

HG+
2562
D7U5C3

U.S. Reserve Bank Organization Committee.
Exhibits and letters submitted at
hearings... (Chattanooga, Tenn)

#25

BRIEF *for*

CHATTANOOGA

Before

The Federal Reserve
Bank Organization Committee

HG+
2562
.D745C3

13266

Aug 25 1924

Before Hon. William Gibbs McAdoo, Secretary of the Treasury; Hon. David F. Houston, Secretary of Agriculture, and Hon. John Skelton Williams, Comptroller of the Currency, Composing the Federal Reserve Bank Organization Committee.

In the matter of the location of a Federal Reserve Bank for the suggested District or Territory embracing Southern Ohio, Kentucky, Tennessee, Western North Carolina, Georgia, Florida, Alabama, Mississippi, and that part of Louisiana lying east of the Mississippi River, or any district embracing the Central South.

BRIEF FOR CHATTANOOGA.

May it please the Honorable Committee:

Every paragraph and provision of the Federal Reserve Act indicates a just purpose—a desire on the part of its framers to, as far as possible, give equal service and protection to all the people of the United States without special regard to any particular city, state or section.

Realizing that your committee is earnestly and diligently preparing to put this just, impartial, and patriotic spirit of the Act into practical execution, we desire to suggest a Reserve District to include the Central South, as above outlined and as graphically shown by the accompanying map.

RESERVE DISTRICTS.

We assume that necessarily the first task of the committee, after these hearings are over, will be the determination of the geographical limits of the Reserve Districts, so as to best serve the people of the entire country, that the Federal Reserve cities will then be respectively located so as to best serve the interests of the people of the respective districts.

We assume further, that in outlining the Reserve Districts the location and needs of the larger centers of population will have to be considered, but that, after the Districts are once outlined, the particular city which will be designated as the Reserve City for any particular district will necessarily be the particular city which is most speedily and conveniently accessible to that entire district.

As the Regional Reserve Bank in any particular district will have the same amount of capital and the same deposits, in whatever city it may be located, it follows that the question of accessibility to its particular district will be the primary question in determining the location of each Reserve city. This being so, we think it will appear that Chattanooga is the most logical and most convenient location for the Reserve Bank for the above suggested district which would embrace Southern Ohio, Kentucky, Tennes-

see, Western North Carolina, Georgia, Florida, Alabama, Mississippi, and that part of Louisiana lying east of the Mississippi River, or for any similar District embracing the Central South. And, when the needs of this section, in connection with the requirements of the entire country, are considered, we believe it will be found advisable and highly advantageous to fix the geographical limits of one district substantially as here indicated.

EIGHT DISTRICTS.

Based on what seems to be the consensus of opinion of business men throughout the country, and upon the facts brought out at the various hearings which have been given by your committee, we assume that the country should, at present, be divided into Eight Reserve Districts, which should be designated and outlined approximately as follows:

1. **Reserve City:** Boston.
District: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Northern Connecticut.
2. **Reserve City:** New York.
District: Southern Connecticut, New York, New Jersey and Northern Pennsylvania.
3. **Reserve City:** Baltimore, Washington or Richmond.
District: Southern Pennsylvania, Delaware, Maryland, District of Columbia, Virginia, West Virginia, Middle and Eastern North Carolina, and Middle and Eastern South Carolina.
4. **Reserve City:** Chicago.
District: Michigan, Wisconsin, Minnesota, Northern Ohio, Middle and Northern Indiana, Middle and Northern Illinois, and Iowa.
5. **Reserve City:** Chattanooga.
District: Southern Ohio, Kentucky, Tennessee, Western North Carolina, Georgia, Florida, Alabama, Mississippi and that part of Louisiana lying east of the Mississippi River.
6. **Reserve City:** St. Louis or Kansas City.
District: Southern Indiana, Southern Illinois, Missouri, Arkansas, all of Louisiana, west of the Mississippi River, Texas, Oklahoma and Kansas.
7. **Reserve City:** Denver.
District: Nebraska, North Dakota, South Dakota, Montana, Colorado, New Mexico, Arizona, Utah, Wyoming and Idaho.
8. **Reserve City:** San Francisco.
District: California, Nevada, Oregon, Washington.

The national Banking Capital and surplus of said eight districts as above outlined and the capital of the Reserve Banks in the respective districts would be approximately as follows:

Capital and Surplus.	Reserve Bank Capital.
1. \$150,000,000	\$ 9,000,000
2. 521,490,000	31,289,400
3. 261,377,000	15,682,620
4. 283,482,000	17,008,920
5. 142,261,000	8,535,660
6. 208,658,000	12,519,480
7. 82,164,000	4,929,840
8. 118,373,000	7,102,380

We have given more particular study to the section of the country East of the Mississippi River together with what seems to be the settled trend of opinion in that territory as to what would be the most practicable division of the same into Federal Reserve Districts, and we are convinced that an approximate division as above indicated will give the best possible results and will be eminently fair and just to all the people affected.

FIFTH DISTRICT.

The Fifth District, if outlined as above indicated, would be ideal in location, size, population, and diversity of products, and would furnish a most admirable combination of practically all the elements concededly desirable in the formation of a Reserve District.

It would harmonize with the other districts which seem to be necessary for the accommodation of the Eastern, Northern and Middle Western sections of the country and would be of average size.

It would include the great manufacturing and trade centers and great grain and stock producing sections of Southern Ohio and Northern Kentucky, the great mining, manufacturing and agricultural industries of Southern Kentucky, Eastern Tennessee, Western North Carolina, North Georgia, and North Alabama, the great tobacco and stock raising sections of Kentucky and Middle Tennessee, the vast cotton fields of Georgia, Alabama, Mississippi and Western Tennessee, the sub-tropical fruits and products of Florida and Eastern Louisiana, and the great commercial and trade interests of New Orleans on the south as a balance to the like interests of Cincinnati at the northern end of the proposed district. And yet, with all this almost unlimited variety of products maturing at various seasons of the year and giving assurance that, within such District, there would be a steady and uniform demand on the Reserve Bank for money throughout the year, by locating such Reserve Bank at the best and most accessible railroad center in the Central Section of the District, every im-

portant and material part of the territory could be reached by mail deposited after the close of banking hours one day and received at its destination at or before the beginning of banking hours the next day. This will be shown more in detail on the map of the said proposed Fifth District and adjacent territory which will be presented with this brief.

CHATTANOOGA'S CLAIMS.

We respectfully submit that Chattanooga is the most convenient and desirable point for the location of a Reserve Bank for said suggested Fifth District or any other Reserve District including the Central South for the following reasons:

I.

CHATTANOOGA AN ACTUAL AND NATURAL GATEWAY BETWEEN NORTH AND SOUTH AND EAST AND WEST.

Since the first settlement of the country, Chattanooga has been recognized as the natural and actual gateway between the North and South, and between the East and the West. Hence, at an early day, the State of Georgia built her own (Western & Atlantic) Railway from Atlanta to Chattanooga; and later the city of Cincinnati built its own line, the Cincinnati Southern, from Cincinnati to Chattanooga, the natural gateway of the South.

Hence also the fact that Chattanooga became the great strategic point, war center, and battlefield, in the great struggle between the North and South.

II.

Chattanooga has long been recognized as the principal railroad center of the Central South—the point where the principal lines of travel from East to West and from North to South cross each other.

Nine lines of railroad, namely, the Cincinnati Southern (Queen & Crescent), the Central of Georgia, the Alabama Great Southern, the Nashville, Chattanooga & St. Louis, the Western & Atlantic, the Tennessee, Alabama & Georgia, and the three divisions of the Southern Railway, known respectively as the "Main Line" (from Chattanooga to Washington), the "Memphis Division," and the "Georgia Division", all center at Chattanooga.

The interstate roads radiating to the southward, and furnishing easy, speedy and direct access to the entire territory embraced in the states of Georgia, Alabama, Florida, South Carolina, and Mississippi, are the Alabama Great Southern (extending through Georgia, Alabama and Mississippi to New Orleans), the Central of Georgia (extending from Chattanooga through Georgia to Savannah, with numerous branch lines extending to

many points in Georgia, Alabama and Florida), the Tennessee, Alabama & Georgia (extending into Alabama and touching other important lines), the Western & Atlantic (extending to Atlanta and making direct connection with through lines through South Georgia, Florida, and South Carolina), the Georgia Division of the Southern (extending south through Atlanta and Macon to Jacksonville and making direct and through connection with many other lines), and the Memphis Division of the Southern (extending 312 miles from Chattanooga to Memphis, with branches and direct connections radiating to the south and west). To the east the main line of the Southern Railway extends through eastern Tennessee, via Knoxville and Morristown, 242 miles to Bristol, and has radiating and connecting lines covering all of eastern Tennessee and extending northwardly into Kentucky, and southwardly into North Carolina and South Carolina, Georgia and Florida.

The Cincinnati Southern extends northwardly a little over 300 miles on a direct line via Lexington, through the heart of Kentucky, to Cincinnati, with connecting lines to all parts of Kentucky, Ohio and Indiana.

The N., C. & St. L. extends westwardly and northwestwardly through the middle and the northwestern portion of Tennessee, with connecting and affiliated lines extending into Kentucky, Ohio and Southwestern Indiana, and branch lines into the eastern and mountain portions of Middle Tennessee.

III.

BECAUSE OF ACCESSIBILITY.

Chattanooga is not only a railroad and transportation center as above shown, but is the railroad and transportation center most easily and speedily accessible to all the territory embraced in said District.

EXPRESS COMPANY HEADQUARTERS—CONVINCING PRACTICAL EVIDENCE OF CHATTANOOGA'S CENTRAL POSITION AND ACCESSIBILITY.

Lately the President of the Chamber of Commerce of Chattanooga asked Mr. Chas. L. Loop, Vice-President of the Southern Express Company, to furnish the Chamber a brief statement as to why the Southern Express Company established its headquarters at Chattanooga. In a letter addressed to the President of the Chamber of Commerce, Mr. Loop responded as follows:

"In response to your request that I state under what circumstances the Southern Express Company selected Chattanooga for its general headquarters:

"Up to the year 1892, the Southern Express Company maintained two 'headquarters'—one in Augusta, Ga., and one in Memphis, Tenn.

"The time came when we had to consolidate the headquarters and

we had to consider the most available and desirable location.

“Chattanooga was selected primarily because of its central location and its accessibility to all points reached by the Southern Express Company, including even places north of the Ohio River. (This Company operates north of the Ohio River to St. Louis, Mo., and Columbus, O., and east to Washington, D. C.)

“We figure that being located in Chattanooga, we receive our reports from agents on an average much earlier than we could in any other location. And, when necessary for our men to travel in any direction, the average ride to any point in the territory of this company could be reached in less average time from Chattanooga than probably any other point.

“There were additional good reasons for the selection, but the central location and train facilities were the governing ones.

“I send you one of our maps.

“Very truly yours,
[Signed.] “CHAS. L. LOOP,
“Vice-President.”

**ESTABLISHED BY INTERSTATE COMMERCE COMMISSION AS
HEADQUARTERS FOR VALUATION OF COMMON CARRIERS—
FURTHER CONVINCING PRACTICAL EVIDENCE.**

After hearing the claims of Louisville, Nashville, Atlanta, Birmingham and other cities and after thorough consideration the Interstate Commerce Commission, in October, 1913, by a unanimous vote selected Chattanooga as the Headquarters for the Valuation of Common Carriers, in the territory embracing the states of Ohio, Indiana, Kentucky, Tennessee, South Carolina, Florida, Georgia, Alabama and Mississippi.

The officially announced ground for the selection of Chattanooga was the fact that Chattanooga, by reason of its location and its position, was the place most easily and speedily and economically accessible to the entire territory embraced in the said valuation district.

The same reasons which made Chattanooga the most desirable point for the Headquarters of the Southern Express Company, and the most expedient and suitable location for the Valuation Headquarters as established by the Interstate Commerce Commission, make it now the most suitable and desirable location for the Regional Reserve Bank for the suggested Fifth Reserve District or any other district embracing the Central South.

We submit herewith a map of the suggested Fifth District and adjacent territory, with train schedules showing that communications by mail can pass either way between Chattanooga and practically every point of importance in the suggested District, or in the Central South, between the close of banking hours on one day and the beginning of banking hours the next day.

BUSINESS EQUATOR OF THE DISTRICT.

As nearly as possible, we have ascertained the relative value of annual Farm Products and Manufactured Products, North and South of Chattanooga, and the relative population, banking capital, deposits, etc., within said district on either side of an East and West line drawn through Chattanooga.

The result, which indicates substantially that Chattanooga is the business equator of the suggested Fifth District, is substantially as follows:

	North of Chatta.	South of Chatta.
Value of all farm products.....	\$ 336,379,000	\$ 567,339,230
Value of Manufactured products..	882,971,000	524,270,000
National Banking capital.....	77,263,574	64,485,000
National Bank deposits.....	295,000,000	220,000,000
	<u>\$1,591,613,574</u>	<u>\$1,376,094,703</u>
Population North of Chattanooga.....		6,370,000
Population South of Chattanooga.....		7,700,000

IV.

CHATTANOOGA MORE ACCESSIBLE THAN ANY OTHER CITY OF THE CENTRAL SOUTH TO REGIONAL BANKS WHICH MAY BE LOCATED IN OTHER RESERVE DISTRICTS.

Situated at the extreme northern edge of the cotton producing section, Chattanooga is not only the most accessible point from all parts of the Central South as above shown, but it is the one point in the Central South most accessible to the trade centers of the sections north and west of the suggested Fifth District and north and west of the Central South.

Should Reserve Banks for other districts be located at Chicago, St. Louis, Kansas City, Dallas, or any other cities of the great West and Northwest, they could communicate more quickly and conveniently with Chattanooga than with any other city located anywhere near the center of the Central South.

Currency wired for from St. Louis or Chicago could leave Chattanooga during banking hours one day and be delivered before banking hours the next morning.

OTHER ADVANTAGES.

Not only is Chattanooga the chief railroad center of the Central South and the most accessible point by rail or mail or wire within the same territory, but it is also otherwise in every way worthy of consideration as a proper point for the location of a Regional Reserve Bank. It is on the Tennessee River, which, under the improvement plans already adopted and begun by the Government, is soon to be of great importance as a water transportation highway—being already a larger and longer river than the Ohio.

The healthful and invigorating climate of Chattanooga is known far and wide, and is taken advantage of by many visitors, both in summer and winter. The office force of a Reserve Bank located here could be kept in a high state of physical comfort and efficiency throughout the year.

With her more than 300 factories, her extensive and rapidly growing commercial interests, her central location, her unequalled railroad and transportation facilities, her unsurpassed climate, her scenic beauty and historic interest, her adjacent army post and national parks, her importance as the headquarters of the great express carrier of the South, and as the headquarters for the valuation of Common Carriers in the nine states extending from and including Ohio and Indiana on the North, and Florida, Alabama, South Carolina and Mississippi on the South, with a progressive and efficient city government, and all the conveniences and attractions of a modern city of the best type, we believe that Chattanooga will be found the most convenient and advantageous location for the Reserve Bank which is to serve any Reserve District which may include the greater portion of the Central South.

CONCLUSION.

Without presenting other facts and details strongly tending to show the advantages of a Reserve District outlined as above suggested, and the superior claims of Chattanooga as a Reserve City, we submit the foregoing suggestions in the hope that they may, in some measure, aid the committee in its important and difficult task, and in the belief that when all the facts are fully considered, and the needs and requirements of the entire country are taken into account, it will be found advisable to locate a Regional Reserve Bank in Chattanooga.

NEWELL SANDERS,

Chairman of Joint Committee of
Chattanooga Clearing House Association,
Chattanooga Chamber of Commerce,
Chattanooga Manufacturers' Association.

J. P. HOSKINS,

President of Chattanooga Clearing House
Association.

PAUL J. KRUESI,

President Chattanooga Chamber of Com-
merce.

M. E. TEMPLE,

President Chattanooga Manufacturers'
Association.

FRANK A. NELSON,

Manager Clearing House Association.

JOHN H. CANTRELL,

Secretary General Committee.

SUGGESTED FEDERAL RESERVE BANKS.

	Cap. and Surplus of Nat. Banks.	Capital of Fed. Reserve Banks.
1.....	\$150,000,000.....	\$ 9,000,000
2.....	521,490,000.....	31,289,400
3.....	261,377,000.....	15,682,620
4.....	283,482,000.....	17,008,920
5.....	142,261,000.....	8,535,660
6.....	208,658,000.....	12,519,480
7.....	82,164,000.....	4,929,840
8.....	118,373,000.....	7,102,380

STATE BANKS IN DISTRICT No. 5 ABOVE.

Capital and Surplus	\$150,000,000
Deposits	600,000,000

DATA CONCERNING DISTRICT No. 5 AS SUGGESTED.

Population	13,771,000
All Farm Property.....	\$3,590,501,343
All Farm Products.....	903,719,616
Cotton	300,080,775
Cotton Seed.....	53,247,084
Tobacco	49,833,077
Corn	221,164,603
Hay	48,549,053
Wheat	26,722,651
Oats	18,715,015
Potatoes	10,564,902
Yams and Sweet Potatoes.....	15,127,554
Other Vegetables.....	42,745,716
Cane Sugar.....	24,091,861
Dairy Products.....	47,796,988
Manufactured Articles.....	1,407,241,000
Mines, Quarries, Wells, etc.....	69,234,531

**Train and Mail Schedules In and Out of Chattanooga To Important Points
In Suggested District.**

Lv. Chattanooga

10:15	P. M.	.....	Ar. Memphis.....	8:00	A. M.
10:15	"	.....	" Jackson, Tenn.....	8:45	"
10:25	"	.....	" Nashville	2:55	"
10:25	"	.....	" Louisville	8:00	"
9:45	"	.....	" Lexington	5:23	"
9:45	"	.....	" Cincinnati	8:00	"
10:05	"	.....	" Dayton, O.....	10:10	"
10:05	"	.....	" Columbus, O.....	11:55	"
10:00	"	.....	" Knoxville	1:25	"
10:00	"	.....	" Bristol, Tenn.....	9:15	"
10:00	"	.....	" Asheville, N. C.....	5:50	"
5:10	"	.....	" Augusta	6:05	"
5:10	"	.....	" Atlanta	9:55	P. M.
6:25	"	.....	" Brunswick	8:30	A. M.
3:52	"	.....	" Savannah	7:30	"
5:10	"	.....	" Jacksonville	7:40	"
5:10	"	.....	" Columbus, Ga.....	9:55	"
6:20	"	.....	" Birmingham	10:20	P. M.
6:20	"	.....	" Montgomery	7:00	A. M.
6:05	"	.....	" Mobile	7:30	"
6:20	"	.....	" Jackson, Miss.....	5:40	"
6:20	"	.....	" Vicksburg	7:00	"
6:05	"	.....	" New Orleans	9:10	"

Train Schedule To Chattanooga.

		Ar. Chattanooga.	
Lv. Memphis	8:00 P. M.	5:05	A. M.
Jackson, Tenn.	6:05 "	5:05	"
Nashville	9:30 "	2:44	"
Louisville	9:35 "	6:40	"
Lexington	10:25 "	6:10	"
Cincinnati	8:00 "	6:10	"
Dayton, O.	5:53 "	6:10	"
Columbus, O.	4:00 "	6:10	"
Knoxville	2:00 A. M.	6:00	"
Bristol, Tenn.	3:30 P. M.	6:00	"
Asheville, N. C.	9:30 "	6:00	"
Augusta	11:15 "	11:55	"
Atlanta	5:10 "	9:35	P. M.
Brunswick	8:10 "	10:55	A. M.
Savannah	8:00 "	11:55	"
Jacksonville	8:40 "	10:55	"
Columbus, Ga.	10:03 "	11:55	"
Birmingham	6:05 "	9:55	P. M.
Montgomery	6:00 "	5:05	A. M.
Mobile	8:15 "	10:05	"
Jackson, Miss.	10:45 "	10:20	"
Vicksburg	9:25 "	10:20	"
New Orleans	7:30 "	10:05	"

CHATTANOOGA RAILROADS.

Southern Railway—

Atlanta and Southeastern Division.
 Memphis and Western Division.
 Knoxville and Eastern Division.

C., N. O. & T. P. —To Cincinnati, Louisville, etc.
 A. G. S. —To Birmingham, New Orleans, etc.
 N., C. & St. L. —To Nashville, St. Louis, Chicago, etc.
 W. & A. —To Atlanta.

Central of Georgia—Georgia Coast and Central and Southern Alabama.
 T. A. G. —Gadsden, etc.

Amount of freight charges collected by Railroads in 1913 for
 shipments in and out of Chattanooga.....\$5,614,000

SUPPLEMENTAL BRIEF
for
CHATTANOOGA
Before
The Federal Reserve
Bank Organization Committee

SUPPLEMENTAL BRIEF FOR CHATTANOOGA

The facts developed at the committee hearings at Atlanta and Cincinnati tend strongly to confirm us in the belief that the geographical outlines of the eight Reserve Districts suggested in our original brief are logical and desirable; and, in compliance with the request of the Committee, we submit herewith a map outlining said eight Reserve Districts as suggested in said original brief.

Considering the question from every standpoint required by the Federal Reserve Act, we are convinced that the Atlantic Seaboard will have to be divided into three districts, with one Reserve Bank at Boston, one at New York, and a third (for the South Atlantic District) at Baltimore, Washington or Richmond. Slight variations in the outline of this third District, especially as to the question of including Southeastern Georgia and a part of Florida, would depend on the precise location of its Reserve City.

Beginning again at the North, it will doubtless be found advisable to locate a Reserve Bank at Chicago for the Lake and adjacent territory, leaving an ideal Reserve District, bounded on the North by the Chicago District, on the East by the South Atlantic District, and on the West by the Mississippi River—extending southwardly to the Gulf. We are convinced that this grouping of the states of Kentucky, Tennessee, Alabama, Georgia (excepting possibly the Southeastern part), Mississippi, all or a part of Florida, Western North Carolina, Southern Ohio (with possibly Southeastern Indiana), and that part of Louisiana East of the Mississippi River, is the logical one for the following reasons:

1. It would harmonize with the surrounding Reserve Districts which seem to be necessary for the proper accommodation of other sections.
2. The Federal Bank would be of reasonable dimensions—a minimum capital of \$8,535,000.00 and a minimum deposit of \$20,000,000.00 from the National Banks situated within this territory. The State Banks within this territory have a capital and surplus of approximately \$150,000,000, and deposits of \$600,000,000. It would, of course, receive in addition its proportionate share of the deposits of the United States Government.
3. The Bank would be self-supporting because the products of the territory are of such a variety that the various sections would call on the banks for loans at different seasons—the principal products being: Cotton, tobacco, sugar, citrus fruits, truck garden products, corn, live stock, lumber, coal, iron and manufactures.
4. The bank would be profitable to its stockholders because there would be a constant demand for its loanable funds.

ATLANTA AND CINCINNATI HEARINGS

We have read the transcript of the evidence adduced at the hearings both at Atlanta and at Cincinnati, besides attending the hearing at Atlanta.

DEVELOPMENTS AT ATLANTA HEARING

The facts developed at Atlanta, taken as a whole, seemed to us to clearly indicate that the District suggested by that city is practically impossible, for four reasons:

1. It includes the Carolinas, the greatest part of whose territory would naturally and necessarily belong to a South Atlantic Seaboard District—such a South Atlantic District including the greater part of the Carolinas, etc., and having its reserve city at Washington, Richmond or Baltimore, seeming to us inevitable in any well considered outline of Reserve Districts.

2. It (said Atlanta District) would be nominally dependent and would include little or no "fat to help fry the lean" at each annually recurring crop moving period.

3. It leaves New Orleans and adjacent territory with no logical connection with any other logical district, and suggests the creation of another weak and wholly dependent Southern or Southwestern District.

4. It leaves a territory between the suggested Atlanta District and what would naturally be the Chicago District which would not logically belong to any other District and which could not properly be made a separate District.

As Chattanooga was Atlanta's unequivocal second choice, why not include Atlanta and Georgia in the logical and nominally independent district suggested by Chattanooga?

DEVELOPMENT AT CINCINNATI HEARING.

While the district suggested by Cincinnati would be strong and in many respects desirable in itself, furnishing more than ample reserve for all its normal needs, it is objectionable:

1. Because it encroaches on what would naturally be the Chicago District on the North, it appearing at the hearing that Indianapolis and most of Indiana and Northeastern Ohio would be more conveniently served from Chicago. In including West Virginia it encroaches on a District which would be best served from Washington, Baltimore or Richmond.

2. The District suggested by Cincinnati scarcely reaches the Northern limit of the cotton belt on the South and leaves one or more districts to the Southward which will be normally dependent during the crop moving periods. If extended Southwardly to Montgomery as suggested by Nashville's representatives at Cincinnati, then a still weaker and more dependent District would be left along the Gulf coast.

AS ATLANTA, BIRMINGHAM AND NASHVILLE HAVE ALL ADMITTED AT THE HEARINGS THAT THEY CAN BE WELL SERVED FROM CHATTANOOGA, AND AS THE SUGGESTED CHATTANOOGA DISTRICT AVOIDS ALL THE DIFFICULTIES AND OBJECTIONS ENCOUNTERED IN CONSIDERING THE DISTRICTS SUGGESTED RESPECTIVELY BY ATLANTA AND CINCINNATI, IT APPEARS TO US THAT THE WHOLE PROBLEM CAN BE EASILY AND HAPPILY SOLVED BY A NORTH AND SOUTH DISTRICT FROM MIDDLE OHIO TO THE GULF (SUBSTANTIALLY AS SUGGESTED BY CHATTANOOGA), WITH A CENTRAL RESERVE BANK AT CHATTANOOGA, ONE WELL EQUIPPED BRANCH BANK AT NEW ORLEANS ON THE EXTREME SOUTH, AND ANOTHER BRANCH OFFICE AT EITHER CINCINNATI OR LOUISVILLE TOWARD THE NORTHERN END OF THE DISTRICT.

This would give ideal service to the entire district and make the district normally self-supporting, and would permit the formation of other self-supporting Districts for the surrounding territory which would harmonize with a rational and logical outline of Districts for the entire United States.

If more than eight districts are to be formed they should be taken from the strong districts suggested for New York, St. Louis and Chicago. They should not be created by subdividing the agricultural territory of the South into weak and dependent districts.

CHATTANOOGA THE MOST LOGICAL AND DESIRABLE POINT FOR RESERVE BANK.

Chattanooga is the most logical and desirable place for the location of a Reserve Bank for the suggested Fifth District, because:

1. It is the point of importance nearest the center of the district, taking into account the population, banking capital and deposits and the general business of the district. This point is fully elaborated and practically shown in our original brief.

2. It is within a night's run of all the principal points in the district, and mail sent out after banking hours from Chattanooga could reach the banks in all principal cities in the district by early banking hours on the following morning, and vice versa. This is clearly shown by the schedule of night trains from Chattanooga to and from all important points in the District appended to our original brief.

3. It is a railroad center and is on the direct line of travel between the principal cities of the district in the North, such as Columbus, Dayton, Cincinnati and Louisville, to the principal cities of the South, as New Orleans, Mobile, Montgomery, Birmingham, Atlanta and Jacksonville. It is likewise on the route from those on the west, as Memphis, Nashville, etc., to Atlanta, Savannah and Augusta on the East. It is also thoroughly and speedily accessible to the great centers like Chicago, St. Louis, etc., where Reserve Banks for other Districts may be located.

4. Chattanooga is one of the chief manufacturing centers of the South, with approximately 300 factories making over 500 different articles of commerce. The amount of freight charges collected by railroads in 1913 on shipments in and out of Chattanooga was \$5,614,000.00.

5. It is one of the great electrical centers of the Nation—110,000 horsepower having within the last two years been brought to its doors by power plants erected within that time on the Tennessee and Ocoee Rivers. Approximately \$12,000,000.00 has been lately spent in the development of these two water power plants.

6. It is a rapidly growing business center as is evidenced by the growth of Post Office receipts as shown below:

In 1894 the receipts were.....	\$ 66,123.00
In 1904 the receipts were.....	207,167.00
In 1913 the receipts were.....	488,521.00

The bank deposits which are now \$18,500,000.00, have increased 400% within the last thirteen years.

While the population of Chattanooga by the Federal Census of 1910 was only 44,604, a considerable part of the city since properly annexed was not then embraced in the corporate limits of the municipality.

The publisher of the 1914 City Directory of Chattanooga and suburbs, Mr. G. M. Connelly, shows that the alphabetical Directory for this year contains 42,634 names of individuals 17 years of age and over, and that using the usual multiple of 2 2-5, this would indicate a population of 102,321.

Chattanooga has 40 miles of paved streets, 80 miles of sewers, a most efficient and well equipped police and fire department, a low rate of insurance, 64 miles of street railway, an excellent school system, a very complete public library, a fine system of public parks and recreation centers, etc., etc. These matters are mentioned in this connection, merely to give assurance that this growing city has all the safeguards, comforts and conveniences which would have to be considered in locating a Reserve Bank.

We are prepared to give assurance that a suitable and centrally located Banking House can and will be at once erected or supplied and equipped for the Reserve Bank should this city be designated as a Reserve City.

CONCLUSION.

The more we consider the subject the more we are convinced that Chattanooga's railroad and transportation facilities, her natural location as a passage way between North and South and between East and West, her **superior accessibility** to and from all parts of the suggested District, and her ideal location in the business and geographical center of the District, makes her a more convenient and desirable location for a Reserve Bank than any other city within said District.

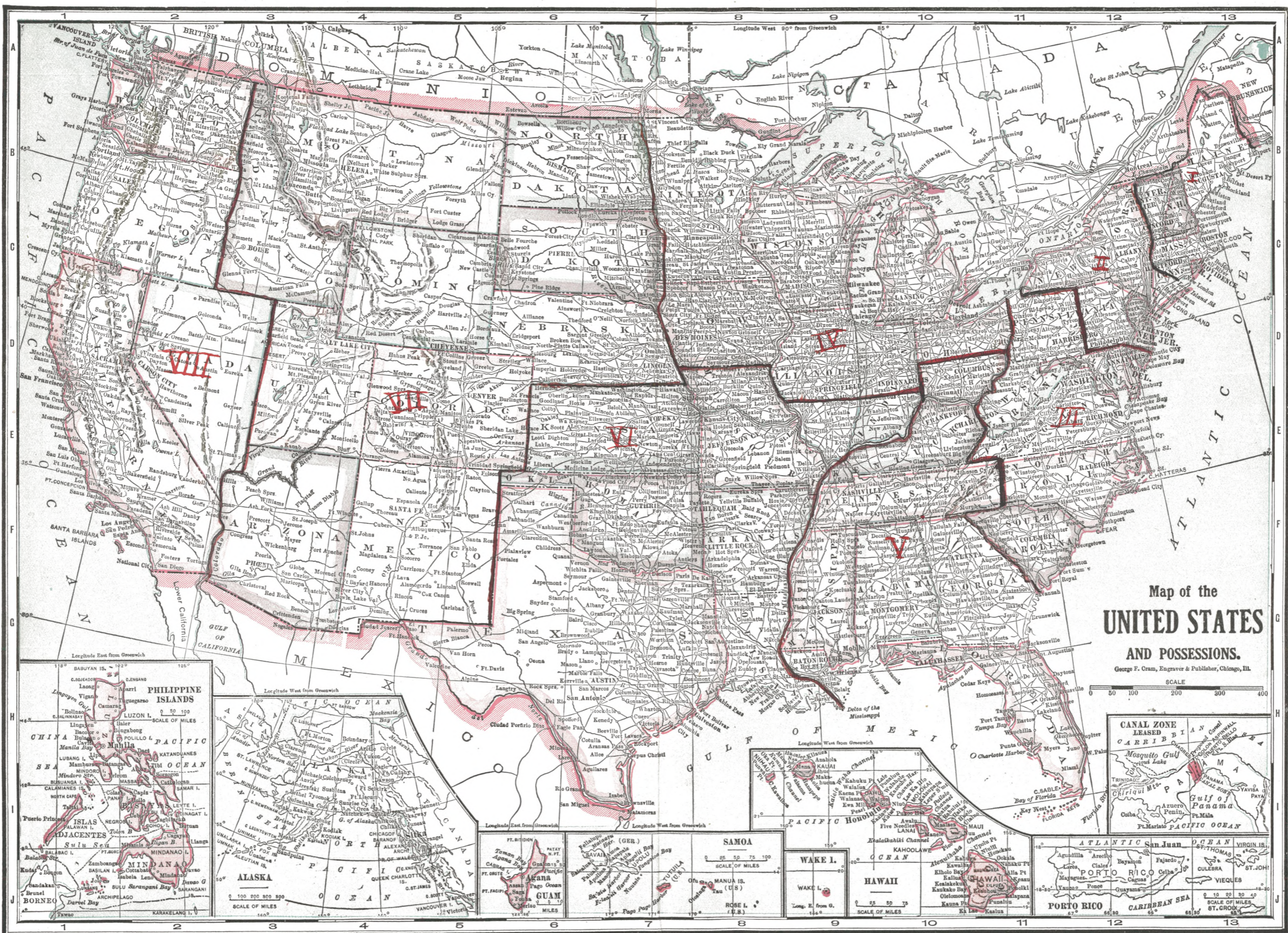
As such Bank will have the same capital, the same deposits, the same Directors and be used for the same reserve purposes in whatever city it may be located, it is clear to us that, at last, the question of accessibility will necessarily be controlling. Otherwise the primary purpose of the Federal Reserve Act will be practically defeated, and the manifest evils and inequalities which it was intended to correct, will, to a large extent, continue.

This being so, Chattanooga's claims and advantages would appear to be paramount. Its accessibility, with its location in the center of the mining, timber and manufacturing zone which lies between the cotton fields on the South and the great grain, tobacco and commercial and manufacturing areas in the north end of the suggested District, is, as we think, an unanswerable argument in its favor.

Respectfully submitted,

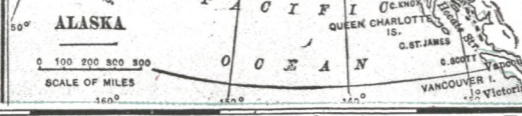
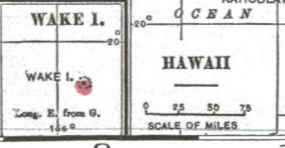
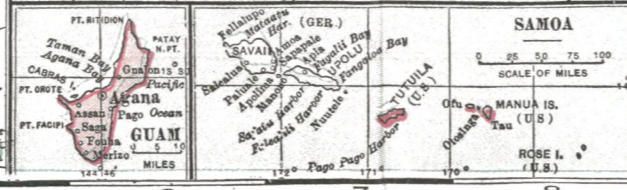
NEWELL SANDERS,
Chairman General Committee.
J. P. HOSKINS,
President Clearing House Association.
P. J. KRUESI,
President Chamber of Commerce.
MORRIS TEMPLE,
President Chattanooga Manufacturers'
Association.
FRANK A. NELSON,
Manager Clearing House Association.
JOHN H. CANTRELL,
Secretary General Committee.

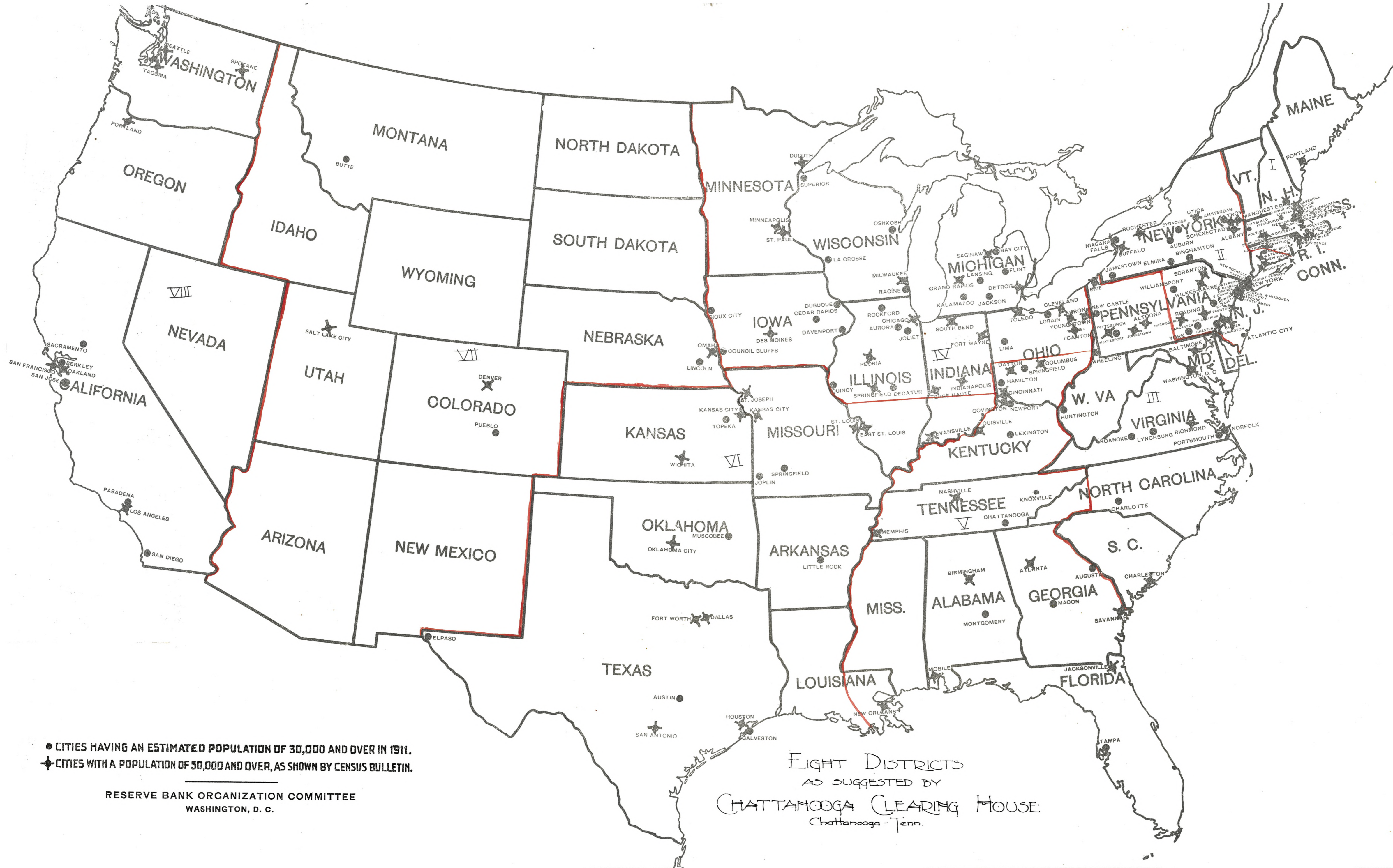
See next two pages for map.



Map of the UNITED STATES AND POSSESSIONS.
George F. Cram, Engraver & Publisher, Chicago, Ill.

SCALE
0 50 100 200 300 400






● CITIES HAVING AN ESTIMATED POPULATION OF 30,000 AND OVER IN 1911.
 ◆ CITIES WITH A POPULATION OF 50,000 AND OVER, AS SHOWN BY CENSUS BULLETIN.

RESERVE BANK ORGANIZATION COMMITTEE
 WASHINGTON, D. C.

EIGHT DISTRICTS
 AS SUGGESTED BY
 CHATTANOOGA CLEARING HOUSE
 Chattanooga - Tenn.

618

WESTERN UNION

TELEGRAM
 THEO. N. VAIL, PRESIDENT

RECEIVED AT **Wyatt Building, Cor. 14th and F Sts., Washington, D.C.** ALWAYS OPEN

137C VX 32 4 EXTRA

CHATTANOOGA TENN DEC 24 1913

ANSWERED
 DEC 24 1913
L. E. D.

HON W G MCADOO

SECY OF TREASURY WASHINGTON DC

FOR YOUR CONSIDERATION OF LOCATION OF FEDERAL RESERVE BANK WE
 DESIRE TO PRESENT OUR CLAIMS THE CITIZENS OF CHATTANOOGA WILL
 MAKE A FORMAL APPLICATION IN A FEW DAYS

F E MAHONEY PRESTCHAMBER OF COMMERCE

245PM

POSTAL TELEGRAPH - COMMERCIAL CABLES

CLARENCE H. MACKAY, PRESIDENT.

TELEGRAM

RECEIVED AT
POSTAL TELEGRAPH BUILDING
1345 PENNSYLVANIA AVENUE
WASHINGTON, D. C.
TELEPHONE: MAIN 6600

DELIVERY

The Postal Telegraph-Cable Company (Incorporated) transmits and delivers this message subject to the terms and conditions printed on the back of this blank.

16W-7131

DESIGN PATENT No. 40529

177000 hr 32- 4 ex

Chattanooga Tenn Dec 24-13

W G McAdoo, Secy of Treasury


Washington DC

ANSWERED
DEC 23 1913
L-5-du

Realizing that Chattanooga is the most accessible city for a large territory of the South, the Chattanooga Chamber of Commerce by unanimous vote invites the location of one of the regional banks in this city.

Chattanooga Chamber of Commerce, W. Scott Raulston Secy

248 pm

WESTERN UNION

TELEGRAM
 THEO. N. VAIL, PRESIDENT

1243

RECEIVED AT Wyatt Building, Cor. 14th and F Sts., Washington, D.C. ALWAYS OPEN

227CXL 23 4 EXTRA

CHATTANOOGA TENN DEC 23RD 1913

HON R W AUSTIN

HOUSE OF REPS


WASHINGTON DC

WILL MOST HIGHLY APPRECIATE YOUR INFLUENCE IN HAVING CHATTANOOGA
 SELECTED AS LOCATION OF ONE OF THE FEDERAL RESERVE BANKS

CHATTANOOGA CLEARING HOUSE

J P HOSKINS PRESIDENT

1022PM

WESTERN UNION

TELEGRAM
 THEO. N. VAIL, PRESIDENT

1177

RECEIVED AT Wyatt Building, Cor. 14th and F Sts., Washington, D.C. ALWAYS OPEN

2090XL 37 8 EXTRA

CHATTANOOGA TENN DEC 23RD 1913

HON W G MCADOO

SECRETARY OF THE TREASURY

WASHINGTON DC

OUR BANKS ARE UNANIMOUS IN BEGGING TO HAVE CHATTANOOGA SELECTED AS THE LOCATION OF ONE OF THE FEDERAL RESERVE BANKS FORMAL APPLICATION IN DUE FORM WILL BE SHORTLY FILED

CHATTANOOGA CLEARING HOUSE
 J P HOSKINS PRES F A NELSON MANAGER

935PM

ANSWERED
 12-23-13
 D-L-5

CHATTANOOGA CLEARING HOUSE ASSOCIATION

CREDIT AND COLLECTION DEPARTMENT

1021 JAMES BUILDING

FRANK A. NELSON
MANAGER

CHATTANOOGA, TENN. Dec. 24th, 1913.

Hon. R. W. Austin,
Knoxville, Tenn.

Dear Sir:-

In selecting the location of the newly created Federal Reserve Banks we believe that the general welfare of the territory in which each is located will be the determining influence, and not the claims of any special city, but that each of these banks will be placed where it can be in the closest touch with the business interests of its respective section.

We believe that no place in the south is more advantageously situated than Chattanooga, nor could the bank be placed where it would be more intimately in touch with all of the various interests of the south than here.

With but a fraction of its present railroad system it was a strategic point during the war, but now it has railroads running in every direction and schedules which enable it to reach and to be reached from any point in the south, east of the Mississippi, within a nights run.

In determining recently the five most favorable places in the United States in which to locate the offices of the Railroad Valuation Commission, Chattanooga was found of all the cities in the district covering the south and some of the middle states, the most ideally located, geographically and commercially, and we believe the same facts will lead to a similar favorable conclusion

CHATTANOOGA CLEARING HOUSE ASSOCIATION

CREDIT AND COLLECTION DEPARTMENT

1021 JAMES BUILDING

FRANK A. NELSON
MANAGER

CHATTANOOGA, TENN.

#2

in the present case.

Your assistance in having one of these banks located
in Chattanooga will be most highly appreciated.

I remain,

Very respectfully,

Frank A. Nelson
Mgr.

I warmly endorse the above request and, as wired
you last night, will greatly appreciate your assistance in this
matter.

Very truly,

John A. Hallow

Chattanooga
Frank Nelson
FRANK A. NELSON
MANAGER

CHATTANOOGA CLEARING HOUSE ASSOCIATION

CREDIT AND COLLECTION DEPARTMENT

1021 JAMES BUILDING

ANSWERED
DEC 26 1913
L 4

CHATTANOOGA, TENN. Dec. 26th, 1913.

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

6

Dear Sir:-

In selecting the locations of the newly created Federal Reserve Banks we believe that the general welfare of the territory in which each is located will be the determining influence and not the claims of any special city, but that each of these banks will be placed where it can be in the closest touch with the business interests of its respective section.

We believe that no place in the south is more advantageously situated than Chattanooga nor could the bank be placed where it would be more intimately in touch with all of the various interests of the South than here.

With but a fraction of its present railroad system it was a strategic point during the war, but now it has railroads running in every direction and schedules which enable it to reach and to be reached from any section of the south, east of the Mississippi, within a nights run.

In determining recently the five most favorable places in the United States in which to locate the offices of the Railroad Valuation Commission, Chattanooga was found of all the cities in the district covering the south and some of the middle states, the most ideally located, geographically and commercially, and we believe the

CHATTANOOGA CLEARING HOUSE ASSOCIATION

CREDIT AND COLLECTION DEPARTMENT

1021 JAMES BUILDING

FRANK A. NELSON
MANAGER

CHATTANOOGA, TENN.

#2 W.C.M.

same facts will lead to a similar favorable conclusion in the present case.

Your consideration of Chattanooga in the locating of these Federal banks will be highly appreciated.

If you will be kind enough to let us know at what time it will be convenient to you to have a committee from Chattanooga appear before you, we will be glad to have them present the claims of Chattanooga in person.

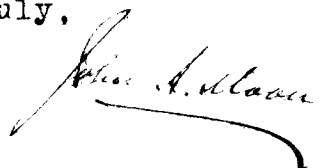
I remain,

Very respectfully,


Manager

I warmly endorse the above request and, as wired you, will greatly appreciate your giving Chattanooga favorable consideration.

Very truly,



CHATTANOOGA CLEARING HOUSE ASSOCIATION

CREDIT AND COLLECTION DEPARTMENT

1021 JAMES BUILDING

RANK A. NELSON
MANAGER

(1)

CHATTANOOGA, TENN. March 9th, 1914.

To the Hon. Reserve Bank Organization Committee,
Washington, D. C.

Gentlemen:

Please find enclosed three copies of a supplemental brief which our Committee begs to offer on the subject of the District in which Chattanooga is to be located and also on also on the matter of locating the Reserve Bank.

We understood that we would be allowed until March 15th in which to file our supplemental brief and have been delayed up to this time awaiting a copy of the hearing at Cincinnati which was slow in reaching us.

We trust that both original and supplemental briefs will be considered.

Very truly,

Rank A. Nelson
[Signature]

*Acc + sent
me copy to
Sgt Houston
from to Capt
Williams holding
Sgt McAdams copy
for instruction*

ANSWERED
MAR 13 1914
[Signature]

RECEIVED

MAR 11 1914

Res. Bank Org Committee

*Brief filed with original with
letter bearing books*

ONE

March 11th, 1914.

Sir:

On behalf of the Organization Committee, I beg to acknowledge with thanks the receipt of your letter of March 9th, enclosing three (3) copies of a supplemental brief on the subject of the district in which Chattanooga wishes to be located and to advise that I have had pleasure in having one copy delivered to Secretary Mc Adoo, one to Comptroller Williams and the third to Secretary Houston.

Respectfully,

Secretary,
Reserve Bank Organization Committee.

Mr. Frank A. Nelson, Manager,
Chattanooga Clearing House Association,
1021 James Building,
Chattanooga, Tennessee.

Wright
not
subscribed

W. B. GARVIN JOHN H. CANTRELL
LAW OFFICES
GARVIN & CANTRELL
HAMILTON NATIONAL BANK BUILDING
CHATTANOOGA, TENNESSEE

RECEIVED

Mch. 9, 1914

Res. Bank Org Committee

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

Dear Sir:-

In the Federal Reserve Bank matter, we are, to-day, forwarding, under separate cover, a supplemental brief for Chattanooga with maps, which we hope will not reach you too late to be considered by the Reserve Bank Organization Committee.

Owing to delay in receiving the transcript of the testimony at the Cincinnati hearing, which we had ordered from the official stenographer, we were unable to forward this supplemental brief as soon as we had intended. Besides, we were informed that the statement had been made at the Cincinnati hearing that additional data would be received up to March 15.

Very truly yours,

J. H. Cantrell
Sec. Gen. Committee

JHC.

*Filed with
leaves bound
book*

NIGHT LETTER

THE WESTERN UNION TELEGRAPH COMPANY

INCORPORATED
25,000 OFFICES IN AMERICA CABLE SERVICE TO ALL THE WORLD

This Company TRANSMITS and DELIVERS messages only on conditions limiting its liability, which have been assented to by the sender of the following **Night Letter**. Errors can be guarded against only by repeating a message back to the sending station for comparison, and the Company will not hold itself liable for errors or delays in transmission or delivery of **Unrepeated Night Letters**, sent at reduced rates, beyond a sum equal to the amount paid for transmission; nor in any case beyond the sum of **Fifty Dollars**, at which, unless otherwise stated below, this message has been valued by the sender thereof, nor in any case where the claim is not presented in writing within sixty days after the message is filed with the Company for transmission.
This is an **UNREPEATED NIGHT LETTER**, and is delivered by request of the sender, under the conditions named above.

THEO. N. VAIL, PRESIDENT

BELVIDERE BROOKS, GENERAL MANAGER

RECEIVED AT
149C RA 55 NL

1198

CHATTANOOGA TENN DECEMBER 26 1913 L-5-da

ANSWERED
LOUISIANA
10/10


HON W G MCADOO

WASHINGTON DC

TO BE SURE CHATTANOOGA WANTS ONE OF THE REGIONAL RESERVE
BANKS WE CAN AND WILL PRESENT SOME STRONG CLAIMS FOR
YOUR CONSIDERATION SO PLEASE KEEP AN OPEN MIND A LITTLE
LONGER UNTIL WE HAVE HAS A HEARING BY SO DOING YOU
WILL I BELIEVE BETTER SERVE YOUR COUNTRY AND I AM
SURE OBLIGE YOUR FRIENDS

J T LUPTON

1053P

WESTERN UNION

TELEGRAM
 THEO. N. VAIL, PRESIDENT

1175

936

RECEIVED AT Wyatt Building, Cor. 14th and F Sts., Washington, D.C. ALWAYS OPEN

208CXL 43 GOVT

CHATTANOOGA TENN DEC 23RD 1913

HON W G MCADOO

THE
SECRETARY OF/TREASURY


WASHINGTON DC

ANSWERED
 DEC 23 1913
 L. S. Da

CHATTANOOGA BANKS AND THOSE OF SURROUNDING COUNTRY AND ALL OF OUR PEOPLE ANXIOUS FOR FEDERAL RESERVE BANK TO BE LOCATED AT CHATTANOOGA WILL GREATLY APPRECIATE YOUR FAVOR IN THE MATTER

JOHN A MOON

933PM

WESTERN UNION

TELEGRAM
THEO. N. VAIL, PRESIDENT

RECEIVED AT Wyatt Building, Cor. 14th and F Sts., Washington, D.C. ALWAYS OPEN
214CXL 24 GOVT

CHATTANOOGA TENN DEC 23RD 1913

HON R W AUSTIN

HOUSE OF REPS

WASHINGTON DC

WILL GREATLY APPRECIATE YOUR AID IN SECURING FEDERAL RESERVE BANK
FOR CHATTANOOGA

JOHN A MOON 950PM

SAM R. SELLS
1ST TENN. DISTRICT

Chattanooga

HOUSE OF REPRESENTATIVES

WASHINGTON

Johnson City, Tenn., December 29, 1913.

ANSWERED
DEC 31 1913
4-5-22
FORM

Hon. William G. McAdoo,

Secretary of the Treasury.

Dear sir:-

I am advised that Chattanooga, Tennessee, has filed an application for consideration in the selection of location for Federal Reserve Banks. The advantages which this city possesses have no doubt been fully set forth in the application. I trust that this application will receive the serious consideration of your Board. It appears to me that its location is advantageous and that it could satisfactorily serve this entire territory.

Yours very truly,

Sam R. Sells

BUTLER SMITH, PRESIDENT
W. H. MAGNESS, VICE-PRES.

THOS. M. ... N, CASHIER
JOHN L. COLVILLE, ASS^{ts} CASHIER

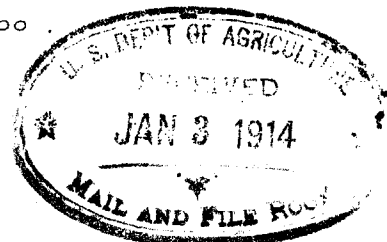


PEOPLES NATIONAL BANK

CAPITAL \$ 55,000.00 SURPLUS \$ 20,000.00

Mc MINNVILLE, TENN.

Dec. 31, 1913.



Hon. Sec. of Agriculture,
Washington. D.C.

Dear Sir;

We earnestly solicit
your kind consideration of the claims of
Chattanooga, Tenn. for the location of one of
the Reserve Banks.

We believe that it is admirably
located, and will better serve the greatest
number of people being located there.

Very truly,

Thos Massey Cashier.



BUTLER SMIT, PRESIDENT
W. H. MAGNESS, VICE-PREST.

THOS. M. N, CASHIER
JOHN L. COLVILLE, ASST. CASHIER



PEOPLES NATIONAL BANK

CAPITAL \$ 55,000.00 SURPLUS \$ 20,000.00

Mc MINNVILLE, TENN.

Dec. 31, 1913.

Hon. Sec. of The Treasury,
Washington, D.C.

Form *LS*

Dear Sir;

We want to raise our voice in behalf of the City of Chattanooga, Tenn. as the best point for our reserve Bank for the Southland.

This is in our Congressional District, and we deem it admirably located, for a reserve center.

It is one of the greatest manufacturing cities of the South.

We earnestly solicit your consideration of her claims.

Very truly,

Thos. M. N Cashier.

ANSWERED
DEC 5 1914
LS

Washington, D. C.

SIXTY-THIRD CONGRESS.

FRANK CLARK, FLA., CHAIRMAN.
JOHN L. BURNETT, ALA.
JAMES C. CANTRILL, KY.
SEABORN A. RODDENBERRY, GA.
WILLIAM A. ASHBROOK, OHIO.
JAMES M. GUDGER, JR., N. C.
J. WASHINGTON LOGUE, PA.
WATSON W. SUMNERS, TEX.
GUSTINE LONERGAN, CONN.
GEORGE MCCLELLAN, N. Y.

JOHN J. EAGAN, N. J.
EDWARD GILMORE, MASS.
RICHARD W. AUSTIN, TENN.
JOHN W. LANGLEY, KY.
J. M. C. SMITH, MICH.
THOMAS B. DUNN, N. Y.
SILAS R. BARTON, NEBR.
AARON S. KREIDER, PA.
CHARLES W. BELL, CAL.
EDWARD CLARK, CLERK.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,
HOUSE OF REPRESENTATIVES U. S.,
WASHINGTON, D. C.

December 27, 1913.

Hon. Wm. G. McAdoo,
Secretary of the Treasury.

My dear Mr. Secretary:

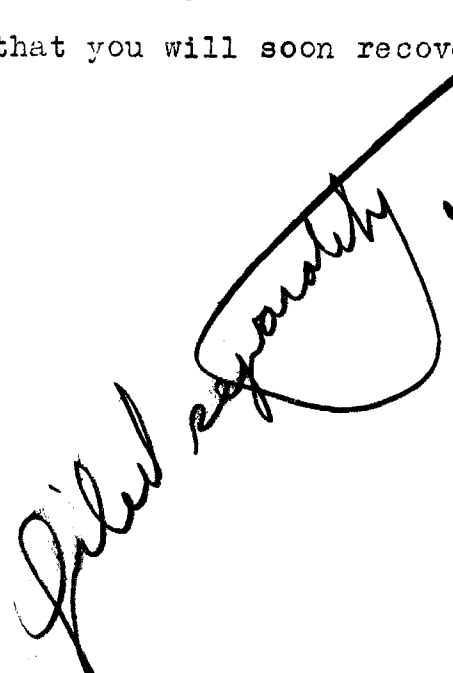
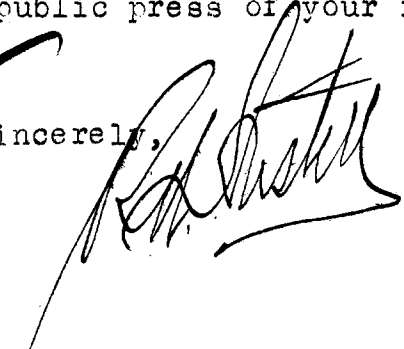
I endeavored to see you yesterday, but found it impos-
sible.

I am leaving for Knoxville tomorrow night, and hope to
see you on my return.

I am enclosing some letters and telegrams in reference
to the matter I wished to call to your attention.

I am sorry to read in the public press of your illness,
and hope that you will soon recover.

Sincerely,



December 29, 1913.

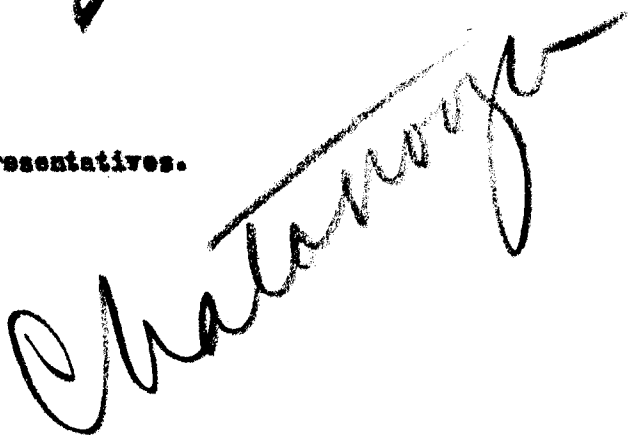
Dear Congressman:

I have your letter of the 27th instant, with your suggestions about Chateaugay. I shall be very glad to consider her claims in the investigations we are now about to make of the whole Federal Reserve bank question.

Believe me, with best wishes for the
New Year,

Sincerely yours,

Hon. R. W. Austin,
House of Representatives.

A large, handwritten signature in cursive script, which appears to be "Chateaugay", written in dark ink. The signature is slanted upwards from left to right and is positioned below the typed name of the recipient.

December 24, 1913.

My dear Congressman:

I have your telegram of to-day, requesting that one of the Federal Reserve Banks be located in Chattanooga. I shall take pleasure in referring the question to the Organization Committee, and assure you that Chattanooga's claims will receive full consideration.

With the greetings of the season,

I am,

Sincerely yours,

Hon. JOHN A. MOON,
House of Representatives.