69TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 573

ERECTION OF A FEDERAL RESERVE BANK BUILDING IN BALTIMORE, MD.

MARCH 17, 1926.—Referred to the House Calendar and ordered to be printed

Mr. GOLDSBOROUGH, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. J. Res. 191]

The Committee on Banking and Currency, to whom was referred the joint resolution (H. J. Res. 191) authorizing the Federal Reserve Bank of Richmond to contract for and erect in the city of Baltimore, Md., a building for its Baltimore branch, having considered the same, report it back to the House with the recommendation that the bill do pass, with the following amendment:

At the end of the resolution add the following proviso:

Provided, however, That the character and type of building to be erected, the amount actually to be expended in the construction of said building, and the amount actually to be expended for the vaults, permanent equipment, furnishings, and fixtures for said building shall be subject to the approval of the Federal Reserve Board.

This resolution was given the most careful consideration by the Committee on Banking and Currency, and the governor of the Federal Reserve Bank of Richmond, a number of representative bankers of Baltimore, and members of the Federal Reserve Board appeared before the committee in its behalf.

Also the vice governor of the Federal Reserve Board, in correspondence with the chairman of the committee on Banking and Currency of the Senate, gave the views of the Federal Reserve Board for this building, as follows:

MARCH 16, 1926.

MY DEAR SENATOR MCLEAN: Since writing you to-day in response to your letter of March 9, giving the views of the board with reference to the joint resolution authorizing the Federal Reserve Bank of Richmond to erect a building at Baltimore to house the Baltimore branch, the board received from the Treasury Department copy of a letter from the custodian of the United States custom-

house building at Baltimore, Md., addressed to the Secretary of the Treasury, the text of which is as follows:

"Owing to the congested conditions prevailing here and the absolute necessity for more space for housing important divisions now occupying this building which, by reason of increased business, must have more room, I for some days have been making a most careful survey of the whole building and want to recommend that the money department of the Baltimore branch of the Federal Reserve Bank of Richmond, which was originally given temporary quarters here and is now occupying the most valuable space in the customhouse, be asked to secure other quarters. More than two years ago the bank told me that it was going to build, but so far I have not heard of its doing so.

"My understanding of Government buildings is that they are intended to house Government activities only—those directly under Government control. The Federal Reserve Bank, I believe, is not.

"The space they occupy would not only relieve the congestion now existing, but would probably allow us to house some Government activity now paying rent."

I have asked the manager of the Branch Federal Reserve Bank of Baltimore to advise me officially in the matter in order that the board may in turn advise the Treasury Department as to whether or not other space can be secured for the Baltimore branch. His offhand statement to me when I talked with him this morning was that no additional space suitable for the purposes of the branch was available in Baltimore.

I am writing you this letter, as it seems to me to have a very definite bearing upon the question of the necessity for a branch bank building at Baltimore.

Very truly yours,

EDMUND PLATT, *Vice Governor.*

Hon. GEORGE P. MCLEAN,
Chairman Committee on Banking and Currency,
United States Senate, Washington, D. C.

MARCH 16, 1926.

MY DEAR SENATOR MCLEAN: Receipt is acknowledged of your letter of March 9, requesting the views of the Federal Reserve Board with reference to Senate Joint Resolution No. 66, authorizing the Federal Reserve Bank of Richmond to contract for and erect in the city of Baltimore, Md., a building for its Baltimore branch.

The Federal Reserve Board is of the opinion that in order to house adequately the branch Federal reserve bank at Baltimore, it will be necessary for the Federal Reserve Bank of Richmond to erect a building for that purpose. The board does not, however, desire at this time to express an opinion with reference to the amount which actually should be expended in the construction of such a building. Congress having forbidden any Federal reserve bank to enter into any contract or contracts for the erection of any branch banking building costing in excess of $250,000, exclusive of the cost of vaults, permanent equipment, furnishings, and fixtures, the Federal Reserve Board feels that it is for Congress to determine whether it wishes to authorize a greater expenditure in Baltimore because of the size and importance of the city or in view of probable growth.

In the event that Congress authorizes the construction of a building for the Baltimore branch at a cost in excess of that now allowed by law, the Federal Reserve Board believes that the resolution as passed by Congress should provide that the character and type of building to be erected, and the amount actually to be expended under the authorization shall be subject to the approval of the Federal Reserve Board. To this end the board suggests that if this resolution is to be enacted it be amended by adding at the end thereof a proviso reading as follows:

"*Provided, however,* That the character and type of building to be erected, the amount actually to be expended in the construction of said building, and the amount actually to be expended for the vaults, permanent equipment, furnishings, and fixtures for said building shall be subject to the approval of the Federal Reserve Board."

In this connection your attention is respectfully called to the fact that the language of the resolution as introduced is not entirely clear and is susceptible of two constructions. It might be construed to authorize the construction of a

building costing not in excess of $1,025,000, exclusive of the cost of vaults, permanent equipment, furniture, and fixtures; or it might be construed to authorize the expenditure of $1,025,000 for the cost of the building, inclusive of the cost of vaults, permanent equipment, furniture, and fixtures. In as much as the consent of Congress is not required except as to the cost of the building proper, exclusive of the cost of vaults, permanent equipment, furniture, and fixtures, it is assumed that the first construction is the one which is intended.

The above-quoted proviso recommended by the board is intended only to authorize the board to pass upon the character of the building, the amount actually to be expended in the construction of the building, and the amount actually to be expended for vaults, permanent equipment, furniture, and fixtures; but attention is called to the fact that the language of this proviso might affect the meaning of the resolution as introduced, because it is written on the assumption that the amount authorized to be expended by the resolution is intended to apply only to the cost of the building proper. If this assumption is correct and the resolution should pass, the board will be called upon to pass upon actual expenditures made within the authorization of $1,025,000 for the building proper, and such additional expenditures as the officials of the bank may deem warranted for vaults and various items of equipment, furniture, and fixtures. If the construction placed upon the resolution by the board is not in accordance with the intention of Congress, the board suggests that the language of the resolution be clarified.

For your further information there is inclosed a statement showing the amounts expended in connection with the erection of buildings to house the branch Federal reserve banks at Denver, Omaha, Little Rock, and Jacksonville, all of which buildings have been constructed since the enactment of the amendment of June 3, 1922, limiting the amount which may be expended in the construction of such buildings. In each case the cost of the building proper was less than $250,000, and therefore congressional authority to make the expenditures involved was not required. None of the branches named, however, are comparable in size to the Baltimore branch, which is one of the largest on the basis of volume of operations. This statement shows the volume of items handled in connection with the principal functions of each of the branches named as compared with the volume handled by the Baltimore branch.

We are inclosing also a second statement which compares the volume of business handled at the Baltimore branch with that handled by the branch Federal reserve bank at New Orleans. Construction of the building at New Orleans was started prior to the enactment of the amendment of June 3, 1922, and that branch is the only one of the larger branch Federal reserve banks which is housed in a building erected specially for that purpose. It will be noted that the cost of the building at New Orleans, exclusive of vault and vault equipment, was $793,226. This figure, however, includes certain items of permanent equipment and fixtures, such as heating plant, elevators, etc.

Contracts have been let for construction of a building at Salt Lake City to house the branch Federal reserve bank located at that point. The cost of the building proper will be less than $250,000. There are 129 officers and employees at this branch and the volume of its operations is as follows: During 1925 the number of checks handled was 8,206,000; number of pieces of currency handled, 3,345,000; number of coins handled, 1,679,000; number of bills discounted for member banks, 7,255; collection items handled, including Government coupons, 242,000; number of United States securities issued, redeemed, and exchanged, 13,000.

Very truly yours,

EDMUND PLATT, *Vice Governor.*

Hon. GEO. P. MCLEAN,
Chairman of Banking and Currency Committee,
United States Senate, Washington, D. C.

Volume of work at the Baltimore and New Orleans branches and cost of the New Orleans building

	Baltimore	New Orleans
Volume of work in 1925—number of pieces handled:		
Checks received	$17,604,000	$3,570,000
Currency received and counted	45,392,000	24,511,000
Coin received and counted	121,631,000	19,781,000
Bills discounted for member banks	6,935	11,516
Collection items—		
Government coupons	767,000	380,000
Other	68,000	22,000
Issues, redemptions, and exchanges of United States securities	37,000	47,000
Number of officers and employees, Dec. 1, 1925	177	76
Cubic-foot contents of building		815,946
Cost of building:		
Building, exclusive of vaults and vault equipment		[1] 793,226
Vault and vault equipment		102,757
Total		895,983
Cost of land	[2] 251,343	201,250

[1] Separate figures of cost of building proper, exclusive of all permanent equipment and fixtures, not available.

[2] Cost of site for proposed building on Calvert and Lexington Streets.

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