
BEFORE THE FEDERAL RESERVE BOARD.

IN THE MATTER OF THE
DESIGNATION OF THE FEDERAL RESERVE
BANK IN DISTRICT No. 5.

**REPLY BRIEF ON BEHALF OF THE RICHMOND
MEMBER BANKS OF FEDERAL RESERVE
BANK OF DISTRICT No. 5.**

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Before replying to the Brief filed by the petitioners in behalf of the City of Baltimore, we respectfully direct the attention of this honorable body to the fact that the Brief in behalf of Baltimore is in disregard of Regulation No. 1 of the Federal Reserve Board in the matter of procedure in appeals from the Reserve Bank Organization Committee; first, it is filed "on behalf of the citizens of Baltimore," whereas, Regulation No. 1 makes the majority of member banks located in the city requesting a review the petitioners; and, second, the Brief is filled with matter wholly new and not contained in the record before the Organization Committee, whereas the said Regulation No. 1 provides that "The Board will not hear testimony, but the parties will be limited to the record before the Organization Committee."

The Brief for Baltimore is in point of fact a presentation of her claims on entirely different grounds from those originally relied upon.

While we do not make objection to consideration by this honorable body of any new matter which Baltimore may desire to present in the attempt to strengthen her case, it is manifestly impracticable to reply fully within the time allotted to us, even if permitted, to any new contentions, statements or statistics which require on our part research, verification and the preparation of counter statistics.

We respectfully submit, however, that we decline to be parties to such violation of the rules of procedure laid down by this Board and feel that it is expected of us that we reply to those parts of the Brief only which refer to matters in the record before the Organiza-

tion Committee. We submit to the Board what consideration it will give to those parts of the Brief not in the record and will ourselves cite certain instances only to show how unreliable are the statistics contained therein.

In the statement of the RESERVE BANK ORGANIZATION COMMITTEE relative to its decision determining the Federal Reserve Districts and the location of the Federal Reserve Banks under the Federal Reserve Act, the Committee gave its reasons at some length for designating Richmond instead of Baltimore as the Federal Reserve City for District No. 5.

The Committee's reasons given in said statement are alternately attacked in the Brief filed on behalf of the citizens of Baltimore as based upon a misconception of the purposes of the act, or as inconsistent with the grounds upon which the selection of other Reserve Cities was made, and finally inference is made unmistakably that the Committee was actuated in designating Richmond by motives other than those disclosed in its statement.

While we shall undertake to amplify the several positions taken by the Committee in its designation of Richmond as a Federal Reserve City of District No. 5, by giving additional facts in the record, we deem it unnecessary to defend the Organization Committee from the criticisms made against it.

As a preface to our reply, we respectfully call attention to the fact that the Organization Committee named by Congress to perform the difficult task of designating "not less than eight nor more than twelve cities to be known as Federal Reserve Cities * * * and shall divide Continental United States, excluding Alaska, into districts, etc., etc.," was made to consist of the Secretary of the Treasury, Secretary of Agriculture, and the Comptroller of the Currency; that Congress entrusted this work to this Committee knowing at least the incumbents of two of such offices, and that the determination of this Committee was reached after "Every reasonable opportunity had been afforded applicant cities to furnish evidence to support their claims for Federal Reserve Banks; and that the majority of the Organization Committee, including its Chairman and the Secretary of Agriculture, were present at all hearings, and stenographic reports of the proceedings were made for their deliberate consideration. Independent investigations were, in addition, made through the Treasury Department, and the prefer-

ence of each bank as to the location of the Federal Reserve Bank with which it desired to be connected was ascertained by independent card ballot addressed to each of the 7,441 national banks throughout the country which had formally assented to the provisions of the Federal Reserve Act;" and, "Following its policy declared at the very outset, the Committee refused to be influenced by the purely local and selfish claims of cities or individuals, and discharged the duty imposed upon it by Congress after exhaustive investigation and study of the entire country, with unbiased minds and according to its best judgment." Extracts from Statement of Federal Reserve Board, pages 361 and 365 of the record.

It is a rule of law, generally followed in both State and Federal practice, that great weight should be given to the conclusions of trial courts and masters who have the opportunity of hearing the witnesses testify, observing their capacity and acquainting themselves with circumstances and surroundings not open to appellate courts, and that such conclusions should not be set aside or modified except in cases of palpable error and mistake.

For which reasons, and because of the character and qualifications of the members of the Organization Committee to perform the task in question, we confidently submit that their decision should be affirmed unless plainly wrong.

The contentions of Baltimore, as set forth in the Brief, are divided under four principal heads, with an infinite number of subdivisions.

Baltimore has had several months to prepare this Brief. The time, seven days, allowed the member banks of Richmond, within which to prepare a brief in reply is too limited to admit of answer in detail to the many theories and contentions advanced by Baltimore.

Reference to the synopsis of these contentions, which appears at length in both the petition and the Brief of Baltimore, shows that they are all variations of the same general idea. It will be seen by inspection of this synopsis that it is impracticable to reply to these contentions *seriatim* with any continuity of argument. They are too closely inter-related, going back and forth from one heading to another, expressing but one central idea in different forms, all growing out of the size of Baltimore. In reply, we shall, therefore, treat them as a whole.

At the outset, Baltimore takes exception to the fact that the Committee did not first designate the Reserve cities and then proceed to arrange the districts.

This position seems to be taken by Baltimore because the designation of Reserve Cities is mentioned first in the act and upon the assumption that Baltimore would have, under such a course of procedure, stood a better chance of being selected.

In taking this position, Baltimore arrays herself against what must be admitted as the controlling purpose of the act, viz: that the traditions, habits and common understandings of the people, as well as the character and growth of industry and the banking connections of the different sections of the country, to be divided into sections, required the most careful consideration.

It is perfectly evident that the division of the country into districts was far more important and complex than the designation of Reserve Cities. The fact that certain large cities might be clearly marked out in advance as proper locations for Reserve Banks in nowise modifies this.

It is one of the admitted purposes of the act, a purpose admitted in debate, to bring about financial local self-government as far as may be consistent with stability and the general safety, to restore to normal conditions financial movements and relations which have been artificially built up by the old National Bank System.

To illustrate Baltimore's conception of the purposes of the act, we quote from its Brief, on page 70, as follows:

"The principal purpose of Congress, however, in devising the addition to an existing system was evidently not so much to improve conditions at ordinary times, as to provide a more satisfactory system in times of stress."

In the Brief of Baltimore, paramount importance is given to the size of her population and the magnitude of her resources, without taking into account the unfamiliarity of her people and her failure to employ her resources with the balance of the district.

Incontestably, Baltimore is the largest city in population in the district, and her banking resources greatly exceed those of any other city, but it does not, therefore, follow, as Baltimore assumes, that she is the natural commercial, industrial and banking center of the fifth

district; that all business in the fifth district naturally converges at Baltimore; and that in every essential respect, in commerce, finance and industry, she is about five times as important as Richmond to the Fifth District.

Upon this point, and upon the question of due regard to the customary course of business in the fifth district, the testimony establishes Richmond's superior importance to the district.

The determination of the location of the Reserve City of any district we deem to be primarily a banking problem. This is not admitted in terms in Baltimore's Brief, but her argument is directed chiefly toward this point of view as is indicated by the Synopsis of Parts 1, 2 and 3, which, as stated, is reviewed by us as a whole, having regard only for those facts and principles set forth in, or germane to, the record.

The Organization Committee states, on page 368 of the record, that "it should be borne in mind that the Committee could consider primarily only the statistics with reference to assenting banks. In this section of the country, as in most others, the assenting banks were the national banks."

Baltimore, page 79 of Brief, also takes exception to this position, and complains that in determining the Reserve Cities all banking power outside of the national banks was ignored by the Committee, and advances the theory that "the new system is, on the contrary, intended to constitute but the governing or regulating part of a comprehensive system embracing all banks."

It is new doctrine that the "system" will seek to regulate anything outside of itself.

Baltimore furnishes no proof whatever, and there is none, that the Organization Committee in making its decision ignored all banking power outside of national banks, *and due consideration of that portion of bank resources of the district, outside of the national banks, entitled to most consideration, namely, State banks, would inevitably lead to a decision in favor of Richmond.*

In considering the power, operation and development of the system as a whole, it was natural, logical and essential to consider primarily the present component parts, and, second, the banks likely to come in it.

On page 21 of the Baltimore Brief, the division of her banking power is given as follows:

	Resources.
National banks	\$114,973,000
State banks, trust companies and stock savings banks	80,183,000
Mutual savings banks	102,708,000
	<hr/>
Total	\$297,864,000

In the Comptroller's annual reports the resources of the trust companies of Maryland are given as \$74,000,000, statistics for Baltimore not being separately given. It may be reasonably and safely assumed that the trust company resources of Maryland are centered in Baltimore, there being only three other cities in Maryland of more than 10,000 inhabitants. It is certainly fair to Baltimore to assign \$70,000,000 or more to the trust company resources of Baltimore. The limited time at our command does not enable us to ascertain the exact figures.

The combined resources of mutual savings banks and trust companies are, therefore, approximately \$172,000,000, or 58 per cent. of the local banking resources.

Trust companies have a field of their own and it is hardly within the limits of probability that many, if any, of them, considering the regulations imposed upon commercial banks, will enter the system as trust companies.

Mutual savings banks would not, of course, in the nature of their business, become members.

In considering Baltimore's banking resources with reference to the Federal Reserve System, therefore, only the national banks primarily, and the few State banks, secondarily, could reasonably be taken into account, and, with these facts in mind, it is clear that the commercial banking resources of Baltimore, particularly in relation to the fifth district, are not of the potentiality which is claimed.

As a further fact illustrating the usefulness of this great portion of Baltimore's financial resources to the banking interests of the rest of the fifth district, we call attention to the itemized statement of resources on page 19 of the Brief, showing \$128,000,000, or 43 per cent. of the whole in "investments, bonds, securities, etc."

Therefore, since, in fact and theory, the location of the Reserve Bank is, in its essence, primarily a banking problem, we shall proceed to analyze the banking conditions and resources of the fifth district and present evidence to show which city is in a position to perform and is performing the greatest service to the district, with the maximum of economy, and further showing that within a few years there have grown up relations between Richmond and the larger portion of the territory, so intimate and wide-spread, that the decision of the Organization Committee, after defining the area of District No. 5, could not have been otherwise than it was without violating the economics, as well as the physical and financial facts of the situation, and the convenience and desires of those most intimately affected, as appears in the statement of the Organization Committee.

Baltimore contends, pages 89 and 90 of Brief, that the Organization Committee had absolutely nothing to do with the increase in the growth of Richmond, and particularly with the ratio of increase. This opinion is expressed in this language:

“The Committee, however, properly had absolutely nothing to do with increases as such.”

“The Committee has to do with the present, not with the past, or with dreams of the future.”

While it is proposed to refute the contentions of Baltimore with the presentation of facts which relate to the present, this view is so unsound that it cannot go unnoticed and unchallenged.

In considering the operation of the system, it is futile to contend that there must not be taken into consideration the vitality and growth of certain component parts, and of outside interests most likely to become component parts, when such parts have been progressing at a rate which, if continued for a reasonable time, will completely overlap Baltimore and Maryland. *There is no other factor so strongly indicative of the trend of trade.*

Analysis of the Banking Situation in the Fifth District.

In the fifth district there are, approximately:

National banks	484
State banks	1,122

Total number of banks..... 1,606

Distributed as follows:

	National Banks	State Banks	Total
Maryland	103	65	168
District of Columbia...	12	24	36
West Virginia	117	162	279
Virginia	132	228	360
North Carolina	72	353	425
South Carolina	48	290	338
	484	1,122	1,606

For convenience, and because of limited time to determine accurately, this includes the whole State of West Virginia, although a very small part of that State is not in this district.

Of the number of banks, both State and national, there are in the three States, Virginia, North and South Carolina, 1,123, against the number in the rest of the territory, 483.

It is, perhaps, more than fair to Baltimore to assume that one-third or ninety-three of the West Virginia banks are in what may be claimed as Richmond's territory. As a matter of fact, out of 144 banks voting in a poll taken by Richmond, seventy-five voted for Richmond first and second choice, Baltimore not being the first choice of but four of them. See Richmond Brief, page 46.

Therefore, it is obviously fair, and will answer every purpose of the comparison, to say that in the territory which Richmond can serve more quickly, conveniently, efficiently, and with greater satisfaction to those served, there are 1,216 banks, as against "Baltimore territory" 390 banks.

See Richmond's Brief, page 46, and evidence hereafter adduced.

The ratio of 5 to 1 which Baltimore continually proclaims against Richmond is nearly reversed here.

With due consideration to not only "dreams of the future," but to reasonable probability of future development, it is not illogical to suggest that self-interest will in the near future incline Washington to that field which offers the best prospect of profit in the use of her resources, which field certainly lies south of her and with which field she is not at present familiar.

It is fair to treat Washington as neutral territory, but it will not materially affect either the figures or the purposes of the comparison

here given, to allow Baltimore's claims to Washington's resources, although said claims are not supported by a single line of evidence.

In comparison with the ratio of growth of her own State as well as with that of the city of Richmond and every State in District No. 5, the national bank resources of Baltimore show a retarded growth, the causes of which may well give her anxiety.

The fitness and the preparedness of Baltimore to become the Reserve city of District No. 5 is the vital point of issue raised by that city.

If Baltimore desires this tribunal to know the volume and growth of Baltimore banking capital and other matters pertaining thereto as the same are known to Baltimore herself, we especially refer this honorable board to the report of the Commission for the Revision of the Taxation System of the State of Maryland and City of Baltimore, pages 287 and 288, from which the following is taken:

"The Banking Conditions in Maryland.

"Ten years ago the total capital in Maryland of national banks was \$17,050,000; in 1912 it was \$17,607,000. This was an increase of only \$557,000, or 3 per cent., which compares most unfavorably with other States.

"Baltimore city has over two-thirds of the banking capital of the State.

"The following shows the changes that have taken place in the amounts of capital, surplus and undivided profits in ten years in Baltimore:

	1903	1912
Capital	\$12,403,260	\$11,790,710
Surplus	6,514,400	7,970,010
Undivided profits	1,532,060	2,082,787

"Compared with the increases of banking capital that have occurred in other States, the Maryland increase is far from satisfactory.

"Innumerable requests have been made by the commercial interests in Baltimore for increased credits and for a development of banking facilities. Any person interested can receive sufficient assurances that the business interests have not sufficient banking funds to successfully carry on their business. This complaint is not exceptional, but

general, and nearly all classes of business men who are large borrowers must have either Philadelphia or New York financial connections."

The geographical relation of Baltimore to the banking resources of the district is elaborately treated in the Appendix to the Baltimore Brief.

The following statement will show in illuminating comparison the real position which Richmond occupies to the banking resources now in the system, and to those banks which may with reason be counted upon as most likely to come into the system. The relative geographical positions of Baltimore and Richmond on the map will be readily carried in mind in examining these statements.

COMBINED STATEMENT OF NATIONAL AND STATE BANKS.

(As classified in the Comptroller's Reports.)

IN THE FIFTH DISTRICT, SHOWING COMPARATIVE RESOURCES IN 1902 AND 1913.

This statement is made to show the concentration of resources of those banks in the fifth district which now enter into and are likely to become a part of the Federal Reserve System. Statistics of "State Banks" in the District of Columbia are not accessible.

Aggregate Resources.

	1902	1913	Increase	Per Cent.
Virginia (including Richmond)	\$ 94,728,000	\$218,211,000	\$123,483,000	130
North Carolina	33,322,000	117,316,000	83,994,000	252
South Carolina	28,138,000	95,185,000	67,047,000	238
	<hr/>	<hr/>	<hr/>	<hr/>
	\$156,188,000	\$430,712,000	\$274,524,000	176
West Virginia	\$ 73,454,000	\$153,766,000	\$ 80,312,000	109
Maryland (including Baltimore)	\$123,613,000	\$199,525,000	\$ 75,912,000	61
Resources of national and State banks in Virginia, North Carolina and South Carolina as above			\$430,712,000	
Add banks of West Virginia which voted for Richmond as the location of Reserve Bank (see record)				43,392,000

Total resources of national and State banks in the fifth district of which Richmond is the natural and most convenient Reserve City	474,104,000
All other banks in West Virginia (including that portion not in the District, about one-eighth).....	110,374,000
Maryland (including Baltimore)	199,525,000

Washington and the District of Columbia being counted as neutral territory.

When it is called to mind that within the area of resources designated as Richmond territory there are, as hereinbefore stated:

National and State banks in number.....	1,216
And in Baltimore territory only.....	390

it is plain to see where, in the present operation of the system and in its future development, violation would be done to the convenience and customary course of business which are required to be regarded by the act, if the Reserve Bank were located in Baltimore.

When to the foregoing are added the further facts that, even not including that portion of West Virginia in which relations with Richmond are more close and convenient than with Baltimore, there are in the three States—Virginia, North Carolina and South Carolina—5,920,000 inhabitants in an area comprising 119,000 square miles, against 2,950,000 inhabitants in the rest of the district in an area covering only 30,000 square miles, it is easily seen that without indulging in “dreams of the future,” the inevitable development in the Richmond territory, possessing in overwhelming proportions all the factors essential to any development—population, area, natural and financial resources, number of banking institutions, all the factors which enter into the transactions of mankind—it is easily seen how greatly Richmond is superior to Baltimore as the location of the Reserve Bank.

The following statements show the growth of banking resources of Baltimore and the State of Maryland, as compared to the other principal cities and States in District No. 5:

We do not think the figures need any comment, but will merely direct the attention of your honorable body to Baltimore and Maryland and Richmond and Virginia.

STATEMENT OF NATIONAL BANKS OF THE COUNTRY FROM
THE COMPTROLLER'S REPORTS.

SHOWING RATIO OF GROWTH IN COMPARISON WITH BANKS IN THE FIFTH
DISTRICT, IN 1902 AND 1913.

Aggregate Resources.

NATIONAL BANKS IN THE WHOLE COUNTRY.

1902	1913	Increase	Per Cent.
\$6,114,000,000	\$11,037,000,000	\$4,923,000,000	80

NATIONAL BANKS IN THE FIFTH DISTRICT.

	1902	1913	Increase	Per Cent.
Maryland	\$30,575,000	\$ 56,989,000	\$26,414,000	86
Baltimore	82,019,000	110,896,000	28,877,000	35
Washington	27,661,000	58,191,000	30,530,000	114
District of Columbia	1,975,000	2,140,000	165,000	8.5
West Virginia (all)..	33,751,000	88,611,000	54,860,000	162
Virginia	38,220,000	100,295,000	62,075,000	162
Richmond	16,730,000	56,576,000	39,846,000	238
North Carolina	18,865,000	62,459,000	43,594,000	231
South Carolina	13,724,000	42,082,000	28,358,000	207

Capital, Surplus and Undivided Profits.

NATIONAL BANKS IN THE WHOLE COUNTRY.

1902	1913	Increase	Per Cent.
\$1,201,000,000	\$2,046,000,000	\$845,000,000	70

NATIONAL BANKS IN THE FIFTH DISTRICT.

	1902	1913	Increase	Per Cent.
Maryland	\$ 7,474,000	\$10,277,000	\$ 2,803,000	38
Baltimore	20,415,000	21,901,000	1,486,000	7.3
Washington	5,111,000	11,855,000	6,744,000	132
District of Columbia	577,000	679,000	102,000	18
West Virginia (all)..	6,792,000	17,908,000	11,116,000	163
Virginia	8,238,000	22,396,000	14,158,000	172
Richmond	3,725,000	10,365,000	6,640,000	178
North Carolina	5,021,000	12,988,000	7,967,000	158
South Carolina	3,436,000	9,883,000	6,447,000	188

COMBINED STATEMENT OF NATIONAL BANKS AND *STATE* BANKS OF THE COUNTRY, AS CLASSIFIED IN THE COMPTROLLER'S REPORT, SHOWING RATIO OF GROWTH IN COMPARISON WITH BANKS OF THE 5TH DISTRICT FROM 1902 TO 1913.

Aggregate Resources.

NATIONAL AND STATE BANKS OF THE WHOLE COUNTRY.				
	1902	1913	Increase	Per cent.
	\$8,423,000,000	\$15,180,000,000	\$6,757,000,000	80
NATIONAL AND STATE BANKS OF THE FIFTH DISTRICT.				
Maryland (including Baltimore) .	\$123,613,000	\$199,525,000	\$ 75,912,000	61
West Virginia (all)	73,454,000	153,766,000	80,312,000	109
Virginia, (including Richmond).	94,728,000	218,211,000	123,483,000	130
North Carolina ..	33,322,000	117,316,000	83,994,000	252
South Carolina ..	28,138,000	95,185,000	67,047,000	238

With respect to the wishes of the banks of the district as to the location of the Reserve City, Baltimore is satisfied neither that the decision be left to the banks nor to the Organization Committee.

On page 83 of the Baltimore Brief the following appears:

“With respect to the division of the country into districts and the designation of Federal Reserve Cities, the act leaves nothing whatever to the decision or vote of the member banks. On the contrary, it leaves the matter to be determined by the Committee and the Federal Reserve Board, with due regard to the customary course of business and without regard to State lines.”

and on page 87, the following appears:

“The ‘one bank one vote’ method, which Congress refrained from applying to the designation of Federal Reserve Cities, but which the Committee professes so to have applied in the fifth district, not only subordinates the interests of the country as a whole to local interests, but also subordinates to the wishes of the bankers in the district (i. e., the national bank officers and directors) the wishes of the owners of the banks (i. e., the stockholders) and the customers, (i. e., the general commercial, industrial and agricultural public which deals with the banks).

The Committee itself, however, has not really been governed to any substantial extent by the votes of the member banks either in dividing the districts or in designating the reserve cities."

In presenting the claims of Baltimore before the Organization Committee at the hearing at Washington, Mr. Waldo Newcomber took a different view of the value of the opinions of the banks in the district concerned, as did Mr. Ingle who followed him on the stand. Great importance was then attached to the views of bankers and merchants in the argument made before the Organization Committee, and ten and one-half of the fifteen pages of the Brief, afterwards printed in the record, is taken up with extracts from letters from merchants and bankers from Virginia, North and South Carolina, Georgia, Alabama, West Virginia, and points as far west as Ohio, Illinois, Missouri, and northwest to Minnesota.

Mr. Newcomber testified:

"We have had a large number of letters sent to us, and within as brief a time as a week ago today we sent out letters asking the different banks and merchants in the South whether they cared to express a preference for Baltimore. We have with us, actually filed with our Secretary, some ten hundred and fifty letters which are entirely irrespective of a very large number received from various banks which have not been sent to the Secretary of the Association, and which I personally know amount to four or five hundred more, and they are coming in at the rate of one hundred and one hundred and fifty a day. I just want to mention the fact, which I think is interesting, that of the ten hundred and fifty-two letters filed with the Secretary of the Association, seven hundred and fifty-two express a decided preference for Baltimore as their first choice, and two hundred and eighty-two state that they have committed themselves to some town in their locality, presumably for patriotic reasons, and if they cannot get it there they would like to see it in Baltimore."

Mr. Ingle, following Mr. Newcomber on the stand, went at great length into the preference that had been expressed by various communities from Florida on the south to Maryland on the north for Baltimore as a Federal Reserve Bank.

As long as Baltimore thought the bankers and merchants preferred her, it was a convincing reason why she should be named, but when the duly authorized agents of the banks and banking associations of

these States spoke, and after the poll had been taken by the Federal Reserve Board, the preference of bankers is no longer worth considering, and their choice, which Baltimore had striven unsuccessfully to gain, is belittled, and declared to be of a "sentimental character, and evoked by campaigning methods."

Baltimore contends that she is nearer, in point of time, to the greatest volume of national bank resources in the fifth district, and gives the result of computations to prove this in Appendix B, Page 121 of the Brief.

We have been unable in the time at our disposal to test the accuracy of these tabulations except in one or two instances, which do not agree with the information at our command.

The principle upon which the final result is computed we believe to be wholly fallacious.

In considering which of two places is nearer to the centre of resources of a district with the purpose of determining which is more conveniently located with reference to the rest of the district, it would appear that the resources of each city itself, in turn, should be excluded from the computation.

In other words, the issue would properly seem to be whether Baltimore is nearer to the centre of resources of the rest of the territory including Richmond, or whether Richmond is more accessible to the rest of the territory, including Baltimore.

The Brief for Baltimore, however, takes into account Baltimore's proximity to her own resources, which are placed at zero in point of time, and while the same rule is applied to Richmond, Baltimore's whole resources being larger than those of Richmond, apparently turn the scale in her favor.

Deducting in the case of each city the resources of that city, which obviously is the correct method, would reverse the result.

Baltimore would then stand, according to her tabulation, at some average point of time between one-half hour and thirty-four and one-half hours within reach of \$453,000,000 resources, while Richmond would within the same time be in reach of \$516,000,000.

Again,— Richmond is within $\frac{1}{2}$ hour to $14\frac{1}{2}$ hours of \$473,000,000 resources, while Baltimore can reach only \$380,000,000 resources within these periods.

On the other hand, when it comes to distant points, Baltimore is 15½ to 34½ hours from \$72,000,000 resources, while Richmond is thus distant from only \$42,000,000 resources.

The mean distance (hours) of Richmond from \$122,000,000 resources which must take in Baltimore is stated by Baltimore as 5½ hours, and her distance from \$66,000,000 resources which must include the District of Columbia, is set down at 4½ hours.

The actual average time of six trains daily carrying mail from Richmond to Washington is three hours seven minutes. This is an error in computation on the part of Baltimore of one hour and twenty-three minutes, or 44 per cent.

In the case of Baltimore, apparently 5½ hours mean distance in the tables, taking the time from Washington to Baltimore at one hour thirty minutes, as given by Baltimore, the actual average time from Richmond to Baltimore would appear to be four hours thirty-seven minutes, an apparent error on the part of Baltimore of 53 minutes, or 19 per cent. These corrections would operate on at least \$170,000,000 resources in favor of Richmond against \$51,000,000 in favor of Baltimore.

In the same manner Baltimore lays claim to being nearer than Richmond to \$18,000,000 national bank resources in Virginia, but gives Richmond a closer proximity to \$30,000,000 national bank resources in West Virginia, and of course to all the bank resources of North and South Carolina,—Appendix A.

These tabulations comprise 17 pages of the Baltimore Brief, and are therefore treated here at length because of the importance which is apparently attached to them.

In their bearing upon the questions at issue these tables, even if correct, and not arbitrary and fallacious in method of computation, are not comparable in value to the statements presented by us indicating the distribution of bank resources by States of the district, the number of institutions, comparisons in growth, area, population, material resources, etc., and the relative position of Baltimore and Richmond to all these factors.

In this connection, the Brief for Baltimore, page 51, makes this surprising statement:

“Practically the whole district being within one business day of either Baltimore or Richmond, the question of distance obviously becomes immaterial.”

“The exact hour in the day at which a mail transaction is consummated is unimportant.”

It is well known among bankers that if mail arrives, or transactions are consummated after Clearing-House hours, which usually occur early in the day, it means the frequent loss of a banking day.

The mean distances, measured in time, in the Baltimore tables, cannot, therefore, be given the value assigned them. The hours of arrival of mails enter into the question in a vital way.

The overwhelming volume of bank mail is dispatched after banking hours, and in the case of the smaller banks particularly, usually at a very late hour in the day.

A difference of a very few hours in the arrival of mail at any point will and does often make the difference of a banking day.

The course of the mails is not alone to be considered in this connection, for it is to be assumed that representatives of the member banks will be compelled in the ordinary course of business to make frequent visits to the Reserve Bank. It would be a matter of great consequence to many bankers to lose the ten hours of time between Richmond and Baltimore and return. Upon the point of convenience and time in consummating bank transactions, we respectfully refer to the testimony of the witnesses from North and South Carolina at the hearing before the Organization Committee in Washington, to which reference is made, in another connection, hereafter. Reference is also made to the two maps accompanying this Brief, one showing the centre of the national bank resources, the centre of production and the centre of population of District No. 5, and the other the mail advantages of Richmond over Baltimore.

Having due regard, therefore, to the convenience of those who transact the business, as well as to the customary course of business, we maintain that Richmond is the most convenient and suitable place for the Reserve Bank of District No. 5.

On page 16 of the Baltimore Brief the statement is made that “Richmond has no exports or imports at all,” and on page 74 the

statement is made that Baltimore "creates foreign exchange from the export of grain and similar products alone amounting to over \$40,000,000," and reference back to page 16 is made.

The inference appears to us to be made that Richmond handles no foreign exchange. While there is no direct evidence in the record on this point as to Richmond, we could, if permitted, readily present evidence to show that a very large volume of business is transacted in Richmond which creates foreign exchange, which exchange is now being handled by Richmond member banks.

This foreign exchange is relied upon to furnish a considerable part of the business of the Reserve Bank, if located in Baltimore.

Practically all of the foreign exchange made in Baltimore, as testified by witnesses at the Washington hearing, page 787, is sold in New York, where it can continue to be sold.

Among other inaccurate statements in the Baltimore Brief there are two under the heading "Agriculture," pages 8 and 9. These give statistics not in the record. In refuting these statements without violating the rules laid down by this honorable body, we refer to a letter from Smyth Bros.-McCleary-McClellan Co., submitted with hundreds of other documents accompanying the Brief for Richmond, a part of the record, showing that of two items, horses and mules, in which she is credited by Baltimore with no business, Richmond handles more in a month than Baltimore handles in a year.

With reference to Richmond as a distributing point involving railroad communications, we respectfully refer to page 17 of the Richmond Brief showing the selection of Richmond as the best distributing point on the Atlantic Seaboard next to New York.

This brings us to one of the most important factors in determining the supremacy of any city in a given district,—the matter of freight rates.

Mr. Waldo Newcomber, at the hearing in Washington, made the following statement:

"Baltimore is unequalled among the eastern and southern cities of the country. Freight rates are the prime factors in the purchase and sale of commodities, and in shaping the normal flow of trade in commercial and manufacturing centres enjoying the

advantages of freight rates lower than those established. * * * Lower freight rates are granted Baltimore, not arbitrarily, but by virtue of her position in the apex of that favoring curve of the Atlantic Coast which reduces to a material extent the distances to and from other eastern parts." Pages 721 and 722 of testimony taken before the Organization Committee.

In a statement prepared by Mr. W. T. Reed, President of the Chamber of Commerce, of Richmond, filed as part of the Brief on behalf of the Committee representing Richmond before the Organization Committee, the following appears:

"The railroads serving the above-mentioned territory years ago recognized Richmond as the proper distributing point, and the above as the natural territory to Richmond, owing to the fact that they were enabled to give quick service, and from one to four days quicker delivery than Baltimore, or any city north of us. In view of this fact the rates into this territory were fixed at an average approximately of thirteen per cent. lower than Baltimore. The average first-class rate in the territory designated by the railroads as the natural territory to Richmond is 75.2 cents per hundred pounds, while the average first-class rate to the same territory from Baltimore is 86.4 cents per hundred pounds, giving Richmond an advantage on the first-class rate of 11.2 cents per hundred pounds, or approximately 13 per cent. This relative proportion in favor of Richmond applies to class and commodity rates, and, in some instances it is greater in favor of Richmond."

We also refer to the map, page 41, of the Richmond Brief, showing Richmond's "Preferential Freight Rate Territory," embracing the greater portion of the area now in the fifth district.

It is significant that in the Brief filed on behalf of the citizens of Baltimore no further mention is made of the fact that "Freight rates are prime factors in the purchase and sale of commodities, and in shaping the normal flow of trade." In this respect, therefore, Baltimore must be considered as having abandoned her claim.

The Brief of Baltimore makes the repeated statement that Richmond recognized the preeminence of Baltimore in any territory including both cities, page 26 of the Brief, and that "others from Richmond itself evidently realized that Baltimore is the natural capital of any district in which Maryland is the most northern State." Page 58 of Brief.

The letter of the Richmond Committee, transmitting its Brief to the Reserve Bank Organization Committee, clearly sets forth Richmond's position as to the inclusion of Baltimore and Maryland in the district. This letter, doubtless through oversight, is not printed in the record and it is, therefore, appended to this Brief.

Again, it is claimed that the banks of the district in voting did not understand that the district to be determined upon might include Baltimore as well as Richmond.

For a complete refutation of these unfounded claims, we respectfully refer this honorable body to the Brief filed on behalf of the North Carolina Bankers' Association, by George A. Holderness, president, page 315 of the record, laid before the Senate by the Reserve Bank Organization Committee, to the testimony of various witnesses who appeared before the Reserve Bank Organization Committee at Washington and to the poll of votes on page 46 of the Richmond Brief. The following are extracts taken from the Brief of North Carolina :

"When before the Committee in Washington on the fifteenth of January, Mr. J. W. Norwood, of Greenville, S. C., and Mr. E. G. Rhett, of Columbia, S. C., stated that Maryland should be added to the district outlined by the Richmond Committee, and from further study of the question it appears that this should be done, as well as all of West Virginia. And it is believed that this can be done without in any way interfering with the natural territory of any other district, since it appears to us that the North Atlantic States should be divided as follows :

"Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and the eastern part of Connecticut, with Boston as the Reserve City.

"New York, western Connecticut, northern New Jersey, with New York as the Reserve City.

"Pennsylvania, southern New Jersey, and Delaware with Philadelphia as the Reserve City.

"This leaves Maryland in the nature of a 'floater.'

"With this added territory our district would embrace the following States: Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, the eastern part of Tennessee, the eastern part of eastern Kentucky, and the District of Columbia. This territory, with its diversified interests and banking capital, would be entirely independent and amply self-sustaining under not only normal conditions, but under almost any conditions.

“Now, with this territory fixed upon, the next question is which city within this territory could best serve the whole territory. On this point we respectfully submit that Richmond is unquestionably the city. Ninety-one per cent. of the banks in North Carolina, including all of the national banks except six, have already expressed themselves in favor of Richmond, and the banks so desiring Richmond represent 89 per cent. of the capital, surplus and profits of all the banks in North Carolina, and 98 per cent. of their deposits. Of the said 91 per cent. of the banks voting for Richmond, 373 of them are expressly for Richmond as first choice, and the balance of 69 (except three for Baltimore) are equivalent to a first choice, as they name Charlotte or blank as their first choice.

“Not one of the North Carolina banks has expressed a first preference for Atlanta or Washington, and only three for Baltimore. South Carolina has expressed its preference for Richmond almost as strongly as North Carolina, and has given Atlanta only two first choice votes and Baltimore one.

“The States of Virginia, North Carolina and South Carolina, with national banking capital and surplus of \$48,000,000, are as unanimous for Richmond as the same number of institutions can be for any one thing. * * *

“As stated by Colonel Bruton when before you in Washington, it is important to have a sufficient amount of currency within easy reach of the tobacco, cotton and peanut sections of North Carolina, and this may be said of South Carolina and the more distant southern points. As shown by the time-table filed with the Richmond Brief, currency wired for from Richmond in the evening can reach the greater portions of this territory by business hours the next morning.

“Richmond, as stated by Mr. Norwood when before you in Washington, is practically one business day nearer the majority of this territory than Baltimore is.”

Witnesses appearing before the Reserve Bank Organization Committee at Washington testified as follows:

Mr. Geo. A. Holderness, of Tarboro, N. C.:

Secretary of the Treasury: “I may have missed something you said while I was reading. Is it your observation that the course of trade is with Richmond, instead of Baltimore?”

Mr. Holderness: “Absolutely, sir. About twenty years ago I was a traveling man from Baltimore. I noticed that there were a great many lines of goods that Baltimore sold at that time

almost entirely. Now they have no representative in that line. Heavy groceries, heavy drygoods and domestics. Richmond has almost shut them out."

Mr. J. Elwood Cox, of High Point, North Carolina, testified :

"I think Richmond is the only city that could be familiar with the three great lines in North Carolina,—cotton, peanuts, and tobacco."

He testified further :

"I simply want to emphasize the fact that the bankers of North Carolina, as I see it, very much prefer Richmond, because all of our trade, or practically all of it, is with Richmond. We have accounts with other northern cities, but 95 per cent. of the banks of North Carolina, I think, keep accounts with Richmond. I doubt if 25 per cent. keep accounts with Baltimore."

Secretary of the Treasury: "To what extent would you have to keep accounts with other cities assuming that Richmond was the Reserve Bank of this district? To what extent, after the establishment of such a bank, would you have to keep balances in other cities, like New York, Philadelphia and Baltimore?"

Mr. Cox: "Naturally we would keep some in New York."

Col. John F. Bruton, of Wilson, N. C., testified :

"Our banks in the eastern part of the State deal almost exclusively with the producers, the farmers, and speaking for Wilson, N. C., Rocky Mount, Kinston, Greenville, and two or three other points, we handle quite a large volume of tobacco, and have to pay for a great deal of it with money—currency— and on that account a convenient point from which to get the currency is extremely important with us. If we cannot get the currency it would close up our institutions and destroy our markets. For that reason our people are intense in their desire to have their Regional Reserve Bank located in Richmond."

Secretary of the Treasury: "Where do you get most of your currency now?"

Mr. Bruton: "We get it from Richmond and Norfolk." * * *

Secretary of Agriculture: "Is it your impression that the business in North Carolina, the banking business, is related to Richmond more than to any other place?"

Mr. Bruton: "Yes, sir, I feel so, Mr. Secretary, and I feel like we would be a little away from home to take us to Baltimore."

Mr. J. C. Brown, of Raleigh, N. C., testified:

"I came really representing the State of North Carolina rather than Raleigh, Mr. Secretary. * * * The best I can do, I think, is to reaffirm what has already been stated about Richmond, its ideal location, midway between the North and South, and its intimate relations with both sections. The fact that Richmond, already known to our people, knows their needs, knows the condition of our crops, knows the character of our people, so that there need be no delay, not only in the shipping of currency back to us, but in the passing on our paper. They are thoroughly familiar with that because they have been lending money to North Carolina for a long time, and we believe that they would be able to serve our people more advantageously than any other point which could be named."

We feel that in no way can our Brief be better strengthened than by annexing to it the statement made by the Reserve Bank Organization Committee, accompanying its designation of the Federal Reserve Districts and the Federal Reserve Banks, so far as it deals with the fifth district.

It is earnestly maintained that the decision of the Reserve Bank Organization Committee is in accordance with the terms and spirit of the act, and is sustained by the record, and that its decision should be affirmed by this Board.

THE FIRST NATIONAL BANK,	} Members of the Federal Reserve Bank of Richmond of Federal Reserve District No. 5.
THE MERCHANTS NATIONAL BANK,	
THE PLANTERS NATIONAL BANK,	
THE AMERICAN NATIONAL BANK,	
THE NATIONAL STATE AND CITY BANK,	
THE CENTRAL NATIONAL BANK,	
THE BROADWAY NATIONAL BANK,	
THE MANCHESTER NATIONAL BANK,	
THE SAVINGS BANK OF RICHMOND,	

EPPA HUNTON, JR.,

and

LEGE R. PAGE,

Counsel of Respondents.

FROM THE STATEMENT OF THE RESERVE BANK ORGANIZATION COMMITTEE
RELATIVE TO ITS DECISION OF APRIL 2D, 1914, PAGE 367 OF REPORT
SUBMITTED TO THE SENATE.

"National Bank Statistics.

"For States of Texas, Virginia, Maryland, Georgia, Louisiana and Mississippi as of March 4, 1914, according to sworn reports made to the Comptroller of the Currency:

	Area sq. miles.	Population Census 1910.
Texas, including Dallas.....	265,780	3,896,542
Virginia, including Richmond....	42,450	2,061,612
Maryland, including Baltimore...	12,210	1,295,346
Georgia, including Atlanta.....	59,475	2,609,121
Louisiana, including New Orleans	48,720	1,656,388
Mississippi	46,810	1,787,114

	Capital and Surplus.	Individual Deposits.	Loans and Discounts.
State of Texas, including			
Dallas	\$76,785,584	\$197,663,338	\$215,114,326
Virginia, including Richmond	29,732,696	90,887,858	107,410,063
Maryland, including Balti- more	28,267,876	83,217,876	91,136,942
Georgia, including Atlanta...	24,479,345	51,382,061	61,852,579
Louisiana, including New Or- leans	12,128,866	32,000,521	34,804,354
Mississippi	5,168,192	17,045,324	18,669,200

"From the above statement it will be seen that in each item, capital and surplus, individual deposits, and loans and discounts, the national banks of Virginia, including Richmond, largely surpass the national banks of Maryland, including Baltimore.

"The capital and surplus of the national banks of the State of Virginia are 60 per cent. greater than the capital and surplus of the national banks of the States of Louisiana and Mississippi combined, including the city of New Orleans, while the loans and discounts by the national banks of Virginia are more than three times as great as the loans and discounts in the national banks of Louisiana, including New Orleans.

“While the capital and surplus of the national banks of Georgia largely exceed the combined capital and surplus of the national banks of the States of both Mississippi and Louisiana, the loans and discounts made by the national banks of Georgia exceed by \$13,000,000 the loans and discounts of all the national banks of Louisiana and Mississippi combined, including the city of New Orleans.

“The capital and surplus of the national banks of Texas amount to four times as much as the capital and surplus of the national banks of the States of Louisiana and Mississippi combined, and the individual deposits in the national banks of Texas also amount to about four times as much as the individual deposits of all the national banks in Louisiana and Mississippi, the only States from which New Orleans received as much as half a dozen votes as first choice as the location for a Federal Reserve Bank.

“In the poll of banks made directly by the Comptroller’s office, Richmond received more first choice ballots than any other city in the district—167, against 128 for Baltimore, 35 for Pittsburg, 28 for Columbia, S. C., 37 for Cincinnati, and 25 for Washington. Of the remaining 21, 19 were for Charlotte, N. C., and 2 for New York. Leaving out the States of Maryland and Virginia, Richmond received from the rest of the district three times as many first choice votes as were cast for Baltimore.

“District No. 5 is composed of the States of Maryland, Virginia, West Virginia (except four counties), North and South Carolina, and the District of Columbia. These States have always been closely bound together commercially and financially, and their business dealings are large and intimate. The reports made to the Comptroller of the Currency on March 4, 1914, by all the national banks in each of these States show in every essential respect that the business of the national banks of Virginia, including Richmond, is greater than the national banks of Maryland, including Baltimore, or any other of the five States embraced in District No. 5, as appears in the following table:

	Capital, Surplus and Undivided Profits.	Loans and Discounts.	Total Individ- ual Deposits.
Virginia	\$33,544,631	\$107,410,063	\$90,887,858
Maryland	32,390,057	91,326,942	83,217,376
West Virginia	18,209,326	56,789,538	61,421,332
North Carolina	13,527,086	44,051,033	36,051,154
South Carolina	10,332,439	28,860,456	23,330,916
District of Columbia.....	12,685,411	26,253,432	29,520,053

“Advocates of New Orleans have criticized the decision of the Organization Committee, and have given out comparative figures as to New Orleans, Richmond, and other cities which are incorrect and misleading. An analysis and study of the actual figures will be found instructive and can lend no support to the claims of New Orleans.

“From the sworn special reports recently submitted to the Comptroller of the Currency, it appears that the national banks in Richmond were lending in the thirteen Southern States, on January 13, 1914, more money than was being loaned in those States by the national banks of any other city in the country except New York. The total loans and discounts in the thirteen Southern States by the four cities referred to are as follows:

Richmond	\$33,473,000
Baltimore	6,891,000
New Orleans	19,477,000
Washington	915,000

“The figures also show that in those portions of District No. 5, outside of the States of Virginia and Maryland, the Richmond national banks are lending twice as much money as all the national banks in Baltimore and Washington combined. They also show that, although Richmond is not a reserve city, the banks and trust companies in the thirteen Southern States had on deposit in the national banks in Richmond on February 14, 1914, \$9,876,000, or slightly more than the banks in this section had on deposit in the city of Baltimore, and four times as much as they carried in Washington, although these two cities have

long enjoyed the benefits of being reserve cities. That southern banks should carry larger balances in Richmond, where they could not be counted in their reserves, rather than in Baltimore or Washington, where they could be counted, is suggestive.

"The figures show that the capital and surplus of all reporting banks—national, State and savings and trust companies—per capita in Richmond as of June 4, 1913, was \$131; in Baltimore, \$85; in Washington, \$88, and in New Orleans, \$60, while the loans and discounts made by all banks and trust companies in Richmond, on the same date, amounted to \$393 per capita, against \$190 in Washington, \$213 in Baltimore, and \$194 in New Orleans.

"The amount of money which banks and trust companies in the various parts of the country carried on deposit with Richmond—a non-reserve city—on February 14, 1914, amounted to \$10,970,000, or nearly twice as much as the balances carried by outside banks with the national banks of Washington, which on the same day amounted to \$5,516,000, and one and a half times as much as they carried on the same day with the national banks of New Orleans, a reserve city.

"The statistics furnished the Organization Committee shows that on March 4, 1914, the capital and surplus of the national banks of Richmond, per capita, amounted to more than twice as much as the capital and surplus, per capita, of the national banks of either Baltimore or Washington, and three and a half times as much as New Orleans, while the individual deposits of the national banks of Richmond amounted to \$201 per capita, against \$86 for Washington, and \$76 for Baltimore, and \$50 for New Orleans. The loans and discounts in the national banks of Richmond on the same day were reported at \$279 per capita, against \$77 for Washington, and \$108 for Baltimore, and \$51 for New Orleans.

"Especially significant are the following statistics showing the growth in capital and surplus, loans and discounts and individual deposits of national banks in the three cities named:

	<i>Capital and Surplus.</i>		
	September, 1904.	March, 1914.	Increase Per Cent.
Richmond	\$ 3,115,000	\$ 9,914,392	199
Washington	6,215,000	11,365,000	83
Baltimore	18,262,900	19,205,900	5
New Orleans	6,250,000	6,773,000	8

Loans and Discounts.

Richmond	\$12,946,000	\$35,593,000	175
Washington	15,018,000	25,405,000	69
Baltimore	48,755,000	60,312,000	23
New Orleans	20,088,000	17,285,000	*13

Individual Deposits.

Richmond	\$11,257,000	\$25,705,000	128
Washington	20,017,000	28,491,000	42
Baltimore	40,910,000	42,553,000	4
New Orleans	19,425,000	16,857,000	*13

“In other words, the figures show that the national banks of Richmond were lending on March 4, 1914, twice as much money as all the national banks in the City of New Orleans, and 40 per cent. more than all the national banks in Washington.

“In the original decision of the Committee the various economic and other factors which entered into and determined the Committee’s action were enumerated and need not be repeated here. This statement is made for the purpose of disclosing some of the details which influenced the Committee’s findings.”

* Decrease.

COMMITTEE ON LOCATING FEDERAL
RESERVE BANK IN RICHMOND

RICHMOND, VA., February 17, 1914.

COPY.

*Honorable Reserve Bank Organization Committee,
Washington, D. C.*

SIRS: We respectfully transmit to you herewith our argument for a certain territory as a Reserve District with Richmond as the location of a Federal Reserve Bank.

In preparing our brief it has been our purpose to outline a well defined natural division of country as a logical zone requiring few branch banks, which we hold to be desirable.

We are fully aware that the location of the Federal Reserve Banks demands consideration of the various zones in their relation to each other, and that final determination must be in the interest of the country as a whole, and that in respect to the situation as a whole, the Committee is now in possession of more complete information and a fuller comprehension than we can possibly have. Therefore, we recognize that this consideration may involve some modification or enlargement of the zone which we have presented, and that it is the problem and the province of the Committee to make such adjustments. But we are convinced that no zone can be formed having the headquarters of a bank in the South Atlantic States which does not include all or a large part of the proposed territory.

We also believe that it must and will be recognized that the Federal Reserve System is essentially a branch banking system, with several heads instead of one, the whole co-ordinated by the Federal Reserve Board, a fact which apparently is not generally or fully understood at the present time.

The law demands a territorial distribution of the parent banks, and the exigencies of the situation will necessarily leave many important sections, and many important cities in those sections, to be served by branch banks.

We have, as we believe, conclusively shown that Richmond can best serve the whole zone mapped out by us better than any other city in it or any city north of it, and that Richmond is the decided choice of the banks in the larger portion of this zone.

It would not impair the integrity of our argument to have certain territory added to it either at the north or at the south.

It is difficult, we believe, to establish a strong zone in the South outside of the zone we have mapped out, with due regard to convenience and trade relations, and yet the South is such a rapidly developing section that within a few years, if not at present, it can justly claim and its interests may demand another Federal Bank.

The State of Alabama, with its iron and steel interests, must within a few years become second only to Pennsylvania in those industries.

The northern half of West Virginia, the District of Columbia, and Maryland might, we believe, with benefit and in the general interest be included in the zone, to be served by a branch bank in Baltimore, since the Baltimore & Ohio Railroad ties that section intimately with Baltimore, just as the railroads in the zone presented tie together the States in that zone.

Transactions of banks in that section with the parent bank might be carried on entirely through the Baltimore Branch, which could, beyond question, serve that city and section with complete efficiency and to advantage, although the whole section is within twelve hours' communication with Richmond.

The zone as a whole would, of course, be greatly strengthened financially.

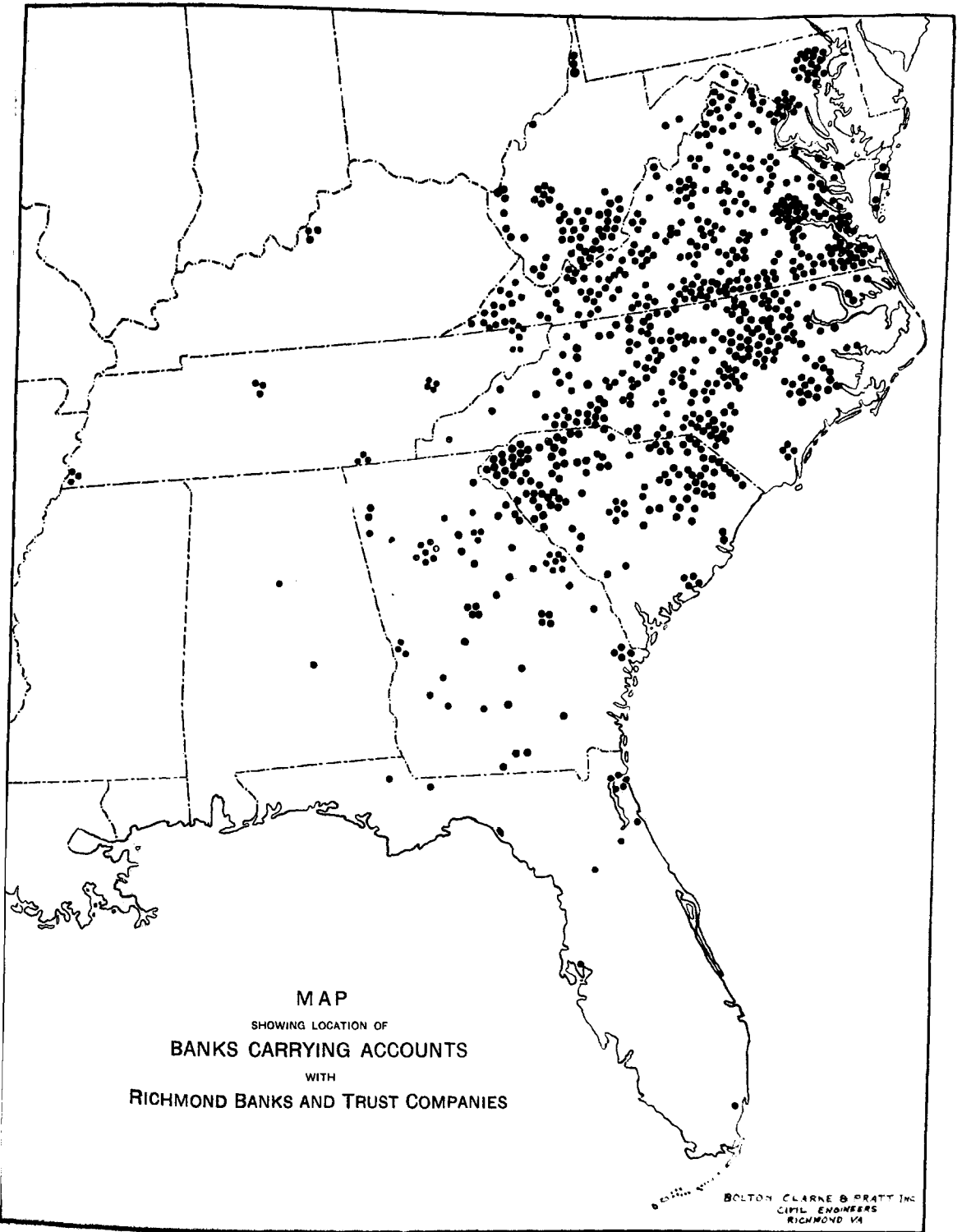
About \$3,000,000 of capital and \$9,000,000 in deposits would be added to the Federal Bank.

The banks in the entire zone mapped out by us would, we believe, be overwhelmingly in favor of it, with Richmond as the location of the Federal Reserve Bank.

Part of the minority of banks in the zone which did not vote for Richmond appeared to favor Baltimore only because they believed that the inclusion of that region would strengthen the zone financially, while they recognized the superior advantages and convenience of Richmond as a location, and the more intimate and extensive relation of Richmond to the zone, Richmond also having the great additional advantage of being one banking day nearer to a large majority of the banks in the zone, an economic consideration in itself of such importance as to be conclusive.

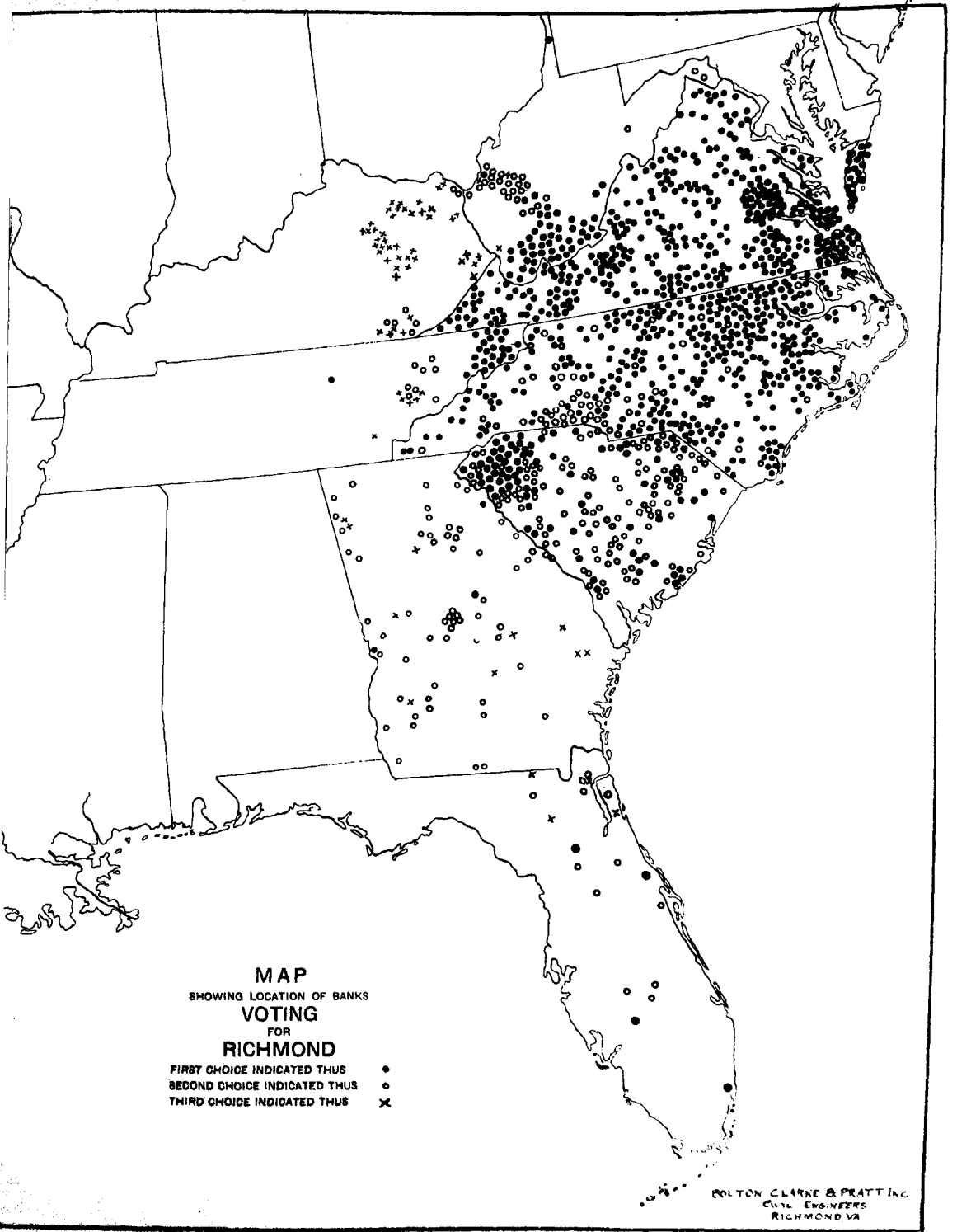
Respectfully submitted,

GEORGE J. SEAY,
In behalf of the Committee
representing Richmond.



RICHMOND POLL OF BANKS

	Choice	Va.	N.C.	S.C.	W.Va.	Tenn.	Ky.	Ga.	Fla.	Totals
Richmond	1st	415	373	82	49	25		4	4	952
	2d	3	49	122	26	10	7	56	12	305
	3d				3	11	47	12	5	78
										1335
Columbia	1st			102						102
	2d			9						9
	3d									
										111
Atlanta	1st			2		6		96	8	112
	2d		8	4		7		22	8	49
	3d					2				2
										163
Savannah	1st			1				22	2	25
	2d		3	2				30	6	41
	3d									
										66
Charlotte	1st		46							46
	2d	1	17							18
	3d									
										64
Birmingham	1st							1		1
	2d									
	3d									
										1
Baltimore	1st	4		1	4					9
	2d	11	55	7	11			6	3	93
	3d		1		1					2
										104
Washington	1st	1								1
	2d	6	10	1	3					20
	3d									
										21
Cincinnati	1st				28	9	22			59
	2d	3			9	6	24			42
	3d					1				1
										102
Louisville	1st					2	31			33
	2d	1				8	14			23
	3d									
										56
Jacksonville	1st								9	9
	2d									
	3d								1	1
										10
Nashville	1st					3				3
	2d	1				1				2
	3d									
										5
Pittsburg	1st									
	2d				3					3
	3d									
										3



MAP
 SHOWING LOCATION OF BANKS
 VOTING
 FOR
RICHMOND
 FIRST CHOICE INDICATED THUS ●
 SECOND CHOICE INDICATED THUS ○
 THIRD CHOICE INDICATED THUS X

DOLTON CLARKE & PRATT INC.
 CIVIL ENGINEERS
 RICHMOND VA

CAPITAL, SURPLUS, PROFITS AND DEPOSITS OF BANKS VOTING FOR RICHMOND

STATE	Choice	Capital	Surplus and Profits	Deposits
Virginia	1st	\$30,041,007	\$23,151,500	\$163,645,126
North Carolina	1st	\$14,542,770	\$ 7,844,000	\$ 81,996,050
	2d	2,203,400	1,252,000	8,190,000
South Carolina	1st	\$ 4,909,800	\$ 2,966,000	\$ 18,743,000
	2d	5,260,714	2,753,800	8,058,000
Georgia	1st	\$ 730,300	\$ 278,000	\$ 538,000
	2d	5,334,900	3,482,200	19,147,500
	3d	570,000	653,000	1,412,000
Florida	1st	\$ 320,000	\$ 74,000	\$ 1,690,000
	2d	1,895,000	586,000	5,676,000
	3d	245,000	262,000	2,353,000
West Virginia (16 Cos.)	1st	\$ 2,561,000	\$ 1,641,000	\$ 4,084,000
	2d	2,999,175	1,859,000	12,775,000
	3d	350,000	35,000	597,000
Tennessee (10 Cos.)	1st	\$ 908,350	\$ 423,300	\$ 6,041,000
	2d	547,500	234,000	2,379,000
	3d	1,075,000	359,000	5,664,000
Kentucky (35 Cos.)	2d	\$ 450,000	\$ 118,000	\$ 1,502,000
	3d	5,725,000	3,113,372	17,140,000
Total		\$80,587,706	\$52,085,172	\$361,631,276

Total Capital, Surplus and Profits.....	\$132,672,878
Total Deposits.....	361,631,276



82% CAN BETTER BE SERVED BY RICHMOND —

— BOLTON CLARK PRATT & CO.
 CIVIL ENGINEERS
 RICHMOND - VA

*This map has been
 carefully examined
 and verified by the
 Dept. of mails at
 this office*
Hayden Hamilton
Postmaster
 Richmond Va.
 July 24 1916



Note
 West Virginia Va. is reduced
 in an account of Panhandle not
 being included in 5th District

MAP
 of
5th Federal Reserve Bank District
 Showing

- Center of National Bank Resources (NBR)
- Center of Production (Prod)
- Center of Population (Pop)

Note!
 In each case centers for States were taken arbitrarily,
 i.e. Maryland at Baltimore
 District of Columbia at Washington
 West Virginia 40 miles N.E. of Charleston
 Virginia 35 miles W. of Richmond
 North Carolina 30 miles SW of Raleigh
 South Carolina 15 miles N.E. of Columbia.
 From these assumed centers, the District centers
 were worked out by Graphic Statics.

BOLTON, CLARKE & PRATT,
 INC.
 Richmond, Virginia.

Sept. 24, 1914.