

Examining the Spatial Relationship between Second Bank Branches and State Banks

As economics research has incorporated GIS to a greater extent, it has repeatedly demonstrated a capacity to generate knowledge by providing a spatial context to numerical data. GIS was utilized to study the Second Bank branches in 1820 and 1830 as they underwent a period of expansion. The Second Bank was a national bank whose charter was granted by the federal government in order to facilitate the collection of tariffs. The bank also facilitated the exchange of bank notes which resulted in a regulating effect upon the often unrestrained state banks. As such, scholars have speculated the Second Bank was a proto-central bank. Our goal is to test the theory that the Second Bank was a central banking institution. Using ArcGIS, we analyzed the banking density in each city and distribution of state banks in relation to Second Bank branches across the United States. Our findings showed the Second Bank was not locating its banks in central locations. Additionally, Second Bank branches were located on along continental trade routes such as the Mississippi and Ohio Rivers. This implies it was maintaining branches to compete with the local state banks. This undermines the contemporary view that Second Bank was a proto-central bank