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April 21st, 1914.

Editor Journal of Commerce and
Commercial Bulletin,
New York City.

Sir:-

In your issue of Friday the 17th. inst., there occurs an editorial headed "The Baltimore Protest", in which, among other things, you say that "the bankers and business men of Baltimore are entirely justified in their vigorous protest against being tagged upon one corner of a reserve district with Richmond as the seat of its reserve bank."

Your opinion would be entitled to very much greater weight if it did not so happen that the two principal reasons you give in support of it are diametrically opposed to the facts. In one case you have simply gone astray, in the other you have been misled.

Now let us ^{examine} explain whether this is so or not.

You state that "in one corner of the district, as Baltimore is, just as New York is in one corner of its district, its means of ready and rapid communication for purposes of exchange and banking facility throughout the district, are far better than those of Richmond".

The italics are ours for the purpose of showing as conspicuously as possible the glaring absurdity of the statement.

In the middle and southern portion of this district there are three States - Virginia, North Carolina and South Carolina - having 5, 920,000 inhabitants and approximately 1223 banking institutions, while in the northern portion of the district there are the States of West Virginia, Maryland and the District of Columbia, having 2,950,000 inhabitants and approximately 494 banks.

Are you willing to contend that Baltimore, in the cor-

ner, and that the northeast corner, can reach the greater portion of the district and the banks in it, as readily and rapidly as Richmond can, with this territory being mostly south of Richmond, and Baltimore being four hours north of Richmond? These four hours mean in a very large number of cases more than the words imply. They mean a banking day.

Surely, Mr. Editor, it is difficult indeed to believe you capable of making such an absurd statement. It is not a question of opinion, it is one of fact. If you will take a look at the maps in Richmonds brief, pages 43 and 55, you will see the "means of communication" traced out, showing distances and time and routes.

Your phrase "for purposes of exchange and banking facility" may have meant more than distance and time, but whatever you had in mind, it can have no meaning which gives Baltimore any advantage over Richmond in the relation of the two cities to the larger portion of the territory.

With reference to that portion of the Act which requires that the districts shall be apportioned with due regard to the convenience and the customary course of business, you say that "it certainly has not been observed in locating the reserve city", referring to Richmond.

Now what is the convenience and the customary course of business among the banks in the overwhelmingly larger portion of the district, judged by population, and by the number of banking institutions, as well as by territorial area?

You assume to say that "it certainly has not been observed in locating the reserve city". Are not the banks the best judges of this and are you not willing for them to say?

Now what did they say?

Out of the 1223 or more in the three states Virginia, North Carolina and South Carolina, 870 voted for Richmond as

first choice, and 194 as second choice against both Baltimore and Washington.

Of the 194 voting for Richmond as second choice 148 voted for Charlotte and Columbia as first choice. This is all clearly set down in Richmonds brief to which you had ready access and to which we again refer you.

The banks of this region, through which almost the entire business of the region is done, can see no violence done to their convenience and customary course of business.

Evidently Baltimore does a vast volume of business which does not come from this region.

Now we come to the second of the two principal reasons given in support of your opinion.

You say "the claims made in behalf of Richmond" in regard to the number of banks and means of communication, had reference to rivalry in a district of which Atlanta was to be the reserve center. Baltimore was virtually left out of the account. At the time the hearing was given and the alleged vote was taken nobody knew what the division of districts in the South was to be or how many of them there were to be.

You are mistaken and Baltimore is mistaken. Baltimore and Washington were very much taken into account, and it was thoroughly understood in the three States named that Baltimore and Washington might be comprised in the district which would include those three States, and the "alleged vote", as you allude to it, was taken with reference to that eventuality.

Moreover, Richmond did not submit any evidence which was not accompanied by written proof, or of which written proof was not in hand. We have the result of that vote in writing, and for the details we refer you to Richmonds brief, page 46.

Richmond made her chief argument for a certain terri-

tory which she believed to be a well defined, natural and logical territory for a reserve district. As you observe, it was not known how many districts there would be, nor what their confines would be, so Richmond did as was suggested to all the banks in the country - she suggested a district and argued for it. She very well understood that the exigencies of the situation as a whole would call for some modification - some taking from or some adding to or adjustment of - any district suggested, and the result is that there is probably not a district in the country which remains as its sponsors outlined it.

But Richmond knew or believed that the larger portion of the territory suggested by her would have to be included together in any district formed in the South Atlantic States. She believed, or her committee believed, that the banking capital and power in the East could not be divided as the framers of the Act, and the spirit of the Act itself demanded, except by placing banks in Boston, New York and Philadelphia, which would, we believed then and believe now, in the opinion of most bankers who understood the purpose of the Act, exclude Baltimore as a location. Baltimore was the victim of circumstances, just as many other Cities were, Pittsburg for instance. This is all set down in Richmonds brief, and it is idle to say that Baltimore was left out of the account, or Washington. Moreover, the letter to the Organization Committee transmitting Richmonds brief contemplated the possible and probable inclusion of Maryland, the northern half of West Virginia, and the District of Columbia in the district, which did not in the least impair the integrity of our argument framed with that situation in mind.

A poll of the banks of Maryland, District of Columbia and the northern half of West Virginia was not taken by Richmond, but not because it was not contemplated that this territory might

not be in the district. As previously pointed out, there are only about 494 banks in that part of the district, including the whole of West Virginia, against 1223 in the rest of it almost solidly for Richmond.

In the southern part of West Virginia there were 75 banks voting for Richmond as first and second choice, against 15 voting for Baltimore for first and second.

The fact is that the overwhelming majority of the banks of the district prefer Richmond as the location of a Reserve Bank, and are entitled to be the judges of what their convenience or customary or desired course of business is, and there the matter stands.

In your same issue of Friday the 17th, you publish a long dispatch from Baltimore giving an account of the meeting of protest and citing certain statistics of comparison between Baltimore and Richmond as follows:-

	Baltimore,	Richmond.
White population	505,779	84,482
Manufactures (census 1910)		
Establishments,	2,502	380
Wage earners,	71,444	14,849

The intention of those responsible for presenting Baltimore's case in this matter is obvious. If that City chooses to hide her head in the sand and become unaware of the advance of the enemy, it is her privilege.

The figures given, and as given, may be correct. We have not taken the trouble to examine.

But consider the fact of the case at the present time:-

The directory of the City of Richmond, just issued, estimates the population, including suburbs, which are contiguous suburbs, as 189,000.

The statistics of manufacture for 1913 show:-

Number of plants,	1,919
number of hands,	32,577

again.-

The "Select Committee" which presented Baltimores case before the Organization Committee" in Washington on January 14th, made the following statement:-

"In the States of Maryland, the District of Columbia, Virginia, West Virginia, North Carolina and South Carolina, there exist 1802 banking institutions reporting capital, which means everything, I assume, except Savings Banks. Out of a total of 1802, 1513 have accounts in New York, 659 have accounts in Baltimore, 253 have accounts in Philadelphia, 52 have accounts in Washington, and 98 in Richmond."

Now what were the facts?

There were 700 banks in the States of Virginia, West Virginia, North Carolina and South Carolina which kept accounts in Richmond, and they kept 1166 accounts.

Baltimores sources of authority are either very ancient or inaccurate.

Moreover, Baltimore is a reserve City, and has a large number of Bank accounts kept there for that reason, and Richmond can get a very heavy proportion of them any day she chooses to become a Reserve City. This is not an idle boast, it is simply a fact.

Very respectfully,

GEO. J. SEAY.