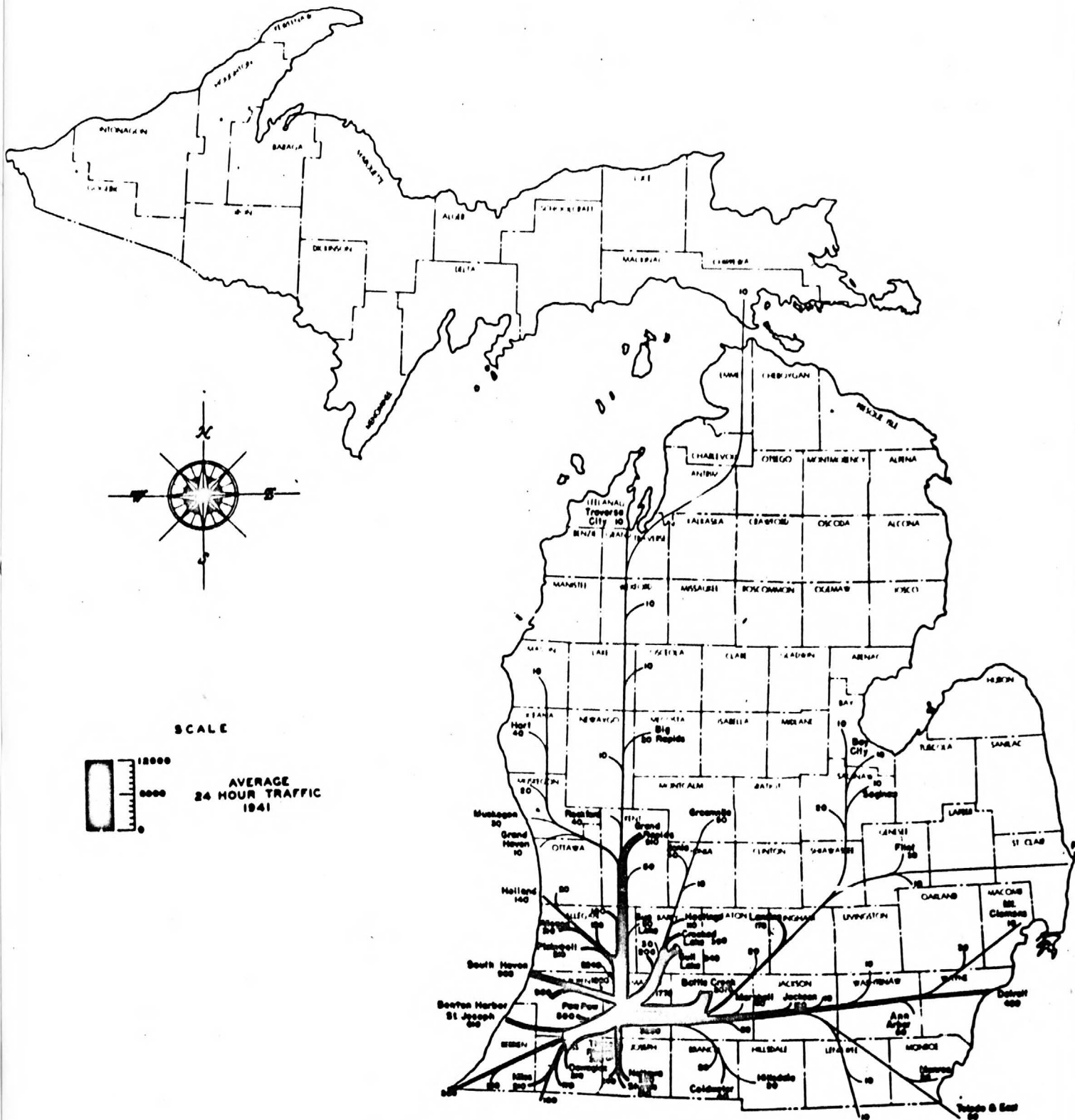
# HIGHWAY TRAFFIC *Between* GRAND RAPIDS And OUTSTATE AREAS



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# HIGHWAY TRAFFIC *Between* KALAMAZOO And OUTSTATE AREAS



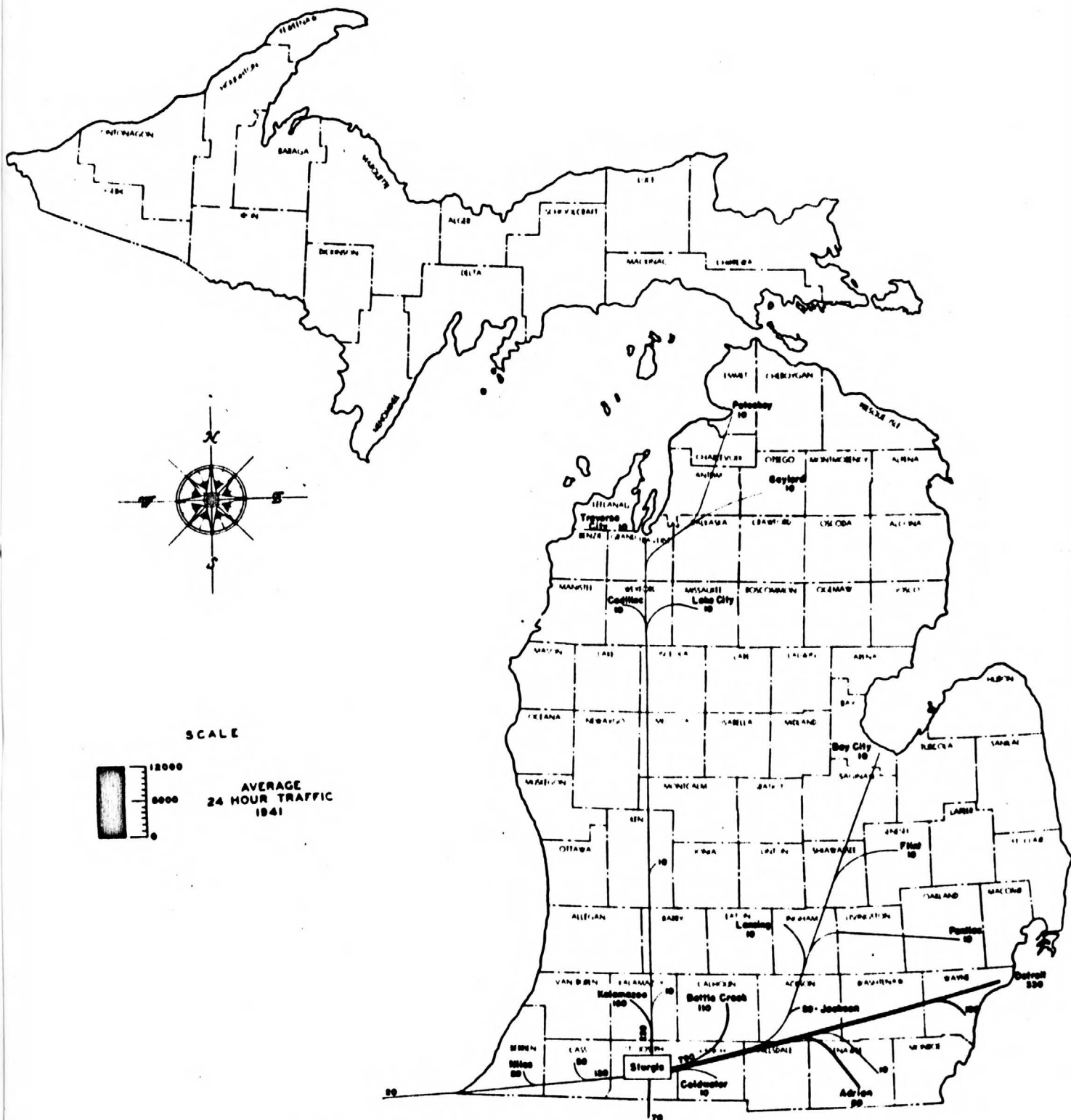
MICHIGAN STATE HIGHWAY DEPARTMENT · CHARLES M. ZIEGLER · STATE HIGHWAY COMMISSIONER  
 PLANNING AND TRAFFIC DIVISION · JUNE 1944







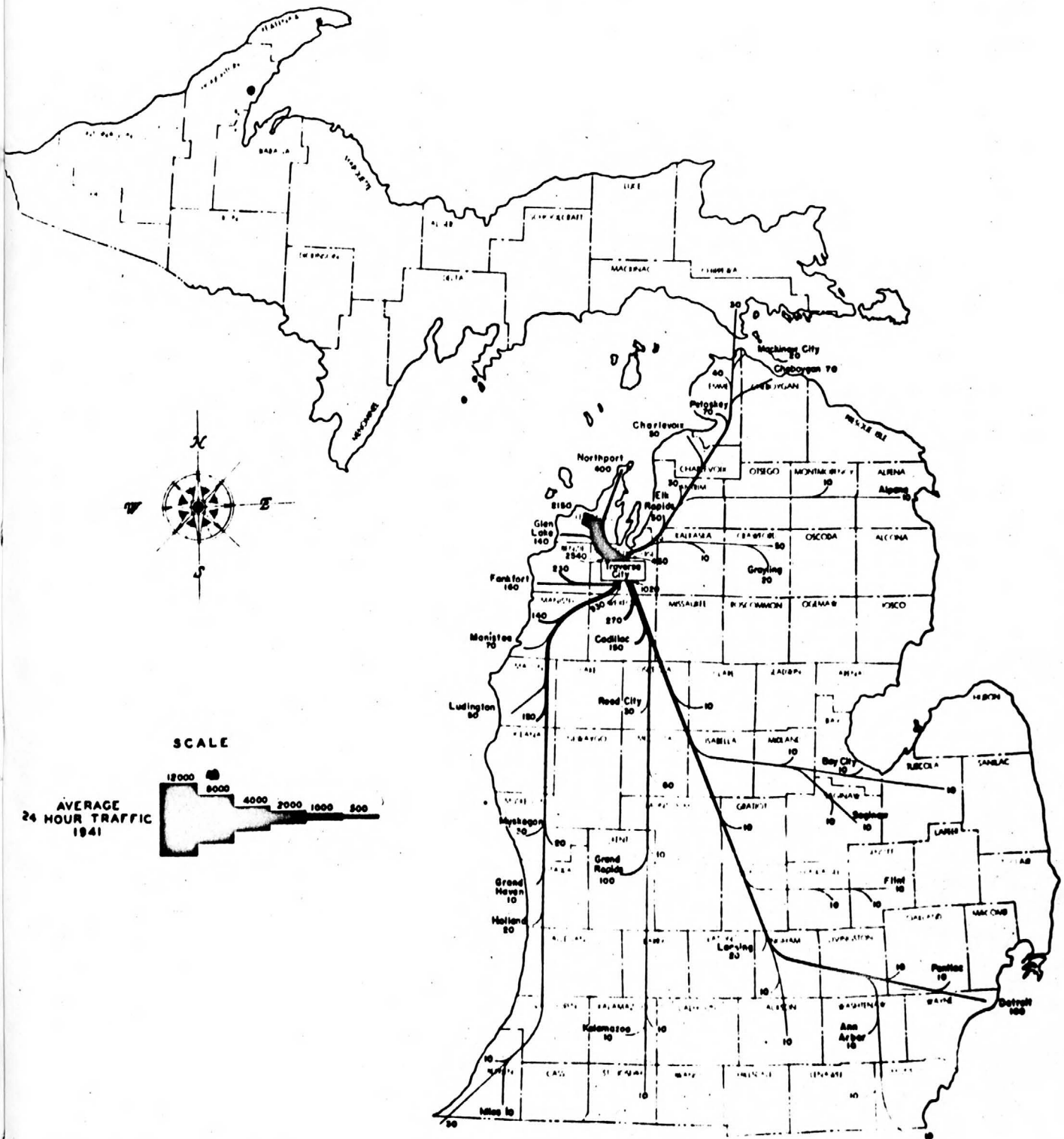
# HIGHWAY TRAFFIC *Between* STURGIS And OUTSTATE AREAS



MICHIGAN STATE HIGHWAY DEPARTMENT · CHARLES M. ZIEGLER · STATE HIGHWAY COMMISSIONER  
PLANNING AND TRAFFIC DIVISION : MAY 1944



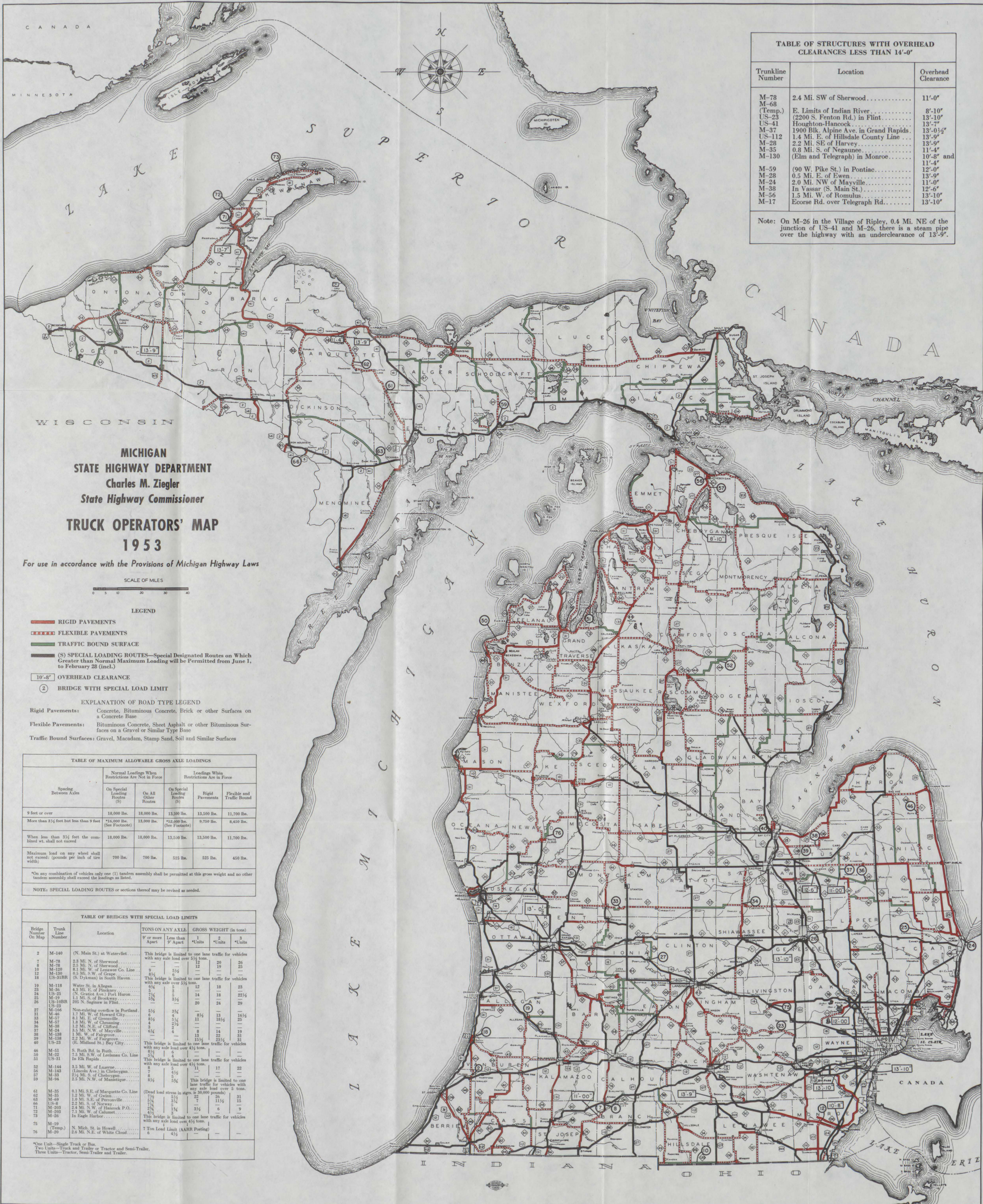
# HIGHWAY TRAFFIC *Between* TRAVERSE CITY And OUTSTATE AREAS



CHICAGO STATE HIGHWAY DEPARTMENT · CHARLES M. ZIEGLER · STATE HIGHWAY COMMISSIONER  
PLANNING AND TRAFFIC DIVISION · MARCH 1945

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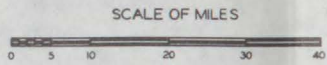
**TABLE OF STRUCTURES WITH OVERHEAD CLEARANCES LESS THAN 14'-0"**

Trunkline Number	Location	Overhead Clearance
M-78	2.4 Mi. SW of Sherwood	11'-0"
M-68 (Temp.)	E. Limits of Indian River	8'-10"
US-23	(2200 S. Fenton Rd.) in Flint	13'-10"
US-41	Houghton-Hancock	13'-7"
M-37	1900 Bk. Alpine Ave. in Grand Rapids	13'-0 1/2"
US-112	1.4 Mi. E. of Hillsdale County Line	13'-9"
M-28	2.2 Mi. SE of Harvey	13'-9"
M-35	0.8 Mi. S. of Negaunee	11'-4"
M-130	(Elm and Telegraph) in Monroe	10'-8" and 11'-4"
M-59	(90 W. Pike St.) in Pontiac	12'-0"
M-28	0.5 Mi. E. of Ewen	13'-9"
M-24	2.0 Mi. NW of Mayville	11'-0"
M-38	In Vassar (S. Main St.)	12'-6"
M-56	1.5 Mi. W. of Romulus	13'-10"
M-17	Eoorse Rd. over Telegraph Rd.	13'-10"

Note: On M-26 in the Village of Ripley, 0.4 Mi. NE of the junction of US-41 and M-26, there is a steam pipe over the highway with an underclearance of 13'-9".

**MICHIGAN STATE HIGHWAY DEPARTMENT**  
**Charles M. Ziegler**  
**State Highway Commissioner**  
**TRUCK OPERATORS' MAP**  
**1953**

For use in accordance with the Provisions of Michigan Highway Laws



- LEGEND**
- RIGID PAVEMENTS
  - - - FLEXIBLE PAVEMENTS
  - TRAFFIC BOUND SURFACE
  - (S) SPECIAL LOADING ROUTES—Special Designated Routes on Which Greater than Normal Maximum Loading will be Permitted from June 1, to February 28 (incl.)
  - 10'-8" OVERHEAD CLEARANCE
  - ② BRIDGE WITH SPECIAL LOAD LIMIT

**EXPLANATION OF ROAD TYPE LEGEND**

**Rigid Pavements:** Concrete, Bituminous Concrete, Brick or other Surfaces on a Concrete Base

**Flexible Pavements:** Bituminous Concrete, Sheet Asphalt or other Bituminous Surfaces on a Gravel or Similar Type Base

**Traffic Bound Surfaces:** Gravel, Macadam, Stamp Sand, Soil and Similar Surfaces

**TABLE OF MAXIMUM ALLOWABLE GROSS AXLE LOADINGS**

Spacing Between Axles	Normal Loadings When Restrictions Are Not in Force		Loadings When Restrictions Are in Force		
	On Special Loading Routes (S)	On All Other Routes	On Special Loading Routes (S)	Rigid Pavements	Flexible and Traffic Bound
9 feet or over	18,000 lbs.	18,000 lbs.	13,500 lbs.	13,500 lbs.	11,700 lbs.
More than 3 1/2 feet but less than 9 feet	*16,000 lbs. (See Footnote)	13,000 lbs.	*12,000 lbs. (See Footnote)	9,750 lbs.	8,450 lbs.
When less than 3 1/2 feet the combined wt. shall not exceed	18,000 lbs.	18,000 lbs.	13,500 lbs.	13,500 lbs.	11,700 lbs.
Maximum load on any wheel shall not exceed: (pounds per inch of tire width)	700 lbs.	700 lbs.	525 lbs.	525 lbs.	450 lbs.

\*On any combination of vehicles only one (1) tandem assembly shall be permitted at this gross weight and no other tandem assembly shall exceed the loadings as listed.

NOTE: SPECIAL LOADING ROUTES or sections thereof may be revised as needed.

**TABLE OF BRIDGES WITH SPECIAL LOAD LIMITS**

Bridge Number On Map	Trunk Line Number	Location	TONS ON ANY AXLE			GROSS WEIGHT (in tons)		
			9' or more Apart	Less than 9' Apart	1 Unit	2 Units	3 Units	
2	M-140	(N. Main St.) at Water-Vlet	—	—	—	—	—	—
7	M-78	2.3 Mi. N. of Sherwood	—	—	12	20	26	
8	M-78	2.3 Mi. N. of Sherwood	—	—	12	19	25	
10	M-120	8.1 Mi. W. of Leansaw Co. Line	9	5 1/2	—	—	—	
12	M-130	0.8 Mi. S.W. of Geog	9 1/2	6	—	—	—	
18	US-31BR	(S. Dykman) in South Haven	—	—	—	—	—	
19	M-118	Water St. in Allegan	—	—	12	18	23	
23	M-36	4.3 Mi. E. of Franken	5 1/2	3	—	—	—	
24	US-23	(N. Gratiot Ave.) Fort Huron	5 1/2	3	14	18	22 1/2	
25	M-19	1.1 Mi. S. of Brockway	5 1/2	3 1/2	—	—	—	
26	US-16BR	205 N. Saginaw in Flint	—	—	20	24	29	
27	US-23	Non-existing overpass in Portland	5 1/2	3 1/2	—	—	—	
31	M-46	1.7 Mi. W. of Howard City	5 1/2	4	8 1/2	13	16 1/2	
33	M-57	8.1 Mi. E. of Greenville	4	2 1/2	—	18 1/2	25	
34	M-57	1.8 Mi. W. of Cheaning	4	2 1/2	—	—	—	
36	M-38	1 Mi. W. of Clifford	—	—	—	—	—	
37	M-24	3.5 Mi. N.W. of Mayville	6 1/2	4	8	14	19	
38	M-138	1 Mi. W. of Fairgrove	—	—	13	22	31	
39	M-138	2.2 Mi. W. of Fairgrove	—	—	13 1/2	23 1/2	31	
40	US-23	(E. Midland St.) Bay City	—	—	—	—	—	
46	M-51	S. Ruth Rd. in Ruth	8 1/2	6	—	—	—	
50	M-22	7.3 Mi. S.W. of Leansaw Co. Line	—	—	—	—	—	
51	US-31	In Elk Rapids	—	—	—	—	—	
52	M-144	3.5 Mi. W. of Luauer	—	—	11	17	22	
56	M-143	(Lincoln Ave.) in Chaboygan	8	5	—	—	—	
57	M-35	2 1/2 Mi. S. of Chaboygan	8	4 1/2	—	—	—	
59	M-94	2.5 Mi. N.W. of Manistee	8 1/2	5 1/2	—	—	—	
61	M-35	0.1 Mi. S.E. of Marquette Co. Line	—	—	—	—	—	
63	M-49	1.2 Mi. W. of Gwin	7 1/2	5 1/2	22	29	31	
64	M-203	2.4 Mi. S.E. of Peroville	7 1/2	5 1/2	7	11 1/2	15	
66	US-8	2.2 Mi. S. of Norway	7 1/2	5 1/2	—	—	—	
71	M-203	2.4 Mi. S. of Hancock P.O.	7 1/2	5 1/2	—	—	—	
72	M-203	7.1 Mi. W. of Calumet	7 1/2	5 1/2	—	—	—	
73	M-26	In Eagle Harbor	—	—	—	—	—	
75	M-59	N. Mich. St. in Howell	—	—	—	—	—	
76	M-20	2.6 Mi. N.E. of White Cloud	6	4 1/2	—	—	—	

\*One Unit—Single Truck or Bus  
 Two Units—Truck and Trailer or Tractor and Semi-Trailer  
 Three Units—Tractor, Semi-Trailer and Trailer.



