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122 5-7

BEFORE THE FEDERAL RESERVE BOARD.

IN THE MATTER OF THE
DESIGNATION OF THE FEDERAL RESERVE CITY
IN THE FIFTH FEDERAL RESERVE DISTRICT.

**BRIEF ON BEHALF OF THE CITIZENS
OF BALTIMORE.**

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AND

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Regional Reserve Bank Committee of Baltimore

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BEFORE THE FEDERAL RESERVE BOARD.

IN THE MATTER OF THE
DESIGNATION OF THE FED-
ERAL RESERVE CITY IN THE
FIFTH FEDERAL RESERVE
DISTRICT.

BRIEF ON BEHALF OF THE CITIZENS OF BALTIMORE.

Section 2 of the Federal Reserve Act provides that the Reserve Bank Organization Committee "shall designate not less than eight nor more than twelve cities to be known as Federal Reserve Cities, and shall divide the Continental United States, excluding Alaska, into districts, each district to contain only one of such Federal Reserve cities. * * * *Provided*, that the districts shall be apportioned with due regard to the convenience and customary course of business, and shall not necessarily be co-terminous with any State or States." The determination of the Organization Committee is subject to review by the Federal Reserve Board.

The Organization Committee designated Richmond, Virginia, as the Federal Reserve city in the Fifth Federal Reserve District, to comprise the States of Maryland, Virginia, North and South Carolina, the District of Columbia, and the State of West Virginia, except the four "Panhandle Counties." The most important step in apportioning the districts—the first step mentioned in the Act—is the designation of the reserve cities. In this feature of the apportionment of the Fifth Reserve District, the Committee disregarded the convenience and attempted to reverse the customary course of business.

For each and all of the following reasons we submit that a due regard to the convenience and customary course of business requires that Baltimore be designated as the Federal Reserve City in the Fifth Federal Reserve District:

I. (a) Baltimore is the natural commercial, financial and industrial capital of the Fifth District, the point at which and to which business in the Fifth District normally converges, and is in every essential respect, so far as commerce, finance and industry in the District are concerned, about five times as important as Richmond.

(b) A due regard to the convenience and customary course of business, within the contemplation of the Federal Reserve Act, means a due regard to the convenience and customary course of *all* business, commercial, financial and industrial, and requires that the natural commercial capital of a district be designated as the Federal Reserve city in such district.

II. Baltimore is geographically the natural location for the Federal Reserve Bank of the Fifth District:

(a) The customary course of business in the Fifth District is towards the north and towards the coast, *i. e.*, towards Baltimore as the largest, most important, and also the most northern, seaport in the Fifth District, and the point towards which commercial payments, liquidation of business transactions and exchange normally move.

(b) Baltimore, though near the northern end of the District, is accessible to all parts of the District, and is within seventeen hours by mail of practically every city in the District, so that business transacted with Baltimore by mail from any part of the District can be consummated on the next business day after it is begun. Richmond is farther distant than Baltimore from the most distant city in the District.

(c) Baltimore, though farther from the *geometrical* center of the District than Richmond, is at the center of greatest *density* of population and business in the District, and is, therefore, nearer than Richmond to the greater *volume* of the business transacted in the District, and to the greater part of the banking capital and resources of the District, and is directly in the *course* of *all* business, near or distant; Richmond is not only more distant from most of the business in the District, but is out of the general course of such business.

III. Baltimore is not only the natural capital of business generally in the Fifth District, but is also the natural center of business activities having special relation to the business of Federal Reserve Banks.

(a) Baltimore is a natural reserve city; Richmond, in the banking world, is a country town and the location of country banks.

(b) Baltimore is not only the principal banking center in the District, but is also the center of the greatest volume of commercial credits extending through the District. In these two respects it presents the largest opportunities in the District for the development of the rediscounting business of the new Federal Reserve Bank.

(c) As the principal Atlantic seaport of the South, with direct and easy means of communication by land with New York, Philadelphia, Chicago, Boston, Cleveland, and generally all other Federal Reserve cities, Baltimore is the natural location of the Federal Reserve Bank for the Fifth District, if such bank is successfully to perform its broadest, and in times of stress most important, functions in (1) keeping in close touch with and influencing general money and credit conditions; (2) co-operating with the other Federal Reserve Banks for these purposes and also in developing the collec-

tion facilities of the new system and making possible practically free domestic exchange throughout the United States; (3) in successfully competing in the market for the purchase and sale of foreign exchange, with the control over general market conditions resulting from the establishment of such a business; in developing the use and sale of American acceptances, with consequent increased facilities for the development of American foreign trade; and generally in developing, and aiding the development of, foreign connections of the Reserve Bank and of the member banks in the District.

I.

- (a) BALTIMORE IS THE NATURAL COMMERCIAL, FINANCIAL AND INDUSTRIAL CAPITAL OF THE FIFTH DISTRICT, THE POINT AT WHICH AND TO WHICH BUSINESS IN THE FIFTH DISTRICT NORMALLY CONVERGES, AND IS IN EVERY ESSENTIAL RESPECT, SO FAR AS COMMERCE, FINANCE AND INDUSTRY IN THE DISTRICT ARE CONCERNED, ABOUT FIVE TIMES AS IMPORTANT AS RICHMOND.

The population of Baltimore (Census 1910) was 558,485; that of Richmond 127,628. The figures for Richmond include Manchester, which was annexed to Richmond just before the last census. The figures for Baltimore include none of the thickly populated suburbs of Baltimore, a large part of which is commercially and in every respect, except legally, a part of Baltimore City. The population of the Baltimore Metropolitan District (as defined in the United States Census for 1910) was 658,715.

The City having the largest population in a District should, other things being equal, be designated as the Federal Reserve city of that District. This stands to reason. Large popula-

tion in a limited area, such as a city, always means large trade and business, and necessitates bank facilities. Whether the large trade follows upon the large population, or the large population is brought about by a large and growing trade, makes no difference. They are found together, mutually interact on each other, and both are affected by geographical location favorable to the development of the trade, whether domestic or domestic and foreign.

This clear and evident principle was recognized by the Committee as a matter of course in the location of most of the other cities, but was abandoned without reason in the case of Baltimore.

Thus the Committee say in their published report of their decision designating reserve cities (page 24):

"The Committee named as cities for the location of Federal reserve banks New York, Chicago, Philadelphia, St. Louis, Boston and Cleveland. In population these are *the six largest* cities in the United States. Their geographical situation and all other considerations fully justified their selection."

Baltimore is the *seventh largest* city in the United States, considering strictly only its population as included within present city limits, amounting to 558,485 (only 2,178 less than the *sixth city*, Cleveland, which has a much greater area). If you consider, in addition, Baltimore's densely populated suburbs (within the Metropolitan District), continuously built up from the city, the total population would be 658,715 (that of the Cleveland Metropolitan District being 613,270).

Richmond has a population of 127,628, and is the *thirty-ninth largest city* in the country. The Committee, therefore, after giving regional banks to the *six* largest cities, suddenly balks and stops at the *seventh* largest city in favor of the *thirty-ninth* largest city, even passing over Washington, which is the *sixteenth largest city*, with a population of 331,069.

In tabulated form the comparison shows as follows:

Baltimore—Population 558,485—*Seventh* largest city.

Washington—Population 331,069—*Sixteenth* largest city.

Richmond —Population 127,628—*Thirty-ninth* largest city.

The Committee also say, referring to the population of the *six largest* cities, "their geographical situation and all other considerations fully justified their selection."

It would seem that the thirty-ninth largest city, with a population of 127,628, would have to show commanding advantage in geographical and other considerations to secure a designation for a regional bank over the seventh largest city, with a population of 558,485.

As a plain and simple matter of fact, all these advantages are in favor of Baltimore and against Richmond, as will be shown in detail in this brief. Thus the designation of Richmond over Baltimore is not only contrary to the principles of the new Banking law, but is so strange and unaccountable as to have aroused a general adverse criticism of the action of the Committee.

How practical and compelling is this relation between the largest population in a restricted area, like a city, and volume of trade is shown by the action of the committee. They designated twelve cities, and out of these twelve, *ten* cities have the *largest population* in their respective districts, and of all the twelve there are only two exceptions, to wit, Baltimore and New Orleans, from both of which come vigorous protests. (The difference between Dallas and San Antonio is too small to make a real exception). Why should they be singled out and passed by, against the common rule adopted by the Committee itself? Both are important seaports, and in all other respects furnish the best locations in their respective districts (or, in case of New Orleans, a differently apportioned district) for regional banks.

The assessed valuation, for the purposes of taxation, of property in Baltimore City in 1914 is \$781,691,094; the

present assessed valuation of property in Richmond is \$148,768,790 (World Almanac, 1914, pages 686, 687).

In business done Baltimore and Richmond compare about as they do in population and in value of property. Necessarily, with respect to many kinds of business there are available no such precise figures as exist with respect to population and value of property. The figures which do exist show substantially the same relation between the two cities. The fact is generally recognized even where precise figures are not obtainable.

MANUFACTURES.

Manufactures constitute one of the largest and most important fields of business activity, and also one of those for which the most complete figures are available. As shown by the 1910 census, the City of Baltimore had 2502 manufacturing establishments; the Baltimore Metropolitan District had 2668 such establishments; Richmond, 380. The amount of capital employed in these establishments in Baltimore City was \$164,436,758; in the Baltimore Metropolitan District, \$199,735,181; in Richmond, \$31,659,687. The total value of the manufactured products in Baltimore City was \$186,977,710; in Baltimore Metropolitan District, \$260,213,324; in Richmond, \$47,357,985. The number of wage earners employed in these establishments was 71,444 in Baltimore City; 81,825 in Baltimore Metropolitan District, and 14,849 in Richmond.

Baltimore is the leading city in the United States in the manufacture of men's clothing, copper, tin and sheet iron products, fertilizers, cotton duck, straw hats and in canning and preserving. The value of clothing manufactured in Baltimore (Metropolitan District) in 1909 was over \$40,000,000, almost as much as the total value of all manufactured products in Richmond for that year. The total value of

clothing, plus any *one of eight* other classes of manufactures in Baltimore, exceeds the total of all manufactures in Richmond. The value of clothing manufactured in Baltimore in 1909 showed an increase of 73.9% over the same product in 1899. For copper, tin and sheet iron products the increase during the same period was 141.9%. For slaughtering and meat packing the increase was 110.8%. The total value of the products of the two last mentioned classes in 1909 was over \$28,000,000.

Manufactures in Baltimore are not only much greater in amount, but also much more diversified than in Richmond. Tobacco comprised over 43% of the total value of manufactured products in Richmond for the year 1909. Clothing, the largest single item in Baltimore, comprised but 15% of the Baltimore total—though almost twice the amount of the tobacco products in Richmond. Seventeen classes of manufactured products in Baltimore for the year 1909 amounted to more than \$2,000,000 each; in Richmond but two classes (one of which was tobacco) reached that amount.

For some months the Industrial Survey of Baltimore has been at work on a thorough survey of the present condition of each of the industries of Baltimore. This survey, when completed, will present an accurate, comprehensive, detailed view, based on an actual personal canvass of the entire city (and Metropolitan District), of Baltimore's industries. The report of the Industrial Survey has not yet been published, but much of the work has been completed. The Industrial Survey finds the total value of the products manufactured in Baltimore (Metropolitan District) during the year 1913 to be \$353,319,086. This is an increase of \$93,105,762—35.7%—over the Census figures for 1909.

AGRICULTURE.

Agriculture is obviously a most important business in the Fifth District. The close relations between Baltimore and the agricultural interests of the Fifth District are illustrated

by the size of the fertilizer business. The value of fertilizers manufactured in Baltimore during the year 1909 was (1910 Census), \$8,469,856, an increase of 117.4% over the figures for 1899. The value of Richmond's output in 1909 was less than \$500,000. Baltimore had sixteen fertilizer manufacturing plants. Richmond had two.

During the calendar year 1913 there was imported at the Port of Baltimore (as the records of the Collector of the Port show) fertilizers and fertilizer material amounting to \$3,032,195.

The Industrial Survey finds the total value of acids and fertilizers manufactured in Baltimore in 1913 to be \$15,976,306, an increase of \$7,506,450—88.6%—over the Census figures for 1909. The Industrial Survey finds that about 60% of these products go to the South and that the increase in the business is almost wholly in the South.

Dealing in live stock is also a business closely associated with agriculture. The volume of this business in Baltimore is almost ten times the volume of the business in Richmond. The amount and value of live stock received in Baltimore and Richmond respectively during the year 1913 were as follows (figures obtained by Mr. S. Greenwald, Secretary of the Greenwald Packing Company, from officials of the Baltimore and Richmond Stock Yards):

	<i>Number</i>		<i>Value.</i>	
	<i>Rich- mond.</i>	<i>Balti- more.</i>	<i>Rich- mond.</i>	<i>Balti- more.</i>
Cattle..	17,223	129,425	\$1,515,624.00	\$11,389,400.00
Calves..	2,800	19,889	38,220.00	271,484.85
Hogs. . .	89,157	884,387	1,203,619.50	11,939,224.50
Sheep..	12,579	375,582	90,568.80	2,704,190.40
Horses..		1,455		291,000.00
Mules...		848		212,000.00
			<hr/>	<hr/>
			\$2,848,032.30	\$26,807,299.75

One-third of the cattle and sheep handled in Baltimore come from Virginia and West Virginia.

JOBGING.

As a center of the jobbing trade, Baltimore is recognized as one of the principal cities in the United States. The leading items in the Baltimore jobbing trade are dry goods, notions, millinery, groceries, food products, lumber and mill-work, drugs and tobacco, all of which are steadily growing. The Industrial Survey finds the total amount of the jobbing trade in Baltimore during the year 1913 to be \$235,685,290. These figures do not include retail business or purchases, but are limited to sales by jobbing houses alone.

Among the items, as classified by the Industrial Survey, are the following:

Cottons and Prints.....	\$24,527,940
Boots and Shoes.....	9,671,122
Millinery and Lace.....	9,151,811
Hosiery & Knit Goods (including Notions)	5,597,000
Preserved and Canned Foods.....	15,883,269
Cereals, Spices, Teas and Coffee.....	15,382,000
Lumber and Mill-Work.....	11,164,000
Drugs and Preparations.....	3,338,762
Spirituous Liquors	25,785,658
Tobacco.....	6,605,633

Of the total of \$235,685,290, sales outside of Baltimore amounted to \$162,203,340.

The trend of distribution, by States, of the products of Baltimore manufacturers and the goods of Baltimore jobbers, is indicated, probably as nearly as is possible, by a memorandum, filed as Exhibit No. 15 with the brief filed for Baltimore with the Organization Committee, showing the results (necessarily incomplete) of a special canvass by

mail among the manufacturers and jobbers in Baltimore City, and of returns made by one hundred and eighty-four manufacturers and jobbers, who had distributed, in the year 1913, business aggregating over \$135,000,000 (constituting, as the Industrial Survey has since shown, about 23% of the total distribution of manufacturers and jobbers in Baltimore, and a smaller fraction of the total number of manufacturers and jobbers). [This canvass was not made by the Industrial Survey, and the figures in this brief quoted from the Industrial Survey had not been ascertained when the Baltimore brief was filed with the Organization Committee.] That memorandum [Exhibit No. 15] shows (out of \$111,666,000 of goods distributed by one hundred and thirty-two manufacturers and jobbers in the year 1913), \$27,414,000, *i. e.*, 24.55%, distributed in Maryland; \$51,503,000, *i. e.*, 46.12%, distributed in Virginia, West Virginia, the District of Columbia, North and South Carolina; making a total of \$88,917,000, *i. e.*, 70.67%, distributed in the Fifth District (plus the "Panhandle" counties of West Virginia); \$11,836,000, *i. e.*, 10.60%, in Georgia, Florida and Alabama, and \$20,913,000, *i. e.*, 18.72%, elsewhere.

It thus appears that over seventy per cent of the products of Baltimore manufacturers and the goods of Baltimore jobbers are distributed in the Fifth District, another ten per cent go farther south, and less than nineteen per cent elsewhere. That is to say, Baltimore not only does a much larger business than any other city in the Fifth District, but does most of this business in the Fifth District,—the boundaries of which to a remarkable extent coincide with the boundaries of the field of Baltimore's commercial predominance. The magnitude, as well as the geographical extent, of Baltimore's jobbing trade is illustrated by the fact that Mr. Jacob Epstein alone carries 75,000 accounts throughout the South, and John E. Hurst and Company carry 10,000 such accounts. As we shall hereafter have occasion to point out, these ac-

counts represent not only business done, but also credit furnished from Baltimore to the South, principally in the Fifth District.

In the brief filed for Richmond, it is said that Richmond's jobbing business is \$80,000,000. No explanation is given of how these figures are arrived at. To a considerable extent the principal branches of the Baltimore jobbing trade are the same or similar to the principal manufacturers, *e. g.*, clothing, food products, drugs and tobacco. It is fair to suppose that the ratio between Baltimore's jobbing business and that of Richmond is not greatly different from the ratio between their respective manufactures.

TRANSPORTATION—RAILROADS.

The facts are so well known that it is hardly necessary to mention the respective transportation facilities of Baltimore and Richmond. The three North and South trunk lines through Richmond all run through Baltimore. Baltimore also has the three western trunk lines, the Pennsylvania, the Baltimore & Ohio, and the Western Maryland (which connects with the New York Central System, and of which Baltimore is the terminus). Through its connection with the Pennsylvania and the Southern, the Chesapeake and Ohio also runs direct trains through Baltimore. Through the Baltimore & Ohio and the Western Maryland, Baltimore connects with the Norfolk and Western, and thereby has direct communication with the Shenandoah Valley in Virginia itself, with which region Richmond has no direct communication.

BOAT LINES.

In water transportation, the only comparison between Baltimore and Richmond is the comparison between a great

Atlantic seaport and an inland city, on a stream of great historic interest, but of no commercial consequence since the seventeenth century. Baltimore has eighteen miles of water front suitable for docking purposes (including $6\frac{3}{4}$ miles in the main inner harbor, $3\frac{1}{2}$ miles on the Middle Branch within technical city limits, and at least 8 miles more adjacent to the city limits, *i. e.*, on the North Shore of the Patapsco down to Point Breeze and on the South Shore to Hawkins Point; not including Sparrow's Point—actually so used—or any other non-contiguous parts of the $22\frac{3}{4}$ miles of water front, in the river approach to the city limits, under the jurisdiction of the city authorities and open to still greater development). It has 160 wharves in the main harbor, with 145,700 feet—say $27\frac{3}{4}$ miles—of frontage of wharf room. Adding this amount of wharf frontage to the other water front of the Patapsco River and its tributaries, the total is 120 miles of water front—developed and undeveloped. [Annual Report of Harbor Board for year 1913.] Of this wharfage the City owns 13 piers with a wharf frontage of 26,385 feet,—5 miles.. Baltimore has spent \$6,161,000 on municipal docks, and has available \$5,000,000 more for extending the system.

Baltimore has seventeen foreign steamship lines, with regular sailings to more than that number of different ports throughout Europe, the British Isles and the West Indies. [Annual Report, Chief of Engineers, 1913, Report of Col. Lansing H. Beach, page 1803.] The number of foreign passengers at the Port of Baltimore increased from 19,720 in 1911 to 29,675 in 1912 and 43,611 in 1913.

The Merchants and Miners Transportation Company, the Baltimore Steam Packet Company (the "Old Bay Line"), the Chesapeake Steamship Company, the Baltimore and Carolina Steamship Company, the New York and Baltimore Transportation Line, and other steamship lines, connect Bal-

timore with Virginia, South Carolina and other southern ports, and also with New York, Philadelphia, Providence and Boston. So far as tidewater Virginia is concerned, Baltimore is thus in direct communication with both the Eastern and Western Shores, while Richmond has practically no facilities for prompt communication with the Eastern Shore and relatively none with the Western Shore.

SHIPPING.

In the Chesapeake Bay and coastwise trade are engaged 942 vessels documented (June 30th, 1913,) at the Port of Baltimore,—more than the number of vessels documented at any other Atlantic seaport, except New York. Adding the number of vessels documented at the Ports of Annapolis and Crisfield, the total number documented at Chesapeake Bay Ports (including Baltimore) is 1,792. In addition to these vessels, nearly all the vessels documented at Virginia and North Carolina ports trade on the Chesapeake Bay, making a total (estimated by the Collector of the Port of Baltimore) of about 4,000 documented vessels trading on the Chesapeake Bay. Most of these vessels, of course, trade at Baltimore.

The total net registered tonnage of vessels entered and cleared, in foreign and coastwise trade, at the Port of Baltimore in the year 1913 was 9,700,075 tons,—an increase of 1,081,219 tons over 1912. The number of vessels, foreign and American, which entered, cleared, arrived or departed, [including vessels not entered or cleared] at the Port of Baltimore during the year 1913, was 26,168; their aggregate net tonnage was 17,383,214; the number of passengers carried, 748,943. [Report, 1914, not yet published, of Col. Lansing H. Beach.]

The commerce, foreign, domestic and coastwise, of the Port of Baltimore during the year 1913 amounted, in freight carried, to a total of 14,781,548 tons, and an aggregate value of \$439,906,468. [Col. Beach, 1914 Report.]

MINING.

Mining is of vast importance in West Virginia, Western Maryland, and elsewhere in the Fifth District. The intimate relation of Baltimore to the mining industry is illustrated, among other ways, by the fact that more than 5,000,000 tons of coal are shipped (in coastwise and foreign trade) from Baltimore annually. [Figures received February 6th, 1911, from the Bureau of Statistics of the Department of Commerce and Labor show a total of 4,875,609 long tons (*i. e.*, 5,460,682 short tons) for the year 1910. We understand that the Department has not continued similar statistics as to coastwise shipments for subsequent years. During the same year (1910), according to the records of the Western Maryland, Pennsylvania and Baltimore and Ohio Railroads, the total coal tonnage into Baltimore was 6,576,672 tons,—indicating consumption of more than 1,000,000 tons in Baltimore. As the above total of shipments for 1910 includes only 496,664 long tons (*i. e.*, 556,263 short tons) of exports, while the exports for 1913 amounted to 873,413 short tons, the increase in exports alone, without any allowance for increase in coastwise shipments, would bring the total shipments in 1913 up to 5,777,832 tons.] Almost all of this coal is shipped by companies managed and largely owned in Baltimore, including the Consolidation Coal Company, one of the largest coal companies in the United States, which has its principal mines in Maryland and West Virginia, and makes shipments from Baltimore all along the Atlantic Coast, and also to Europe, Africa, South and Central America. Exports of coal from the Port of Baltimore in the calendar year 1913 amounted to \$2,350,275 (873,413 tons).

FISHERIES.

Baltimore is the natural center of distribution of the products of the Chesapeake Bay fisheries, not only those in Mary-

land, but largely those in Virginia. It is the leading city in this country in the oyster packing industry. Richmond has no business of this kind.

FOREIGN COMMERCE.

During the calendar year 1913 the domestic exports from the port of Baltimore amounted to \$117,269,378, imports \$35,553,514. Richmond has no exports or imports at all. Exports from Baltimore amount to fifty per cent more than exports from Philadelphia.

Almost twice as much corn is exported from Baltimore as from Boston, New York and Philadelphia combined. The total amount of wheat, corn and oats exported from Baltimore is over three-fourths of that exported from New York and substantially equal to the total amount exported from Boston and Philadelphia combined. [See detailed figures (1913), Annual Report of Baltimore Chamber of Commerce, for year ending December 31st, 1913, pages 120-121.] The value of exports from Baltimore of grain, hay and mill feed alone for the calendar year 1913 amounted to \$43,384,356 (including \$12,956,706 of Canadian products shipped to Baltimore in bond for export). [Records of Collector of Port.] This represents just so much foreign exchange created in Baltimore for these items alone. It also represents principally business done, not only through Baltimore but in Baltimore. Fully 80 per cent of this grain business is handled by Baltimore merchants and commission men, who either as purchasers or factors practically have to finance payment to the interior shippers for all the grain handled by them, and who then ship from Baltimore on their own account the grain thus purchased, and exported or otherwise disposed of. All these exports of grain from Baltimore thus represent not only exports from Baltimore, but two separate business transactions in and from Baltimore, viz, the pur-

chase of the grain from the inland shipper and the sale of grain to the foreign buyer. Both of these transactions have to be financed in or from Baltimore. They naturally are or should be financed in Baltimore.

Baltimore has large terminal elevators which can put aboard vessels more than 1,000,000 bushels of grain in a day. For the calendar year 1913, there were received in Baltimore, 70,915,824 bushels of grain (including 12,815,484 bushels shipped in bond and exported), and 2,086,097 barrels of flour (including 82,516 bushels in bond for export), which, together with hay, straw and mill-feed handled, aggregated a value of \$68,000,000. Taking into consideration other branches of the commission business not reflected in any of these figures (such as the handling of truck and fruits from the Atlantic seaboard and the West Indies, including, for instance, bananas, for which Baltimore is the largest market in this country), \$100,000,000 would be a conservative estimate of the annual volume of grain and commission business in Baltimore.

The opening of the Panama Canal will necessarily greatly increase Baltimore's foreign commerce. The recent, still progressing, growth of trade between the United States and South America will, both before and after the opening of the canal, have the same effect. Baltimore's geographical position is, with respect to trade through the canal or with any part of South America, more favorable than that of any other city on the Atlantic Coast. Baltimore has a double advantage over New York, Philadelphia and Boston alike. The distance by sea to the canal or to South America is shorter from Baltimore than from any of these other cities. The distance by rail is similarly shorter (with correspondingly lower freight rates) from Baltimore to the West, to the Great Lakes,—Chicago, Cleveland, Buffalo and other Lake Ports,—and to the whole great coal, iron and steel region from West Virginia and Pittsburg to the Lakes. Baltimore is thus *the* Atlantic Seaport—the junction point for transshipment—

on the shortest rail-and-water lines of communication between the Middle West and South and Central America, as well as the Pacific Coast and the Orient.

BANKING.

The relative volume of banking transactions, as indicated in clearing house exchanges, in Richmond and in Baltimore is as follows:

	<i>Baltimore.</i>	<i>Richmond.</i>
Clearings for year ended September 30th, 1913.....	\$2,011,447,000	\$411,507,000
Clearings for year ended September 30th, 1912.....	\$1,878,324,000	\$424,316,000
Increase.	\$133,123,000	
Decrease.		\$12,809,000

(Report of Comptroller of Currency, 1913, page 788.)

Deposits and banking resources in Baltimore not only bear substantially the same relation to deposits and total resources in Richmond, but actually exceed the total of deposits and resources in the whole State of Virginia. This is shown by the following condensed statement of resources and liabilities of all reporting banks in Baltimore, Richmond and the whole State of Virginia (*including Richmond*), respectively, on October 21st, 1913 (the latest date for which published figures as to Virginia State banks are available). The figures for Virginia are published in the 1914 Report of the Banking Division of the State Corporation Commission (including abstract published by the Comptroller of the Currency as to National banks). The figures for Richmond were obtained from the same report (as to State banks) and from the Comptroller's office and statements published in Richmond news-

papers as required by law (as to National banks). The Baltimore figures were taken from the Comptroller's published abstract and the Maryland State Bank Commissioner's office (all published in newspapers as required by law):

<i>Resources.</i>	<i>*Baltimore.</i>	<i>Richmond.</i>	<i>Virginia.</i>
Loans and discounts.....	\$113,869,125	\$47,574,477	\$169,851,246
Investments, bonds, securities, etc.	128,031,937	8,730,538	29,864,312
Cash on hand and due from banks and bankers.....	39,929,973	14,815,997	42,527,987
All other resources.....	16,033,542	3,743,015	12,791,471
Total resources.....	\$297,864,577	\$74,864,027	\$255,035,016
<i>Liabilities—</i>			
Capital stock	\$23,492,300	\$10,250,437	\$31,395,417
Surplus and undivided profits	32,929,507	8,383,971	25,389,599
Individual deposits	185,901,434	35,704,121	151,526,522
United States deposits....	3,983,772	874,698	2,593,143
Postal savings deposits....	34,755	11,069	116,019
Due to banks and bankers..	37,861,201	12,634,413	19,176,614
All other liabilities.....	13,661,608	7,005,318	24,837,702
	\$297,864,577	\$74,864,027	\$255,035,016

*[Including 16 mutual savings institutions as of December 31st, 1913, the nearest date obtainable.]

The general ratio of about five to one thus prevails with respect to deposits, and a ratio of four to one with respect to total resources. Capital surplus and undivided profits of Baltimore banks amount to three times the same item for Richmond banks. The smaller ratio between capital, surplus and undivided profits but illustrates the fact that the business of banking is transacted primarily with the money of depositors, not with the money of stockholders. Capital and surplus are practically only a margin of safety to depos-

itors. When a bank has reached a certain size and strength it is no longer necessary to increase capital and surplus in proportion to increase of business. Baltimore banks are on an average larger than Richmond banks. This condition indicates the basis of the statement by the Honorable Carter Glass that "in capital and surplus of national banks per capita Richmond exceeded New York, Chicago, St. Louis, Boston and every other applicant city having a population of as much as 80,000, except the City of San Francisco and one other" (Congressional Record, page 7728). That is to say, proportionately capital and surplus is a larger item with country banks than with banks in large cities. Thus Table F, appended to the decision of the Organization Committee, shows that the average capital and surplus of each of the fifty-five banks and trust companies in Baltimore was about fifty per cent more than the average capital and surplus of each of the twenty-six banks and trust companies in Richmond, but the per capita capital and surplus of the Richmond banks and trust companies was \$131 against \$85 for Baltimore. On the other hand, the per capita individual deposits in Baltimore were \$341 against \$277 in Richmond.

The distribution of banking resources among various kinds of banks is also different in large cities from the distribution among country banks. Greater specialization prevails in the larger cities. In Richmond there are no mutual savings banks, but national banks, like most country banks, do a savings bank business. National banks dominate the banking business in Richmond. In Baltimore the mutual savings banks occupy a strong position and the trust companies play a much more important part than they do in Richmond.

The following figures, showing capital, surplus and undivided profits, individual deposits and total banking resources, indicate the different distribution of banking business and resources in Baltimore and Richmond and the greater specialization in Baltimore:

CAPITAL, SURPLUS AND UNDIVIDED PROFITS.

	<i>Baltimore.</i>	<i>Richmond.</i>
National banks.....	\$22,243,508	\$11,003,596
State banks, trust companies and stock savings banks.....	25,906,341	7,630,812
Mutual savings banks.....	8,271,958	.....
Total.	\$56,421,807	\$18,634,408

INDIVIDUAL DEPOSITS.

	<i>Baltimore.</i>	<i>Richmond.</i>
National banks	\$43,701,142	\$26,957,490
State banks, trust companies and stock savings banks.....	47,771,901	8,746,630
Mutual savings banks.....	94,428,390	.....
Total.	\$185,901,433	\$35,704,120

TOTAL BANKING RESOURCES.

	<i>Baltimore.</i>	<i>Richmond.</i>
National banks	\$114,973,461	\$57,056,235
State banks, trust companies and stock savings banks.....	80,183,110	17,807,791
Mutual savings banks.....	102,708,005	.....
Total.	\$297,864,576	\$74,864,026

In the effort to find a comparison between Baltimore and Richmond unfavorable to Baltimore, the Honorable Carter Glass and the Organization Committee compared certain figures, not *for all* banks in *Richmond* and *Baltimore*, but for *national* banks alone in *Virginia* and *Maryland*, thus ignor-

ing all the banks and trust companies in Baltimore except national banks and apparently assuming that Richmond includes the whole State of Virginia. As a matter of fact, as we have already pointed out, the total banking resources and the deposits of all kinds in Baltimore banks exceed the resources and deposits of all the banks in the State of Virginia.

ECONOMIC DEVELOPMENT.

Besides its ordinary current banking business, Baltimore is the most important reservoir from which is supplied capital for permanent investments in the economic development of the South, including especially the portions of the South included in the Fifth District. The relation of Baltimore to the South and to the District in this respect is almost too well known to admit of discussion. The Baltimore trust companies (which the Organization Committee and the defenders of its action would ignore in comparing the banking resources and activities of Baltimore and Richmond) have been developed largely to provide a channel for this regular flow of capital from Baltimore seeking investment in the South. Of the three railway trunk lines through Richmond two, as is well known, were developed mainly through Baltimore capital, and Baltimore is still the principal seat of the fiscal operations of the Atlantic Coast Line and to a lesser extent a seat of such operations of the Seaboard Air Line. Parts of the Southern Railway system were also originally financed in Baltimore, and the fiscal agency for the payment of interest on some of its underlying securities is in Baltimore. There are still owned in Baltimore very large interests in all three of these railroad properties.

The cotton milling industry itself has been largely developed in the South through Baltimore capital. In the North and South Carolina cotton mills particularly is invested a large amount of Baltimore capital.

This flow of capital from Baltimore to the South is a constant flow. Many of the Southern enterprises, like its trunk lines, which have since, with the trend towards consolidation, passed more under the influence of New York control, were originally financed from Baltimore. After control of Southern enterprises has passed from Baltimore to New York, new Southern enterprises are being developed by Baltimore capital when New York capital is not readily obtainable in the early stages of such industries.

The "Manufacturers Record," in a carefully prepared article, filed as "Exhibit No. 9" with the brief for Baltimore with the Organization Committee, says that a fair minimum estimate of the amount of Baltimore capital invested below the Potomac is \$200,000,000, and shows \$23,167,016 invested by three Baltimore savings banks alone in ten southern States, *not including Maryland*, but including all the other States in the Fifth District, and also Kentucky, Georgia, Florida, Alabama, Tennessee and Mississippi. The greater part of this amount undoubtedly represents investments in the Fifth District.

Just as the commercial business done by Baltimore through the Fifth District and the South in the distribution of its manufactured products and the goods sold by its jobbing houses creates a uniform flow of business (so far as payments and liquidation of credits is concerned), from the South to Baltimore as a center, so the permanent investments of Baltimore capital in the economic development of the South create a similar flow of payments from the South to Baltimore, comprising regular disbursements of interest and dividends from Southern enterprises which have their fiscal agencies in Baltimore, where they were originally financed. Three Baltimore trust companies alone act as fiscal agents in the payment of interest on about \$200,000,000 of securities of corporations in the Fifth District, making annual interest payments aggregating about \$10,000,000 per year. Of this amount only about one-fourth represents local companies operating in Maryland alone.

This flow of capital from Baltimore for permanent investment in the South, with the resulting smaller flow of interest and dividend payments through Baltimore, has no parallel in Richmond, as there is no accumulation in Richmond of capital seeking permanent investment in the Southern states. The Richmond banks no doubt satisfactorily handle the ordinary routine banking business of their immediate locality and to some extent of the Carolinas. It is to Baltimore, however, that the region, including Virginia itself, very largely looks for permanent outlay of capital in new economic development.

GOVERNMENT RECOGNITION OF BALTIMORE AS A FINANCIAL CENTER.

There were created by statute *ten* subtreasuries of the United States, all of which still exist except that at *Charleston*, which was discontinued in 1876.

These are at the following cities, in most of which regional banks have been designated by the Committee (6 Fed Stat. Anno. 541):

1. Boston	Regional Bank.
2. New York	" "
3. Philadelphia	" "
4. St. Louis	" "
5. San Francisco	" "
6. Chicago	" "

Thus there are six cities where subtreasuries were located and regional banks designated.

7. Baltimore	No Regional Bank.
8. New Orleans	" "
9. Cincinnati	" "

The remaining three cities where subtreasuries are located have no regional banks, and among these cities we again have *Baltimore* and *New Orleans* discriminated against.

GENERAL.

Necessarily it is impossible to give definite figures for many branches of business which go to make up the total business in a large city, especially the more localized branches of business. Baltimore, in its department stores, as well as its older and other more specialized stores, does a large retail business, not only with the residents of Baltimore and its suburbs, but with shoppers from adjoining cities and States. Doubtless Richmond also has similar business sufficient to meet its local needs. There is at least nothing to indicate that in such branches of business the ratio between Richmond and Baltimore is less than the prevailing ratio of five to one which exists with respect to population and other branches of business.

It cannot be too strongly stated that before the action of the Organization Committee no one ever thought of comparing Richmond with Baltimore, or questioning the commercial and financial pre-eminence of Baltimore in what has now been made the Fifth District. On the contrary, at the public hearings before the Organization Committee, Mr. Seay, the principal spokesman for Richmond, and the author of the Richmond brief, as well as others selected from the throng to voice their preferences for Richmond, when pressed first by the Secretary of Agriculture and later by the Secretary of the Treasury to compare figures for Richmond and Baltimore, admitted their inability to do so. (Testimony, pages 860, 861, 871.)

If Richmond ever suggested that it be made the reserve city in a district including Baltimore, the suggestion was not made publicly, or through any channels equally open to

Baltimore. The remarks of the Honorable Carter Glass (copied by the Organization Committee, or *vice versa*) are pure afterthought, in defence of a preference of Richmond over Baltimore so gross and indefensible that before this preference was given by the Organization Committee, Richmond itself did not dare ask it,—at least not publicly.

The astute and energetic public campaign conducted for Richmond displayed a constant recognition of two facts, first, that in a district including Maryland and Virginia, Baltimore is the natural reserve city; second, that in a district not including Maryland, but including Virginia and southern states as far as Georgia, Richmond and Atlanta, two enterprising cities (which were not reserve cities) of about the same size, would be natural rivals for designation. These two facts were thus dealt with:

1. The natural pre-eminence of Baltimore over Richmond was met by a determined effort for the apportionment of a district *lying entirely south of the Potomac River*. Throughout the Richmond brief and the statements at the public hearing by the advocates of Richmond, emphasis is laid on the assertion that "Nature had mapped out" a district with the Potomac River as a natural northern boundary.

2. The claims of Atlanta, (which was principally feared by Richmond) were met by the argument that the course of business is from the south northward, and that for this reason Richmond could serve, not only Virginia, but even South Carolina better than could Atlanta, which is geographically nearer. This second argument is so obviously an argument for Baltimore that it but emphasizes the recognition by Richmond of the pre-eminence of Baltimore over Richmond.

In a word, Richmond recognized that, without an utter disregard of the convenience and customary course of business, it was impossible to subordinate Baltimore to Richmond.

Concluding, therefore, that Baltimore could not be so *subordinated*, Richmond sought to *exclude* Baltimore, putting it in a district with Philadelphia or New York as the reserve city. This was Mr. Seay's method of dealing with Baltimore (Testimony pages 862-3). Other direct or indirect references to Baltimore in the Richmond brief are made merely in support of Richmond's fundamental proposition that Nature had laid off a district bounded on the north by the Potomac River.

- (b) A DUE REGARD TO THE CONVENIENCE AND CUSTOMARY COURSE OF BUSINESS, WITHIN THE CONTEMPLATION OF THE FEDERAL RESERVE ACT, MEANS A DUE REGARD TO THE CONVENIENCE AND CUSTOMARY COURSE OF **ALL** BUSINESS, COMMERCIAL, FINANCIAL AND INDUSTRIAL, AND REQUIRES THAT THE NATURAL COMMERCIAL CAPITAL OF A DISTRICT BE DESIGNATED AS THE FEDERAL RESERVE CITY IN SUCH DISTRICT.

In its statement under date of April 10th, the Organization Committee said:

"The committee realized that the division of the country into districts was far more important and complex than the designation of the reserve cities, and that the latter duty was subsidiary and relatively simple, waiving considerations of local pride or prestige. In arranging the districts the consideration of the character and growth of industry, trade and banking, no less than the traditions, habits and common understandings of the people was much more intimately involved." (page 17.)

The Committee then proceeded to announce that "comparatively few people realized, or seemed to realize, what the Act was intended to accomplish; what the nature and

functions of the reserve banks were to be; and how little change would occur in the ordinary financial relations of the communities, the business establishments and the individual banks;" and that critics of the decision of the Committee do not know "that the Federal reserve banks are bankers' banks and not ordinary commercial banks;" and that "the ordinary every-day banking relations of the community, of business men and of banks will not be greatly modified or altered." (Pages 17-18.)

If by all this the Committee merely means that no act of the Organization Committee—or of Congress itself—can make Richmond the commercial equal of Baltimore, or reverse the natural positions which Richmond and Baltimore occupy in the commercial world, we fully agree with the Committee. Undoubtedly, "every city can continue to do business with individuals, firms or corporations, within its own limits, or in its own region, or in any part of the Union or the world in which it has heretofore done business." If, on the other hand, the Organization Committee is of the opinion that it is immaterial to the accomplishment of the purposes of the Act and the performance of the functions which the Federal reserve banks are designed to perform, what city in a given district is designated as the Federal reserve city,—then we respectfully submit that the Committee itself does not understand what the Act was intended to accomplish and has wasted the time and money which has been consumed under the authority from Congress "to employ counsel and expert aid, to take testimony, to send for persons and papers, to administer oaths, and to make such investigation as may be deemed necessary by the said Committee in determining the reserve districts, and *in designating the cities within such districts where such Federal reserve banks shall be severally located.*"

Banks are located and business is done not in districts, but in cities. The designation of Federal reserve cities is

mentioned in the Act, before the division of the country into districts, as obviously the fact of prime importance in the apportionment of the districts themselves.

Banking is essentially an ancillary business—"the servant of commerce." It occupies substantially the same relation to other business which money and currency occupy to other commodities. Money (except for the limited commercial uses of gold and silver) is of no value in itself. It is an indispensable medium in the distribution of all other commodities. Banking (except certain historic but practically obsolete functions) cannot exist apart from other business. At the same time practically no other business can exist without the aid of banking. This is commonplace.

What is true of banking generally is equally true (though apparently not equally obvious) with respect to the Federal reserve banks. The Federal reserve bank system is pre-eminently *not* a system complete in itself apart from our existing banking system. On the contrary, it is superimposed upon the whole existing system, presupposes the continued existence of the present system, and especially seeks, as far as possible, *to unify into one system all existing banks, both state and national*, together with the new Federal reserve banks, which are intended to constitute the nucleus, or, more properly speaking, the governing part of the unified system. With this determination to unite the Federal reserve banks with existing banks in an integral whole, Congress combined a second purpose (clearly manifested throughout the Federal Reserve Act), not to disturb existing conditions more than is absolutely necessary. Throughout the Act, Congress repeatedly displays (1) its determination to compel the establishment of the new system and such changes in the present system as are necessary for that purpose, and (2) its determination not to disturb existing conditions unnecessarily.

Without undertaking a minute review of the provisions of the Federal Reserve Act, with which this Board is familiar, it may be said that a cardinal feature—if not *the* cardinal feature—of the new system is its comprehensiveness. The present banking system had been found inadequate. It had been found to create an artificial concentration of the money of the whole country in New York City (and to a lesser extent in Chicago). This concentration, it has been thought, made the banking system too dependent upon speculation in the stock market and too little adapted to meet the more strictly commercial and agricultural needs of the country. Congress set out to correct these conditions, not, however, primarily by forbidding the practices which had been deemed undesirable, or unduly prominent in our banking system, but mainly by expanding the system and providing new (and supposedly more efficient) channels by which the money and banking resources of the country might naturally flow towards commercial transactions, as distinguished from speculation in stocks.

Besides compulsory membership in the new system, the Federal Reserve Act makes but one compulsory change from existing conditions. Banks can no longer (after the expiration of three years) keep part of their reserves with other banks as reserve agents, but must keep such reserves as are not kept in their own vaults with the Federal reserve banks alone. With this exception (and the further exception of changes in administrative details), the not infrequent changes made by the Federal Reserve Act in the existing status of banks, state and national, are all in the nature of enabling provisions giving to existing banks greater powers and a broader field of possible business than they now possess. The development of these new fields of activity, or the expansion of existing business in directions now not fully developed, is necessarily expected to result, to a considerable extent, in a deflection, into these new fields, of part of the money

and banking credit now employed in stock exchange dealings. The important fact is, however, that these expected changes Congress has left (with the single exception above referred to) entirely to the course which business will naturally take when new channels have been opened and artificial barriers have been removed, and not to prohibitions of existing business or to compulsion in the development of the new activities. Thus the *exercise* of the facilities for re-discounting and for the issuance of Federal reserve notes—the two features of the Act which have attracted most attention on the part of the general public—is optional with the banks. Congress has trusted the natural course of business to flow into the channels thus opened, hitherto unopened or obstructed by artificial barriers. The same is true of the other features, great and small, of the Act. The possibilities of the new system in handling domestic exchange and collections, the new powers of acceptance on the part of member banks in connection with exports and imports, the establishment of foreign branches of existing banks or of Federal reserve banks, the power to loan on farm land—are all instances of *permission* of what is now prohibited, or of the removal of existing barriers, and not of compulsory deflection of business into any particular channel or channels.

The intimate relation between the Federal reserve banks and every other part of the banking system is illustrated by the treatment of State banks and trust companies in the Federal Reserve Act. This treatment strikingly illustrates the comprehensiveness of the Act. In practice State banks and trust companies already bear a rather loosely defined relation to the national banks as parts of one general system. This relationship is, however, mainly extra-legal. The new Act deals directly with State banks and trust companies, authorizes them formally to become members of the new system, and recognizes that, whether members or not, all the banking institutions in the country are to a certain extent

to be regarded as parts of one system. The comprehensiveness of the Act in this respect is well illustrated by the provision in Section 20 that "no member bank shall act as the medium or agent of a non-member bank in applying for or receiving discounts from a Federal reserve bank under the provisions of this Act, *except by permission of the Federal Reserve Board.*" Instead, therefore, of a flat prohibition even against non-member banks availing themselves of the peculiar advantages which the new system is expected to provide for its members, Congress leaves this matter to the discretion of the Federal Reserve Board, so that, if the Board in its discretion shall see fit to permit, those legally non-members of the new system may practically occupy a sort of subordinate or associate membership in the system, somewhat analogous to the relations which now exist between a clearing house and non-member banks and trust companies.

In view of the comprehensiveness of the new system, of the predominance in this new system of the Federal reserve banks, and of the necessarily intimate relations between the Federal reserve banks and all other parts of the unified system, it is impossible that the designation of the Federal reserve cities, *i. e.*, the location of the Federal reserve banks, can be unimportant. As well might it be said that the banks of New York City might be moved to Syracuse, those of Philadelphia to Harrisburg, those of Baltimore to Hagerstown, without inconvenience or disturbance of the customary course of business. Banks must be located where the commerce to which banking is an ancillary aid is located. In the case of the Federal reserve banks, this is equally important (1) where the Federal reserve bank deals with the public first hand as its customers (*e. g.* in "open-market operations") and (2) where it deals with the public second hand through existing banks (*e. g.* in rediscounting). The natural course of business has located existing banks where existing business is and goes. A due regard to the natural course of

business requires that the Federal reserve banks be located by law where Nature has already located both the business and the banks.

The Organization Committee observes "that the Federal Reserve Banks are bankers' banks and not ordinary commercial banks." To a limited extent this is true; not, however, in the sense that the Federal reserve banks are a peculiar kind of banks set apart from the other banks to do a peculiar kind of banking business. The Organization Committee continues (speaking of the Federal reserve banks) that "they are to hold the reserves and to clear the checks of member banks, make rediscounts for them and *engage in certain open-market operations.*"

With, perhaps, a more accurate sense of proportion, it might fairly be said that the Federal Reserve Banks are banks vested (1) with *special powers* of great importance not vested in other banks, and (2) with *general power* to conduct all branches of the business of banking, *except* that, in transactions with the public, they may not perform certain important but routine functions of ordinary banking, which are expressly or by implication reserved to the member banks belonging to the same united system.

Consciously or unconsciously, the Organization Committee in no case, except in the Fifth and Sixth Districts, has failed to locate the Federal reserve bank in the principal city in the district. In every other case it has shown due regard to the convenience and customary course of business by designating the principal city in the district—the natural commercial capital of the district—as the Federal Reserve City. Boston, New York, Philadelphia, Cleveland, Chicago, St. Louis, Minneapolis, Kansas City and San Francisco, are each the largest city and the natural commercial capital of their respective districts,—though in so designating Kansas City, New York and San Francisco, the Committee cast to the winds the supposed geographical considerations upon

which afterthought has laid so much stress in the defence of the selection of Richmond, and in so designating Cleveland both the objection to a city on the edge of a district and the alleged wishes of member banks (not mentioned in the Act but much discussed by the Organization Committee), are alike ignored. [In the Eleventh District, the difference in population between Dallas (92,104) and San Antonio (96,416) is negligible. Dallas is, therefore, no exception to the rule of selecting the largest city in each district. As a reason for the selection of Cleveland, the Committee itself says that Cleveland is the *sixth largest* city in the United States. Whether this is *substantially* true (*i. e.*, whether, allowing for suburbs, etc., Cleveland is really a larger city than Pittsburgh), we do not, of course, undertake to say. We call attention to the *standard*,—in this instance expressly recognized by the Committee; with mere accuracy or inaccuracy of detail in there *applying* the recognized standard we have no concern.]

In the Sixth District (where, the Committee says, "the course of business is not from the Atlantic Seaboard towards New Orleans" [page 19]), New Orleans (population 339,075) is passed over in favor of Atlanta (population 154,839), which is a little less than half the size of New Orleans. Nothing in the circumstances with respect to the Sixth District can, however, compare with the Committee's titanic effort in the Fifth District to reverse the customary course of business and subordinate not one but *two* large cities (in the northern part of a district in which the course of business is from the south northward) to a smaller city which is a mere way station on the customary course of business towards its natural center at Baltimore.

In the Fifth District the Committee has undertaken to turn the course of business backward to a comparatively small interior city from *two* large cities, one about three times, the other about five times the size of the city designated, *either* of

these much more convenient to *both* than Richmond is. There need be no wonder that Richmond never uttered aloud a request that the Committee (required by law to pay due regard to the customary course of business) subordinate both Baltimore and Washington to Richmond.

The Committee say that "it seemed undesirable to place a bank in the extreme northeastern corner or at Baltimore." (Page 24.) This, however, is the rule and not the exception in the Committee's own action. Trade tends towards the oceans, the lakes and the great rivers, and the large cities, therefore, grow up there. The Committee gave regional banks to the following cities, although they were *on or near the edge of the district* and not geometrically at or near its center:

Boston, New York and Philadelphia, on the Atlantic, or rivers running into it.

San Francisco, on the Pacific.

Cleveland and Chicago, on the lakes.

St. Louis, on the Mississippi River.

Here are seven cities of the twelve (besides Kansas City, which makes eight) on the very edge of the districts in which they are placed.

Practically on the edge of its district is also Minneapolis.

There are only three cities that are at all near the geometrical center of their respective districts:

1. Atlanta.
2. Richmond.
3. Dallas.

In the book of Thomas Conway, Jr., and Ernest M. Patterson, of the School of Finance and Commerce of the University of Pennsylvania, on "The Operation of the New Bank Act," written before the action of the Reserve Bank Organization Committee, the authors discuss the claims of various cities for reserve banks, and give the then current opinion. They say (page 33):

"Perhaps a few words should be said concerning the present rivalry between the cities that are eager for reserve banks. It seems to be generally conceded that New York and Chicago will be on the list because of their location and their financial prominence. San Francisco and New Orleans come next, but upon the rest of the number there is no consensus of opinion. Boston, Philadelphia, Baltimore and Washington are asking for recognition in the East; Atlanta and Houston (Texas) are mentioned for the South; St. Louis, Kansas City, Memphis, Cincinnati, Cleveland and Minneapolis in the Middle West, with Denver, Los Angeles and Portland (Oregon) in the West. Still others have been suggested, but most of the discussion centers around the ones named. Only the most careful sifting and weighing of the mass of evidence that will be presented will make a proper choice possible. The Committee is authorized to employ counsel and expert aid, to take testimony and in other ways to conduct such investigations as may be deemed necessary."

In this forecast are ten of the cities actually chosen, to wit, Boston, New York, Philadelphia, Cleveland, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City and San Francisco, whilst the other two actually designated by the committee, to wit, *Richmond*, which was designated in place of *Baltimore*, and *Dallas*, which was designated in place of *New Orleans*, are not even mentioned. So far as there was any serious discussion representing the trend of public opinion prior to the action of the Committee, it was in favor of Baltimore or Washington, as against Richmond, and New Orleans, decidedly as against Dallas.

It is very significant that in this expression of public opinion prior to the action of the Committee, Richmond and Dallas are not even mentioned, whilst both Baltimore and New Orleans are placed among the possibilities. This, of course, was because if the Districts were formed as they are now, the public well knew that Baltimore would be the finan-

cial and trade center of the district, its dominating commercial city.

The New York Journal of Commerce, edited by Dr. H. Parker Willis, the reputed author of the new Federal Reserve Act, in an editorial on April 17th, 1914, thus tersely stated why Baltimore and not Richmond should have been designated as the Federal Reserve City in the Fifth District:

"THE BALTIMORE PROTEST.

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. They show by figures that in population, in manufacturing industry, in trade and in banking resources and operations, Baltimore is just about five times as important as Richmond. The location of a reserve bank should be determined by these factors and not by territorial position. 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 facilities throughout the district are far better than those of Richmond. What the Federal Reserve Act absolutely requires is that 'the districts shall be apportioned with due regard to the convenience and customary course of business,' and that has obviously not been done in the case of the Fifth District. It certainly has not been observed in locating the reserve city.

It was contended at the Baltimore meeting of protest, apparently upon good evidence, that the Organization Committee in its defensive statement did not fairly represent the facts. 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. Baltimore evidently never dreamed of being tagged upon one with its reserve bank at Richmond or it would have made itself heard then.

The resolutions adopted at the Baltimore meeting call for a rehearing by the Organization Committee and, failing that, for an appeal to the Federal Reserve Board, yet to be appointed. Fortunately that board will have power to readjust the districts, though the committee has taken care to give it no chance to change the number, having already fixed it at the maximum. There will be need of a good deal of readjustment before the reapportionment will have due regard to the convenience and customary course of business, which the law requires."

Thereafter, the Richmond Committee put their case before the Journal of Commerce in a letter which evoked the following editorial reply, on April 24th:

"CUSTOMARY COURSE OF BANKING BUSINESS.

We have received from the Richmond Committee, which worked so energetically and successfully for the location of a Federal Reserve Bank in that city, a communication contesting our view that 'the convenience and customary course of business' would have been better served by locating that institution at Baltimore for the district as it was laid out, on account of the superior banking connections and facilities of that city and the greater flow of exchange transactions to and from it. The committee submits certain maps and diagrams as well as figures to sustain its contention that Baltimore, at one corner of the district as designated, has not better 'means of ready and rapid communication for purposes of exchange and banking facility throughout the district' than Richmond. These illustrations relate in part to a district which was originally proposed to the Organization Committee, and which included Georgia and Florida. It gives lines of distance and time for mail communication and figures relating to the number of banks in the region, to show how much more conveniently located Richmond is for banking purposes.

"A large part of the argument seems to us quite irrelevant to the main point in controversy, and it would require more space to go into a close analysis than is worth while. There is a tendency to ignore the distinction between ordinary banking operations and the real functions of the reserve banks. The former are likely to take their customary course in spite of some inconvenience, while the latter may be subject to some unnecessary inconvenience if it proves that the reserve bank is not located with due regard to the convenience and customary course of business. It is not so much a question of area and distances as of distribution and concentration of the actual currents of trade. The Richmond Committee says that in the middle and southern portion of its district as designated, the three States of Virginia, North Carolina and South Carolina have nearly 6,000,000 population and 1,223 banking institutions, while the northern part, in which Baltimore is situated, has less than 3,000,000 population and only 494 banks. It also shows how much more convenient for railroad and mail communication Richmond is than Baltimore to this large portion of the district.

"To our mind this has very little to do with the case. It is not a question of area and distances, or of population and number of banks so much as of density of population within certain areas, volume and character of transactions and number of daily communications to be made. A limited area might be marked out in this city containing a greater population than any one of the three States named, and another in which more commercial and financial business is transacted in a day than in all three of them, while there is only a fraction as many banks in the whole city as in the States which constitute the southern part of the Richmond district. Number of banks has scarcely any relation to the question. A national bank may be organized in most of this district with a capital of \$25,000, and there are few outside of Baltimore having more than \$50,000, with corresponding resources. There are single banks in this city with capital and resources equal to a thousand of the former or five hundred of the latter. The

matter of mail communication is not determined by distance or time of transmission, but by demand for the communication on account of the volume of business served by it.

"However, as we have already said, most of these considerations are apart from the real question, on account of the distinction so often ignored in the discussions between ordinary banking operations and the special function of the Federal Reserve Banks. In the daily transactions of domestic exchange, the drawings and transfers upon deposit accounts and the settling of balances, business will take its customary course regardless of district lines. So far as it is normally drawn to Baltimore, it will go there, and so far as it can be attracted to Richmond it will be diverted to its banks. In that regard the districting is not likely to make much difference. If there is inconvenience or added expense, it will be due chiefly to the requirement for keeping a large part of the reserve of the member banks with the Federal Reserve Bank of the district, and to making them dependent upon that institution for the rediscount of commercial paper.

"It will certainly not be convenient or economical for Baltimore banks to keep the required proportion of reserves against their own deposits in Richmond any more than for those of Jersey City to keep theirs in Philadelphia. There is probably more commercial paper of the kind 'eligible for discount' by the reserve banks handled by the banking institutions of Baltimore than in all that southern part of the district below Richmond and above the district of which Atlanta is made the centre. It seems to us that the location of the reserve bank of this Fifth District at Richmond, however little it may interfere with the convenience and customary course of general banking operations, is likely to exert considerable restraint upon the rediscounting of commercial paper. This may, however, be done for most practical purposes, where its object is not to draw the treasury reserve notes into circulation, without resorting to the reserve banks; and our chief objection to what seems to us to be mistakes of location, is that

they are liable to hamper the working of the new system and deter banking institutions which are not organized under the National law from entering it."

In the May, 1914, issue of the Journal of Political Economy, published by the University of Chicago, it is said, (page 487):

"By making Baltimore, for example, tributary to Richmond, and New Orleans to Atlanta, an injury was done not only to local pride, but also to the convenience and customary development of trade relations."

II.

BALTIMORE IS GEOGRAPHICALLY THE NATURAL LOCATION FOR THE FEDERAL RESERVE BANK OF THE FIFTH DISTRICT.

- (a) THE CUSTOMARY COURSE OF BUSINESS IN THE FIFTH DISTRICT IS TOWARDS THE NORTH AND TOWARDS THE COAST, *i. e.*, TOWARDS BALTIMORE AS THE LARGEST, MOST IMPORTANT, AND ALSO THE MOST NORTHERN, SEAPORT IN THE FIFTH DISTRICT, AND THE POINT TOWARDS WHICH COMMERCIAL PAYMENTS, LIQUIDATION OF BUSINESS TRANSACTIONS AND EXCHANGE NORMALLY MOVE.

The one fact as to the customary course of business in the Fifth District, and, indeed, along the whole southern seaboard concerning which at the public hearings there seemed to be entire unanimity of opinion on the part of representatives of Baltimore and Richmond, advocates of Richmond from North and South Carolina, and apparently the Organization Committee itself, was that the customary course of

business in this region is from the South northward. So far as the relations between Richmond and Baltimore are concerned, the logical consequence of this admitted fact is so obvious that (as we have already remarked) it became a cardinal point in Richmond's case to establish the Potomac River as the northern boundary of the district which should include Richmond. With Mason and Dixon's line as the northern boundary of the district, this conceded fact (on which Richmond properly laid so much stress), irresistibly points to Baltimore as the natural Federal Reserve City of the Fifth District. Mr. Seay, in his testimony before the Organization Committee, before the Committee had questioned him as to the availability of Baltimore, spoke of "an incontestable advantage as the Federal Reserve Bank location" which he said Richmond "being situated at the northern limit of the district" possessed. (Testimony, page 852.)

In the Richmond brief it was properly said:

"It is a fact, certainly applicable to the Atlantic Coast States, that the trend of business, the course of commercial transactions, and the currents of exchange are Northward, or, in other words, from the outside towards the centers of finance and manufacture. This is the natural course of exchanges. * * *

"No act or rule will, however, reverse the natural course of settlements—where the money is due, there it must be paid.

"Virginia, occupying the position of head of the Southern States, places Richmond in direct line with this natural trend, on the principal avenues of travel and transportation.

"The railway lines from the South come into Virginia as into a funnel, Richmond being at the apex—the one line of railway being the tube leading to Washington and points north. She is a natural converging point.

"The overwhelming volume of travel and transportation must go through this point." (Page 7.)

In truth, the overwhelming volume of travel and transportation south of Richmond must go *through* Richmond to Baltimore. In addition to the transportation *from the district which Richmond sought to have apportioned*, the vast volume of business from West Virginia and Maryland (as well as business from Tidewater Virginia and from the western parts of Virginia and North Carolina) comes direct to Baltimore without even passing through Richmond.

The facts hitherto mentioned concerning the amount and distribution of Baltimore's manufactures and jobbing trade, the volume of credits carried both by the banks and the commercial houses of Baltimore in the other parts of the Fifth District, the relation of Baltimore and Baltimore capital to the mining industry in West Virginia and Western Maryland, and the constant permanent investment of Baltimore capital in the district, with the resultant regular flow of interest payments from other parts of the district to and in Baltimore—all combine to produce that natural customary course of business, from the south northward, and from the inland points coastward, to Baltimore, which at once explains and is explained by the fact that Baltimore is so predominantly the commercial and financial capital of this district. What doubtless is true in a small local sense of the course of business from the Carolinas to Richmond (so far as there is any course of business between Richmond and these points), is true in a much larger and more general sense with respect to the course of the great volume of business from all parts of the district to Baltimore. Baltimore is a creditor city. The remainder of the district is, with respect to Baltimore, debtor territory. This situation is in no sense confined to the relations of the Baltimore banks with the other parts of the district, much less of the national banks alone. The great jobbing houses in Baltimore, with their thousands of southern accounts, regularly finance (as Mr. Hurst explained in his testimony before the Organization

Committee [Testimony, pages 765-766, 768-773]) the small southern business men, whose accounts are carried by these Baltimore houses sometimes for the greater part of the year, until with the disposition of the cotton crop these southern buyers are able to liquidate in Baltimore the accounts thus owing and to make the payments thus due in Baltimore. As Mr. Ingle suggested in his testimony (page 805), it is likely that these thousands of southern accounts will, under the new system, form the basis of two and three name paper, discounted with the Baltimore banks, and rediscounted with the Federal reserve bank, instead of being financed (as they now are) directly by the Baltimore merchants—who in turn finance their own operations, either with their own capital or by their own individual credit through loans from their own banks in Baltimore or from New York. Be this as it may, the fact, (which no Federal reserve bank can change), is that these thousands of southern accounts mean thousands of checks flowing from the South to Baltimore in payment and liquidation of accounts owing from the South in Baltimore, and thus constitute the customary northern course of business in the district.

Under the present system, these southern accounts may be paid by checks of the southern debtors, drawn on their local banks (in which event in most cases the checks are sent south from Baltimore for collection and are then paid by the southern banks in New York Exchange), or the southern debtors may in the first instance pay their accounts in Baltimore in New York exchange in the form of checks drawn by the southern banks on their New York correspondents.

Under the new system, this condition will be materially changed. Collections within a district will probably be made through the Federal reserve bank and collections between districts will largely be made between the several Federal reserve banks. When a Baltimore merchant receives a check from a southern customer, drawn on a south-

ern bank, and deposits it with his Baltimore bank, it will no longer be necessary for the Baltimore bank to send this check south for collection, and probably afterwards receive a New York check which will require a second collection to liquidate the one transaction. Instead, the Baltimore bank will deposit the original check in the Federal reserve bank and collection will be made immediately by charging the account against the southern member bank.

To remove the Federal reserve bank from its natural location in Baltimore to Richmond involves no mere question of distance, but an attempt to turn backward the existing course of business. Not only is there in Baltimore five times the volume of local banking transactions that there is in Richmond, but there is flowing to Baltimore a constant stream of payments from other parts of the district, which normally should be liquidated through the Federal reserve bank, and which conveniently can be so liquidated only if the bank is located at the center to which this business moves. To consummate these transactions through a Federal reserve bank at Richmond means that the whole course of this business must be turned backward, that a business day must be lost in mailing to Richmond, from the Baltimore banks, these very checks, many of which on their way to Baltimore have already passed Richmond.

If the Federal reserve bank is located at the natural commercial capital of the district, where in the customary course of business the greatest volume of payments flow, and where also by far the largest volume of local transactions occur, manifestly the convenience of business is best subserved. Thus, and only thus, can be made possible the consummation, on the same business day, of the receipt, deposit and collection of a larger volume of out of town business than flows into any smaller place in the district, as well as the handling of local business five times larger than exists at Richmond or at any other place in the district. Necessarily, wherever

a Federal reserve bank is located, practically one business day will be consumed in all cases (with one important exception in the Fifth District) of transactions between such bank and banks situated anywhere in the district outside of the Federal Reserve City. This cannot be avoided. Ordinarily, only business in or very near the Federal Reserve City itself can be begun and consummated on the same day. Common sense and convenience, therefore, dictate the location of Federal reserve banks at natural commercial capitals, so that the greatest volume of business may enjoy this saving of time resulting from the proximity of the Federal reserve bank to the business. With a Federal reserve bank located at Richmond, all Richmond local business, and also the comparatively small out-of-town business coming to Richmond, could be transacted, by customers with the local banks and by the local banks with the Federal reserve bank, on the same day. With respect to all other business in the district, practically a day would be consumed in communication by mail between the member bank and the reserve bank. With the Federal reserve bank in Baltimore, fully five times this volume of business would be immediately liquidated without the loss of this day, and (except only the business going to Richmond itself), all other business in the district could be handled just as conveniently as if the Federal reserve bank were at Richmond.

The proximity of Baltimore and Washington multiplies the convenience of locating a Federal reserve bank at Baltimore. These two cities are so situated geographically and have such abundant means of communication by railroad and such frequent mail service that they constitute a unique and important exception to the general rule that only the business in a Federal reserve city itself can be transacted with a Federal reserve bank without the loss of a day. Geographically, Baltimore and Washington are practically suburbs of each other, with almost as easy communication as Manhattan

and Brooklyn. With respect to the relative convenience of business, therefore, the difference between locating a Federal reserve bank in Baltimore and locating it at Richmond is practically not merely the difference between locating it in the commercial capital of the district, and locating it in another place one-fifth the size of such capital. The real difference is the difference between locating the bank in a community of a million people and locating it in a place of *one-seventh* that size.

The practical importance of a due regard to the customary course of business and the inconvenience necessarily resulting from a disregard of the course of business were well stated in the testimony of Mr. Levi L. Rue, President of the Philadelphia National Bank and Chairman of the Clearing House Committee of Philadelphia, before the Organization Committee. Mr. Rue's remarks were addressed to the suggestion that a Federal Reserve Bank be located at Pittsburg, although the customary course of business is *from* Pittsburg to the east and northeast, *i. e.*, to Philadelphia and New York. What Mr. Rue said on this point is so manifestly applicable to any proposal to turn backward the course of business, as from Baltimore to Richmond, that we may well quote Mr. Rue's exact words:

"THE SECRETARY OF AGRICULTURE—* * * What would the banks do, do you think, if Pittsburg were made the head?

MR. RUE—I think Pittsburg would be an unnatural location, for this reason. The course of trade is to the east and northeast. The best evidence as to what is the real course of trade is the demand for exchange. That shows the course of trade, where a merchant has to make his settlements. Now Pittsburg exchange is never sought. The fact is it is shunned by—

THE SECRETARY OF THE TREASURY—It does not pass at par? ,

MR. RUE—You make that comment, sir. I simply said shunned. And why is it shunned? Because it is not needed, and no settlements are made in Pittsburg.

THE SECRETARY OF THE TREASURY—But under this situation the exchange will be at par, and so the parring of exchange everywhere will correct that situation.

MR. RUE—But what would be the result, if a Federal Reserve Bank was put in Pittsburg, and the demand for the exchange, if the Philadelphia banks had to throw into Pittsburg, we will say, and all this section towards the west, the business which they get which produces their exchange. Now as I say, the trend of trade is east and northeast.

THE SECRETARY OF THE TREASURY—It would get down to a question of clearance, that is all.

MR. RUE—Exactly. The result would be from a practical standpoint that the banks of this territory which I have outlined there in Section 3, would send their business of that description out to Pittsburg with the loss of a night or a day's mail, to that bank to create reserve in their Federal Reserve Bank. Now what would that Federal Reserve Bank do with it? It would have to send it for collection eastward again, either to a Federal Reserve Bank in New York, or Atlanta or Boston, or wherever you gentlemen may, in your wisdom, locate them. And the merchants of Philadelphia, our reserves being in Pittsburg, say, would have an exchange, which while you say it would pass at par through these other Federal Reserve Banks, would be unnatural, and it would create such a preponderance of exchange against the Federal Reserve Bank at Pittsburg, that it would be a continual debtor to the Federal Reserve Banks of the east, and would require a constant shifting of balances of currency. I do not care how you locate these banks, you cannot overcome the laws of trade.

THE SECRETARY OF THE TREASURY—That is exactly what we do not want to do.

MR. RUE—I know that, I am sure you do not, but you cannot overcome the laws of trade.

THE SECRETARY OF THE TREASURY—That is the reason this is the kind of information we want.

MR. RUE—I understand, and I am trying to explain that you cannot overcome the laws of trade. If you should place a Federal Reserve Bank in Pittsburg to rep-

resent this eastern district, the balance of exchange is always eastward, because there is always the great density of population, and the great consuming powers, and there are the important ports, and settlements have to be made in the east. Now the Federal Reserve Bank in Pittsburg would be a continual debtor to the Federal Reserve Banks on the Atlantic Coast, and would require continual shifting of money to off-set that debit balance.

THE SECRETARY OF AGRICULTURE—Suppose you took exactly the same area, and put it in Pittsburg, instead of in Philadelphia.

MR. RUE—The same situation exists.

THE SECRETARY OF AGRICULTURE—You would have exactly the same amount of banking power?

MR. RUE—You would have exactly the same amount of banking power, but you would be going contrary to the law and trend of trade. The trend of trade is eastward and northeastward, towards the density of population, and the Pittsburg bank, even if you make the district as it is, would be a continual debtor to the east, as it is now, and you would put a great expense on that bank in making credit balance against the tremendous debit that would be coming from the other Federal Reserve Banks in the east, which gets the vast volume of exchange.

THE SECRETARY OF THE TREASURY—Would the difficulty be lessened if Baltimore were made the headquarters, I mean as against Pittsburg?

MR. RUE—Surely.

THE SECRETARY OF THE TREASURY—And so far as Washington is concerned, you think it would not be lessened anything like the same degree as if Baltimore were chosen?

MR. RUE—I think Baltimore and Washington are on a par as far as exchange goes.

THE SECRETARY OF THE TREASURY—Baltimore has a very large foreign exchange?

MR. RUE—Comparatively, sir. I will touch upon that later on.

THE SECRETARY OF THE TREASURY—We do not want to interrupt your argument, but sometimes it elucidates the matter to bring out points as you touch upon them.

MR. RUE—I understand. Banking is the servant of commerce, hence banking facilities must follow commercial transactions. * * *

(Testimony, pages 1036-1040.)

- (b) BALTIMORE, THOUGH NEAR THE NORTHERN END OF THE DISTRICT, IS ACCESSIBLE TO ALL PARTS OF THE DISTRICT, AND IS WITHIN SEVENTEEN HOURS BY MAIL OF PRACTICALLY EVERY CITY IN THE DISTRICT, SO THAT BUSINESS TRANSACTED BY MAIL FROM ANY PART OF THE DISTRICT CAN BE CONSUMMATED ON THE NEXT BUSINESS DAY AFTER IT IS BEGUN. RICHMOND IS FARTHER DISTANT THAN BALTIMORE FROM THE MOST DISTANT CITY IN THE DISTRICT.

A bank does not bear the relation to business which a road house bears to travel. If it did, Trenton and Wilmington would be greater banking centers than New York, Philadelphia or Baltimore, the Bank of England might have its headquarters at Oxford, and the Bank of France somewhere in the chateau country. A bank should naturally be located where the greatest volume of business is, and where consequently the greatest volume of business can be handled with the *greatest convenience*, not at some point where business can *come* with the *least inconvenience* or loss of time. If the selection of a Federal Reserve City in a Federal Reserve District were a mere problem in geometry,—like the location of the center of population—Congress would doubtless have turned this matter over to the statisticians in the Census Department instead of authorizing the Organization Committee “to employ counsel and expert aid, to take testimony, to send for persons and papers, to administer oaths, and

to make such investigation as may be deemed necessary by the said committee * * * in designating the cities within such reserve districts where such Federal reserve banks shall be severally located."

When the committee located a Federal reserve bank at Kansas City, on the very edge of a district, a thousand miles from the other end of the district, it apparently realized that mere distance is a subsidiary consideration, and that the location of the commercial and financial center of a district is very different from the location of the geometrical center. When Congress directed the Committee to pay "due regard to the customary course of business," it was evidently not ignorant of the difference (well known to every country justice or scrivener), between *courses* and *distances*. In other words, the direction in which business naturally flows is more important than the distance it goes.

The consideration of distance is wholly irrelevant in the Fifth District, for the simple reason that *Baltimore is within seventeen hours, i. e., within one business day*, of practically every city in the district. That is to say, business sent by mail to the Federal reserve bank at Baltimore can be consummated on the next succeeding day. Business from Baltimore with a Federal reserve bank in Baltimore can be consummated on the same day. On the other hand, only Richmond business itself, and no business from points outside of Richmond, can be transacted with a Federal reserve bank in Richmond before the next succeeding day. In the case of Baltimore there is not only the greater volume of business in Baltimore, but (as we have already pointed out) the peculiar opportunity for consummating Washington business on the same day. 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. The relative convenience of loca-

tion *in such a district* (though this would by no means be equally true in a district like the Kansas City district, where days have to be counted) depends, therefore, not only primarily, but *solely*, upon the volume of business *at* the Federal Reserve City itself, or (in the case of Baltimore) upon the volume of business of the twin cities of Baltimore and Washington.

Charleston, South Carolina, is the most distant from Baltimore of all the more important cities in the Fifth District. The actual mailing time between Charleston and Baltimore is *seventeen hours*. Charleston and Baltimore are thus well within one business day of each other. For practical purposes, this is exactly the same situation as exists with respect to Richmond and Charleston, though the mailing time between Richmond and Charleston is only twelve hours (See Appendix A).

As a matter of fact, Baltimore is actually nearer than Richmond to the most distant point in the district,—as well as to the greater volume of banking capital, resources and business and general business in the Fifth District. The erroneous assumption that Baltimore is farther distant than Richmond from the distant portions of the Fifth District is a not unnatural result of a superficial view of a map of the district. The assumption is, however, erroneous in at least two respects. First, it confuses geometrical distance with geographical distance, air lines with practical means of communication; in other words, distance in miles with distance in days and hours, which is the business way of measuring distance. Secondly, this assumption overlooks the fact that the greatest distance (in time, by actual means of communication) in the Fifth District is not from north to south, but from east to west. Distance from north to south is greater on the map. This distance is, however, traversed by trunk line railroads which bring Baltimore, at the north, and Charleston, at the south of the district, well within one business day. The western parts of the district are, however,

not only separated from the east by mountains, but, with respect to Richmond at least, have not such direct communication as exists between Baltimore and the south of the district.

The most distant place in the Fifth District which has a national bank is the town of Jonesville, in Virginia, which is reached by mail only by a star route. The actual mailing time between Richmond and Jonesville is 34 hours and 40 minutes. Between Baltimore and Jonesville the mailing time is 31 hours. Jonesville has one bank, with \$32,500 capital and surplus, and total resources less than \$150,000. Needless to say, it is a small and relatively unimportant place. The same is true of almost every place in the district which is more than seventeen hours from either Baltimore or Richmond.

No place of 5,000 or more inhabitants, no place with more than one national bank, no place with aggregate national banking resources of \$250,000 or more, is more than 24 hours distant from either Baltimore or Richmond. The only places of 5,000 or more inhabitants more than 17 hours distant from Baltimore or Richmond are Asheville, N. C. (population, 18,762), 18 hours; Union, S. C. (population, 5,623), 18 hours; Sumter, S. C. (population, 8,109), 19 hours; Anderson, S. C. (population, 9,654), 20 hours 20 minutes, and Newberry, S. C. (population, 5,028), 21 hours 30 minutes, from Baltimore; and Newberry, S. C., 17 hours 30 minutes; Anderson, S. C., 18 hours 20 minutes, and Cambridge, Md. (population, 6,407), 20 hours from Richmond.

On the other hand, Parkersburg, West Virginia, with five national banks (which have total resources amounting to about two-thirds of the total resources of the national banks of Charleston, South Carolina), is 16 hours and 30 minutes by mail from Richmond, and thirteen hours and thirty minutes from Baltimore. The distance from Baltimore and from Richmond, respectively, to the most distant of the more important cities in the district is thus almost the same.

- (c) BALTIMORE, THOUGH FARTHER FROM THE **Geometrical** CENTER OF THE DISTRICT THAN RICHMOND, IS AT THE CENTER OF GREATEST **Density** OF POPULATION AND BUSINESS IN THE DISTRICT, AND IS, THEREFORE, NEARER THAN RICHMOND TO THE GREATER **Volume** OF THE BUSINESS TRANSACTED IN THE DISTRICT, AND TO THE GREATER PART OF THE BANKING CAPITAL AND RESOURCES OF THE DISTRICT, AND IS DIRECTLY IN THE **Course** OF **all** BUSINESS, NEAR OR DISTANT; RICHMOND IS NOT ONLY MORE DISTANT FROM MOST OF THE BUSINESS IN THE DISTRICT, BUT IS OUT OF THE GENERAL COURSE OF SUCH BUSINESS.

As a matter of fact, Richmond, though somewhat nearer the *geometrical* center of the district, is not actually as near the *geographical* center of the *business* of the district. In the business world distance is measured in days not in miles. As we have already pointed out, days—rather than hours or fractions of a day—are important. Even in hours, however, Baltimore is nearer the greater volume and density of business in the Fifth District than Richmond.

Filed as an appendix to this brief, marked "Appendix A," is a complete list of every city and town in the Fifth District which has a national bank, with the number of national banks, the total capital and surplus, and the total resources of such national banks, and also the actual mailing time, calculated by the Chief Clerk of the Bureau of Information and the Assistant Chief Clerk, Railway Mail Service, at the Baltimore Postoffice, between each place and Baltimore and Richmond, respectively. This list was limited to national banks, only for the reason that complete statistics for all banks were not readily obtainable, and would moreover make the list still more voluminous. The inclusion of complete statistics for all banks would bring out more clearly the proximity of Baltimore to the greater volume of banking capital and re-

sources in the district, for the reason that in Virginia (most of which is nearer to Richmond than to Baltimore) national banks are relatively more important and represent a relatively larger part of the total banking resources and business than in any other part of the district, while in Maryland (all of which is nearer to Baltimore than to Richmond) national banks represent a relatively smaller part of the total banking resources and business than in any other part of the district. For example, taking the Comptroller's published figures for June 4th, 1913, the total resources of *all* banks in Maryland, Virginia, District of Columbia, North and South Carolina and West Virginia (without deducting for the Panhandle counties) was \$1,203,247,617, of which the total for Maryland, District of Columbia and West Virginia was \$694,989,798, *i. e.*, 57% of the total for the five States and the District (Comptroller's Report 1913, page 47). On the same date the total resources of *national* banks in the five States and the District was \$579,582,490, of which the total for Maryland, District of Columbia and West Virginia was \$314,397,468, *i. e.*, only 54%. As the complete list in "Appendix A" shows, all of Maryland and the District of Columbia and most of West Virginia is nearer to Baltimore than to Richmond, while all of North and South Carolina, and most of Virginia, is nearer to Richmond.

The list set out in "Appendix A" shows that out of 478 national banks in the Fifth District (on August 9th, 1913), 212 national banks, having an aggregate capital and surplus of \$51,573,570, and resources of \$293,770,622, are nearer by actual mailing time to Baltimore than to Richmond, while 250 banks, with an aggregate capital and surplus of \$49,699,130, and total resources of \$258,518,775, are nearer to Richmond than to Baltimore. Sixteen banks, with an aggregate capital and surplus of \$2,787,000 and total resources of \$14,837,975, are distant the same number of hours and minutes from Baltimore as from Richmond. The

greater *number* of banks nearer Richmond, with much less capital, surplus and resources, is made up largely of very small country banks in the remote parts of Virginia and the Carolinas.

"Appendix B" shows, from the same figures, that the *average distance* in hours from Baltimore to *all the national banking resources of the district* is less than the average distance from Richmond. In "Appendix B" all of the national banking resources in the Fifth District are twice grouped by hours; first by the number of hours from Baltimore; and, second, by the number of hours from Richmond. In each case all of the national banks in the Fifth District fall into thirty-one groups. The first comprises only the resources at a distance of zero from Baltimore to Richmond, respectively, *i. e.*, the resources of the national banks at Baltimore and Richmond, respectively (including those at Canton, Catonsville, Pikesville and Towson, in the Baltimore suburbs, constituting a part of Baltimore itself so far as mail service is concerned). The next group (there being no places between zero and one hour from either Baltimore or Richmond) includes all places not less than one hour nor more than one hour and fifty-nine minutes from Baltimore and Richmond, respectively. The next group includes those places between two hours and two hours and fifty-nine minutes, and so on up to the last groups. In the case of Baltimore the last group (from *31 hours* to *31 hours and 59 minutes*) comprises Jonesville, Virginia, alone; in the case of Richmond, also, the last group comprises Jonesville only, but is the group from *34 hours* to *34 hours and 59 minutes*.

Taking the mean distance (of $1\frac{1}{2}$, $2\frac{1}{2}$ and $3\frac{1}{2}$ hours, etc.) for each group as applicable to all the resources in that group, multiplying the total resources in each group by such mean distance, adding the products thus obtained, and dividing this total by the total resources in the whole district, gives the *average distance* in hours of *all the resources* (of

national banks) in the District from Baltimore and from Richmond, respectively. From *Baltimore* this distance is 7.3 hours; from *Richmond*, 8.1 hours.

The natural course of business is all-important; mere distance is relatively unimportant. This was forcibly illustrated in the testimony before the Organization Committee of those persons from North and South Carolina whom Richmond so cleverly enlisted in its campaign for a Federal Reserve Bank at Richmond. South Carolina is nearer Atlanta than Richmond; most of North Carolina is as near or nearer Atlanta. Nevertheless Richmond succeeded in enlisting the aid of bankers and business men of North and South Carolina. Their reason (which they frankly avowed) for aiding Richmond was that the course of business is from the south north; they wanted to be connected with a bank north of them, not with Atlanta. They greatly feared that Atlanta might be made the Federal Reserve City in a district including North and South Carolina. They looked to Richmond to save them from Atlanta; naturally, they remained loyal to Richmond, when Baltimore was suggested to them. For example, Mr. Rhett, of Charleston, South Carolina, replied that he thought it would be inconvenient to have the bank at a corner of the district. As a matter of fact, Charleston is more distant from Richmond than from Atlanta, but Mr. Rhett and the South Carolina bankers wanted the bank at Richmond for the very reason that they were alarmed at the prospect of being put in the Atlanta district (Testimony, pages 924, 931). Mr. Rhett did not, however, undertake to say that even in South Carolina (where the supposed disadvantage of distance should be most felt) there was a uniform preference for Richmond as against Baltimore. He merely expressed a belief that from 60 to 80 per cent of the banks of South Carolina would prefer Richmond (Testimony, page 928). This estimate (though made by a Richmond partisan) doubtless comes nearer expressing the real *business* judgment

of South Carolina bankers than any mere vote, at a later stage of such a campaign, reflecting, as such a vote must do, sentimental considerations and other considerations evoked by campaigning methods.

Mr. Rhett, however, like Mr. Seay and others from Richmond itself, evidently realized that Baltimore is the natural capital of any district in which Maryland is the most northern State. In advocating Richmond as the Federal Reserve City, he, therefore, left Maryland out of his proposed district. Indeed, his remark (above referred to) as to the inconvenience of having a reserve bank at a corner of a district, was made in reply, not to any mention of Baltimore by name, but to a suggestion from the Secretary of the Treasury: "Suppose you put in Maryland?" That, to Mr. Rhett's mind, meant that Baltimore, not Richmond, must necessarily be the Federal Reserve City.

The following resolution of the South Carolina bankers clearly expresses (1) their *fear* of being placed in an Atlanta district, though Atlanta is nearer South Carolina than Richmond is; (2) their realization that a district with Richmond as the Federal Reserve City must lie *wholly south of Maryland*; and (3) the *importance* of the *course* of business and the *unimportance* of mere *distance*:

"That the banks of South Carolina favor the formation of a north and south district along the Atlantic coast, beginning with the southern boundary of Maryland as its northern limits, and extending from thence, southward. That the banks of South Carolina deem it exceedingly detrimental to their interest and the interests of the State for them to be placed in a district running east and west, with a reserve city located to the west of them, such being inconvenient to them and entirely out of the customary course of their business." (Testimony, page 927.)

The President of the North Carolina Bankers Association said frankly that the North Carolina bankers feared being placed in an Atlanta district.

"I will tell you frankly what we feared. * * * We wished to be connected north of us, as the entire trend of our trade is toward the north. We feel as if it would be almost a calamity to be connected with the points south of us." (Testimony, page 912.)

He added that if "after co-operation with the City of Richmond" it is found impracticable to secure the location of a Federal reserve bank in Richmond, the North Carolina bankers would prefer some other city north of them as second choice, and that personally his second choice was Baltimore. (Testimony, page 913.) This notwithstanding the fact that Atlanta is, of course, nearer most of North Carolina than Baltimore is.

One of the North Carolina bankers thus abruptly expressed his views on the possibility of being connected with Atlanta:

"Should we be connected with a point south of us, we would be connected with a dead end * * *." (Testimony, page 919.)

Another North Carolina banker (who said he spoke for the bankers of the entire State), said that "such a thing as going south of us to borrow money never occurs to any bankers in North Carolina." Whereupon the Secretary of the Treasury remarked: "That perhaps shows you are intelligent bankers in North Carolina." (Testimony, page 918.)

The Organization Committee (apparently trying to save the country banks of North and South Carolina from what they considered the calamity of being connected with a "dead end" south of them, and at the same time to gratify the wishes of the Richmond campaigners), has inflicted upon the business interests of the commercial metropolis of the entire district the very calamity which the Carolina bankers have succeeded in averting, and has attempted to turn back the natural course of business by making the bankers of Baltimore do what the Secretary of the Treasury says the North Carolina bankers show their intelligence by not trying to do.

III.

BALTIMORE IS NOT ONLY THE NATURAL CAPITAL OF BUSINESS GENERALLY IN THE FIFTH DISTRICT, BUT IS ALSO THE NATURAL CENTER OF BUSINESS ACTIVITIES HAVING SPECIAL RELATION TO THE BUSINESS OF FEDERAL RESERVE BANKS.

- (a) BALTIMORE IS A NATURAL RESERVE CITY; RICHMOND, IN THE BANKING WORLD, IS A COUNTRY TOWN AND THE LOCATION OF COUNTRY BANKS.

The only compulsory relation (other than stock ownership) established by law between the Federal reserve banks and the member banks is the deposit of part of the reserves of the member banks. The only business which these new banks *must* have from the time they are established is the keeping on deposit of reserves in an amount gradually increasing up to the permanent amount which will prevail after three years. One of the many causes for astonishment at the selection of Richmond as a Federal Reserve City is that, in a district containing two important reserve cities, Baltimore and Washington, a country town (to use official banking parlance) should be selected as the Federal Reserve City. In this case, the place selected had for almost half a century elected to remain a country town, and *not* to take advantage of the opportunity to become a reserve city, with the privileges of a reserve city and the corresponding obligation, on the part of Richmond's national banks, to keep a larger reserve than is required of country banks.

By the Act of 1864, ch. 106 (Rev. Stat., sec. 5191) the following sixteen cities were made reserve cities under the National Banking Law:

1. Boston	Federal Reserve City under new law.					
2. Chicago	"	"	"	"	"	"
3. Cleveland	"	"	"	"	"	"
4. New York	"	"	"	"	"	"
5. Philadelphia	"	"	"	"	"	"
6. St. Louis	"	"	"	"	"	"
7. San Francisco	"	"	"	"	"	"
8. Albany	Not a reserve city under new law.					
9. Baltimore	"	"	"	"	"	"
10. Cincinnati	"	"	"	"	"	"
11. Detroit	"	"	"	"	"	"
12. Louisville	"	"	"	"	"	"
13. Milwaukee	"	"	"	"	"	"
14. New Orleans	"	"	"	"	"	"
15. Pittsburg	"	"	"	"	"	"
16. Washington	"	"	"	"	"	"

It is to be observed that Baltimore and New Orleans were made reserve cities by the Act of 1864 and have been such ever since, and yet they are ignored in favor of Richmond and Atlanta, which were not reserve cities under the old Act of 1864 at all.

It is further to be observed that by the Act of March 3, 1887, ch. 378, any other city of 50,000 people [changed to 25,000 by Act of March 3, 1903] could on application of three-fourths of the national banks located in said city, be designated a reserve city. Under this Act a number of other cities applied until now there are forty-seven reserve cities.

Among them are:

Dallas	Federal Reserve City under new law.					
Kansas City	"	"	"	"	"	"
Minneapolis	"	"	"	"	"	"

The only two cities designated as Federal Reserve Cities under the new law that were *not reserve cities* under the old law are Atlanta and *Richmond*.

So here again Baltimore is discriminated against. It has been a reserve city since 1864.

Richmond was mentioned in the Act of 1864, ch. 106, sec. 31, as being a city that could be added to the reserve cities whenever in the opinion of the Comptroller of the Currency the condition of the Southern States would warrant it.

The time for this condition has long since passed, but Richmond has always failed to make application to become a reserve city, until after her designation as a Federal Reserve City under the new law.

In the work of Conway and Patterson on *The Operation of the New Bank Act*, published in February, 1914, the authors expressed what was evidently a universal opinion, thus:

"Looked at from another point of view, the problem of the shifting of the reserves of the reserve city banks is not so serious as would be indicated by the preceding general comparison. It is practically certain that the three central reserve cities will be selected for the establishment of Federal reserve banks; and it is equally certain that the remaining reserve banks—five in number, if eight are established, and nine in number if the maximum of twelve are established—will be located in the reserve cities. In other words, from five to nine of the forty-seven reserve cities will be the homes of the Federal reserve banks, and the fortunate cities will probably be numbered among the larger of the forty-seven." (page 265.)

Richmond bankers themselves evidently realize the incongruity of locating a Federal reserve bank among country banks. They have shown their appreciation of this incongruity by the remarkable course of applying to be made a reserve city since the Committee announced its decision designating Richmond as a Federal Reserve City. This application the Comptroller of the Currency, with at least doubtful legality [Federal Reserve Act, sec. 11(e)] granted. By the

advertising which they expect to get from the Organization Committee's extraordinary decision, and by their own recognition of the incongruity of locating a Federal reserve bank among country banks, the Richmond banks have thus been induced to ask to be made a reserve city,—which they consistently omitted to ask during all the years when the status of reserve city carried with it advantages as well as responsibility. Now this status means (except to a limited extent for three years) only a permanent increase in the required reserve of all Richmond national banks, *without any permanent privilege* of holding the reserve of other banks or any other permanent privilege *whatever*. This belated application to be made a reserve city displays the sharp contrast between a natural reserve city like Baltimore (which has exercised the privileges and borne the burdens of a reserve city for half a century), and the artificial advantages which a smaller city, such as Richmond, may expect to get from its selection as a Federal Reserve City in disregard of the convenience and customary course of business.

Strange to say, the Honorable Carter Glass and the Organization Committee profess to find, in the fact that Baltimore was by law a reserve city, an artificial advantage which Baltimore possessed over Richmond. Just how Baltimore could get any artificial advantage out of being a reserve city, a privilege which Richmond or any other city of its size could have had for the asking, and which forty-seven cities as a matter of fact have so obtained, the Honorable Carter Glass and the Committee do not explain.

We had supposed that the artificiality of the present system lay, not in drawing reserves *to* the reserve cities, but in drawing them *from* the reserve cities *to* the *central reserve cities*, almost entirely to New York City. The reserve requirements exacted of central reserve cities are such that other cities could not successfully compete as central reserve cities with New York. Thus the existing system operated

still further to concentrate the money of the country in New York, where there was already the greatest previous concentration. The number of reserve cities, originally sixteen, increased steadily to forty-seven. The number of central reserve cities, originally three, has remained unchanged, with increasing concentration in New York as compared with Chicago and St. Louis. This contrast is sufficient to show that (whatever artificial concentration the present system may have produced in central reserve cities, particularly in New York as compared with cities not so well equipped to compete for the burdensome and somewhat dangerous opportunities of central reserve cities), the law has produced no such artificial concentration in reserve cities. Rather has it concentrated into New York *from* the reserve cities the resources which otherwise might naturally have accumulated in a considerable number of large cities. Indeed, the purpose of the Federal Reserve Act would seem to be, on the one hand to decentralize artificial concentration in New York City, and on the other hand to concentrate, in not more than twelve places, under unified control by the Federal Reserve Board, the reserves which naturally (not artificially) had to a very limited extent been centralized (without any unified control) in forty-seven reserve cities.

With respect to artificial methods, the truth is that the Richmond banks have, and the Baltimore banks have not, regularly employed the most efficient artificial method known for getting bankers' deposits, *i. e.*, the payment of interest on such deposits. The very fact that Richmond has not been a reserve city, and Richmond banks, as country banks, have, therefore, been required to keep a reserve of only fifteen per cent against their deposits, has, of course, made it easier for them to pay a high rate of interest on deposits than if they had been subject to the twenty-five per cent requirement applicable in reserve cities. This is undoubtedly the reason why Richmond so long omitted to ask for the

"artificial advantage" of being a reserve city. The payment of interest on deposits kept by other banks is so efficient a method of getting such deposits that it has generally been regarded as an efficient method employed by the New York banks to utilize their opportunities for concentrating the money of the country in New York City. Baltimore is not an exception to what has now become a general rule of paying interest on bankers' deposits. Baltimore banks, however, generally pay but two per cent, while the Richmond banks customarily pay three per cent on such deposits. [Testimony, Mr. Newcomer, pages 738, 741; Mr. Ingle, page 804; Mr. Sands, page 845.] This unusual rate of interest is manifestly a most important artificial inducement of deposits by other banks with Richmond banks.

The fact is, Baltimore is a reserve city because it is a natural place for country banks to keep accounts under the existing system. Being a reserve city is the result, not the cause of other banks keeping accounts in Baltimore. On October 21st, 1913, the *national* banks of Baltimore held bankers' deposits from the Fifth District amounting to \$18,730,000, of which only \$7,887,000 were deposits kept by national banks. [Figures obtained by Mr. Wm. Ingle from each of the national banks in Baltimore.] That is to say, less than half of the total bank deposits from the Fifth District kept with Baltimore national banks were so kept by banks which *could*, under the National Bank Act, count these deposits as reserves. As a matter of fact, doubtless only a comparatively small part of even this \$7,887,000 of balances of national banks actually represented necessary reserve of the depositing banks. Accounts kept with reserve agents are usually, for purposes of exchange and other business purposes, considerably larger than the minimum reserve requirements of the law. In other words, country banks keep their reserve where for business reasons they keep accounts. They do not keep accounts simply because they count as reserve. On October 21st, 1913, the 7143 country banks in the United States had on deposit with approved re-

serve agents \$533,837,506. Of this only \$320,138,407 could be counted as reserve under the law. There was thus on deposit with reserve agents \$213,699,099 which could not be counted as reserve. The same country banks then held cash \$56,921,542 in excess of the 6% cash reserve required by law. They, therefore, had \$56,921,542 more on deposit which legally could be counted as reserve, but actually was not needed to meet reserve requirements. This makes a total of \$270,610,641 either not available or not needed for reserve requirements. The actual balances with reserve agents were thus more than twice the minimum reserve requirements of the National Bank Act.

On October 21st, 1913, the total bank deposits with all the banks and trust companies in Baltimore was \$37,861,201. In Richmond the corresponding figure was \$12,634,413. The fruit of the efforts of the Richmond banks to get bank deposits by paying an unusually high rate of interest would seem to be that, while the individual deposits of Richmond banks are less than one-fifth the individual deposits of Baltimore banks, the bank deposits are one-third the amount of such deposits kept with Baltimore banks without such inducements.

- (b) BALTIMORE IS NOT ONLY THE PRINCIPAL BANKING CENTER IN THE DISTRICT, BUT IS ALSO THE CENTER OF THE GREATEST VOLUME OF COMMERCIAL CREDITS EXTENDING THROUGH THE DISTRICT. IN THESE TWO RESPECTS IT PRESENTS THE LARGEST OPPORTUNITIES IN THE DISTRICT FOR THE DEVELOPMENT OF THE REDISCOUNTING BUSINESS OF THE NEW FEDERAL RESERVE BANK.

We repeat, the Federal reserve banks constitute not an independent system but a very important addition, superimposed upon our present banking system, and intended to render service, directly or indirectly, to all existing banks and all existing business. The natural location of such banks is, therefore, primarily where *business* is concentrated

and where *business* from other points flows,—without special reference to the particular kinds of business or the particular kinds of banking most prominent at such a point. The new system is not designed to prohibit or compulsorily to restrict existing current banking transactions of any kind. It is intended to put (to a much greater extent than heretofore) in the class of liquid assets (and, therefore, in the class of assets that can be most freely and most widely dealt in) commercial paper, which under the present system and prevailing customs is at a disadvantage in this respect. In opening a channel for the general rediscounting of commercial paper, the new law should undoubtedly make it easier for banks to extend their loans on commercial paper where the needs of business call for such extension. The primary effect, however, of extending the liquid character of commercial paper is essentially to aid *all* banking and to aid *all* business, even where further extensions of commercial credit are not needed.

Banking itself is essentially a liquid business. Whatever makes more easy the current of any part of the business correspondingly eases the flow of the whole business. For example, in a given locality the banks may already be extending substantially all the credit needed on commercial paper. In the same locality there may be actual need for increased collateral loans, in form similar to the stock exchange loans in New York, but in fact (particularly in Baltimore and in the South) often representing *bona fide* industrial advances. These industrial advances take the form of loans to a corporation secured by its own bonds; actually they could not easily be quickly liquidated, and are likely to run for several years, in fact for a much longer period than ordinary commercial paper. In such a region there would be practically no occasion for an extension of loans on commercial paper, in the sense in which such loans are generally now made. On the other hand, there would be actual need, for substantial industrial purposes, of further advances by collateral loans similar *in form* to mere speculative stock transactions. The

new law would, however, doubtless benefit such a locality in either of two ways. By making existing commercial paper a more liquid asset, the banks would to that extent be made more free to extend their loans of the kind that practically are not liquid assets. Moreover, many of the advances for industrial purposes which now take the form of collateral loans might, under the new system, doubtless be financed by commercial paper. Mr. Warburg stated before the Congressional Committee that commercial paper will, because of this change [the power of rediscount] largely take the place of the call loans upon collateral securities as the secondary reserve of our banks, thus making available for the business community a large amount of money which up to the present time, because of the inherent defects in our banking system, has necessarily been denied them. [Conway & Patterson, pages 99-100.]

It is, therefore, essentially fallacious to undertake to ignore the totality of business in a city or region, and to pick out a particular class or classes of business as the kind of business to be affected by the new Federal reserve system. This is true for two reasons: (1) Because the increased fluidity of commercial paper means increased banking facilities in every city that has any commercial paper at all, whether it is necessary to extend that line of business or not; and (2) because it is impossible to tell how much business which the necessities of the present system cause to be financed in other ways will hereafter come to be financed through commercial paper.

Necessarily, therefore, the importance of *all* business, rather than any single part of the commercial business of a city, is to be emphasized. It is, however, to be said, for what it is worth, that Baltimore is the center of the greatest volume of the commercial credits which may at least be assumed to constitute a basis of need for expansion in the handling of commercial paper by banks, and for the development of the rediscounting business by the reserve banks. It is unnecessary to repeat at this point what has already been said as to

the jobbing business and manufactures in Baltimore, and the thousands of accounts kept in the south. These accounts constitute a great mass of commercial credit, which is now financed through Baltimore merchants on their own credit, but may possibly in the future be financed through the rediscounting functions of the Federal reserve banks.

- (c) AS THE PRINCIPAL ATLANTIC SEAPORT OF THE SOUTH, WITH DIRECT AND EASY MEANS OF COMMUNICATION BY LAND WITH NEW YORK, PHILADELPHIA, CHICAGO, BOSTON, CLEVELAND, AND GENERALLY ALL OTHER FEDERAL RESERVE CITIES, BALTIMORE IS THE NATURAL LOCATION OF THE FEDERAL RESERVE BANK FOR THE FIFTH DISTRICT, IF SUCH BANK IS SUCCESSFULLY TO PERFORM ITS BROADEST, AND IN TIMES OF STRESS MOST IMPORTANT, FUNCTIONS IN (1) KEEPING IN CLOSE TOUCH WITH AND INFLUENCING GENERAL MONEY AND CREDIT CONDITIONS; (2) CO-OPERATING WITH THE OTHER FEDERAL RESERVE BANKS FOR THESE PURPOSES, AND ALSO IN DEVELOPING THE COLLECTION FACILITIES OF THE NEW SYSTEM AND MAKING POSSIBLE PRACTICALLY FREE DOMESTIC EXCHANGE THROUGHOUT THE UNITED STATES; (3) IN SUCCESSFULLY COMPETING IN THE MARKET FOR THE PURCHASE AND SALE OF FOREIGN EXCHANGE, WITH THE CONTROL OVER GENERAL MARKET CONDITIONS RESULTING FROM THE ESTABLISHMENT OF SUCH A BUSINESS; IN DEVELOPING THE USE AND SALE OF AMERICAN ACCEPTANCES, WITH CONSEQUENT INCREASED FACILITIES FOR THE DEVELOPMENT OF AMERICAN FOREIGN TRADE; AND GENERALLY IN DEVELOPING, AND AIDING THE DEVELOPMENT OF, FOREIGN CONNECTIONS OF THE RESERVE BANK AND OF THE MEMBER BANKS IN THE DISTRICT.

The Federal reserve banks are expected to be always with us, to constitute an integral part of the unified banking system which is to be in operation day in and day out

and year in and year out. The principal purpose of Congress, however, in devising this addition to our existing system, was evidently not so much to improve conditions at ordinary times as to provide a more satisfactory system in times of stress. The occurrence of panics and the inadequacy of the present system to deal with panics were undoubtedly foremost in the minds of Congress, as they have been in the minds of all who have interested themselves in banking and financial reform in this country. Except for certain so-called seasonal strains (which have not been greatly felt since the panic of 1907), our existing system has been fairly satisfactory in ordinary times. It is in times of stress that the weaknesses of the present system become manifest. These weaknesses it was the prime purpose of Congress to cure. The shifting of reserves from present reserve agents to the Federal reserve banks, the development of the business of rediscounting, and the issuance of a new form of currency, are the features of the new system that have received the greatest public attention. Of these three features, necessarily the first, probably to a considerable extent the second, and perhaps to some extent the third, will characterize the routine conduct of the business of the reserve banks, and may, therefore, constitute the greatest volume of their transactions.

In times of stress, however, to perform successfully the functions required of them, the Federal reserve banks must go beyond their mere routine business; they must have, and be able to exercise, broader powers. Primarily, they must be able to act in unison and to act not only with a comprehensive grasp of internal conditions in this country, but also with full knowledge of and as great control as possible over, general market and money conditions abroad and in the world markets. Congress has fully recognized these needs and has provided for them (1) by both the permissive and the compulsory powers granted to the Federal Reserve Board, and to the Federal reserve banks themselves, with reference to redis-

counting between districts, domestic exchange, collections and clearances [Section 11 (b), Section 16 (last two paragraphs), Section 13], and (2) by the broad powers, conferred upon the Federal reserve banks, to engage in so-called "open-market operations" of practically every kind, so far as foreign business is concerned [Section 14], and also by the extension of the powers of existing national banks with reference to foreign transactions [Section 13 (paragraph 5) ; Section 25].

Manifestly, Baltimore is, and Richmond is not, naturally adapted (1) to efficient communication and co-operation with the other Federal reserve banks, and (2) to the establishment and furtherance of foreign relations and connections (on the part of both the reserve banks and member banks), and to dealing in foreign exchange and developing the business of American acceptances in connection with export and import business.

With respect to relations between the different reserve banks, Baltimore obviously not only is geographically nearer, but already has much more intimate business relations than Richmond has with Boston, New York, Philadelphia and Chicago,—which are the reserve banks with which the reserve bank of the Fifth District would naturally have the most important relations. In the matter of mere distance and means of communication, Baltimore is in direct line of communication with every other Federal Reserve City yet designated. Baltimore is nearer than Richmond to every other city, except Atlanta and Dallas. Concerning existing relations between the cities, it is safe to say that Baltimore's relations are much more intimate than Richmond's with every other Federal Reserve City, not excepting Atlanta. Even Atlanta is in direct communication with Baltimore without going through Richmond. The fear so strongly expressed by North and South Carolina bankers of being connected with the Atlanta district, the emphasis which they lay on the total absence of banking transactions between Atlanta

and the Carolinas, and the fact (readily recognized by the Secretary of the Treasury) that Atlanta is in a borrowing, not a lending, district,—all go to show that the relations between the Fifth District and the Sixth District will be much less important and less intimate than the relations between most other adjoining districts. These considerations suggest that, when special interdistrict transactions become necessary, both the Fifth District and the Sixth District banks are much more likely to have business transactions with the more northern banks at Philadelphia or New York than they are to have transactions with each other.

Existing relations between Baltimore and the other large cities of the United States are also important with respect to the development of the collection and clearance facilities of the new system. The development of these facilities present great possibilities—practically free domestic exchange throughout the United States. The realization of these possibilities depends upon the *practical efficiency* with which the Federal reserve banks exercise their powers with respect to collections and clearance. Their legal powers are ample for these purposes. Prompt and efficient existing facilities will not, however, be supplanted, even by nominally free exchange and collection through the new banks, unless such *free* service is also actually *efficient*. Nothing could be more calculated to thwart the performance of these functions by the new system than the designation of Federal reserve cities which are situated out of the natural current of collections and exchange.

An illustration of the possibilities of the new system to effect changes in existing banking arrangements, and also of the fact that most businesses concentrate in large cities, is afforded by the bonding companies and by the insurance business. Baltimore is the place of origin of bonding companies. In the year 1913 the three leading Baltimore bonding companies paid in losses \$8,614,306, had total expenses

aggregating \$18,784,941, and total income amounting to \$21,254,365, and total assets worth \$25,571,120. [The Handy Chart of casualty, surety and miscellaneous insurance companies in America, published by the Spectator Company.] These companies do business in almost every part of the world. The nature of the business is such that most of it is done in or from large cities. Necessarily both in the collection of income and in the payment of expenses such a business requires frequent transfers of funds from one place to another. The transfers most frequent and greatest in amount are naturally those between the larger cities. The payment of losses involves not only the same frequency of payments over almost unlimited area but also (unlike transfers by a company to itself from one point to another) the additional element of providing exchange which will be worth par to all these numerous payees. Under existing conditions most of such payments made at distant points in the United States have to be made in New York exchange. If the collection facilities of the new system prove efficient, the bonding companies (and similarly all other insurance companies) can make pay losses anywhere in the United States from accounts kept with any member bank, instead of paying by a New York check or draft simply to make payment at par. In the case of the Baltimore companies the natural result, in such event, would be an increased use of Baltimore bank accounts and consequently increased deposits with Baltimore banks.

Manifestly the chance of supplanting existing facilities by the new system would be small if such exchange with Baltimore and collections at or from Baltimore had to be made through Richmond. The home office business of the Baltimore bonding companies and the business of insurance companies generally are but illustrations of businesses to be found in a large city like Baltimore, which require banking facilities, but which, in a smaller city like Richmond, either

do not exist at all, or are conducted and use banking facilities (including collection and domestic exchange) to an extent *at most* not relatively greater than the ratio between population or that between local clearing-house exchanges. In this case either ratio is, of course, one to five.

With respect to foreign relations, there is simply no room for comparison between Baltimore and Richmond. Baltimore is one of the most important seaports in this country. With the opening of the Panama Canal and the growth of South American trade it will become more important. It is the most important seaport south of Philadelphia. It has, and for years has had a large and growing export and import trade. It is well known in foreign commercial cities. It has existing relations abroad, which should form the natural nucleus, through the opportunities afforded by the new banking system, for the development of increased banking relations. Baltimore has a very large foreign exchange. [Testimony, pages 1039, 752. Secretary of the Treasury; Mr. Levi L. Rue; Mr. Newcomer.] It today creates foreign exchange, in connection with its exports of grain and similar products alone, amounting to over \$40,000,000 a year. [*Supra*, page 16.] With the present concentration of money in New York, this foreign exchange has to be sold through New York. The natural course of such foreign exchange would be to follow the goods from Baltimore. A Federal reserve bank at Baltimore should be the natural purchaser of any foreign exchange now created in Baltimore, but now sold through New York. With the new powers conferred upon member banks to accept drafts drawn upon them based on the importation or exportation of goods, and the powers conferred upon the reserve banks to discount such acceptances and to deal in foreign exchange, each stage of the financing of exports of grain and other commodities from Baltimore should naturally be consummated in Baltimore instead of being transacted in New

York as most of it now is. The power of the local banks to accept drafts drawn by the inland shippers of grain upon the local commission men who buy (for export) or finance the sale of this grain, and the opportunity to sell these acceptances to or have them rediscounted by a Federal reserve bank, would enable the local banks to extend through acceptances much larger credit than they can now extend when actual money or direct bank credit must be given. The ability to sell foreign exchange to a Federal reserve bank in Baltimore, or to local banks which could handle such foreign exchange directly through the local Federal reserve bank, would remove the need, on the part of Baltimore commission men, to sell or discount their drafts on European purchasers in New York. This consequently would remove the incentive for making their original loans or getting their acceptances in New York rather than from Baltimore banks.

By putting itself in the market for the foreign exchange that is now regularly for sale in Baltimore, the new reserve bank would begin business with an important line of foreign business of this kind, which should moreover constitute the nucleus of a growing general foreign business. In fact, primarily by such dealing in foreign exchange can the regional banks establish balances in Europe, which in times of stress may give them a much needed control over general market conditions and may measurably help them to prevent exports of gold from the United States, or even to bring about imports of gold.

The existence of present business relations between Baltimore and foreign countries not only offers an immediate field for existing banking business (*i. e.*, foreign exchange) which might be availed of by a regional bank in Baltimore. The fact that Baltimore is already well known commercially in England and in Europe, should also make it relatively easy for a Federal reserve bank at Baltimore to establish broader and more general relations abroad. Baltimore always has been

known, and necessarily is now known, throughout England and Europe, as one of the great American seaports, and a point to and from which a great part of the European imports and exports go. In the last few years Baltimore has become even better and more intimately known abroad, and still closer relations have been established between Baltimore and Europe. Today the majority of the stock of the Consolidated Gas Electric Light and Power Company of Baltimore is owned in England and in Europe, not by stock gamblers, but by English investors, who buy these securities for the income they yield, not to turn them over at a profit of a point or two above what they pay for them. In this way, Baltimore is already well known to a multitude of small investors, in England and throughout Europe, not only as a seaport and trading center, but as the site of important European investments. Only a year ago this same Company made an issue of debenture stock (a form of security popular in England but previously wholly unknown in this country), in an authorized amount of \$60,000,000, of which \$5,000,000 has already been issued and disposed of, principally in England and in Europe. Baltimore bonding companies, likewise, are well known abroad, and should, moreover, in their necessary transfers of funds in connection with their foreign business furnish foreign banking transactions which might be cared for through a Federal reserve bank. When existing artificial concentration of money in New York is removed, a Federal reserve bank at Baltimore should enter upon the exercise of its important open-market operations with a fair prospect of developing, like the New York, Philadelphia and Boston banks, its fair share of foreign business. Thus might it do its part towards establishing potential control (together with the other Federal reserve banks), over general money and credit conditions, which would make itself felt in times of stress.

The development of foreign connections, to an appreciable extent, by a bank with headquarters at Richmond would be simply out of the question. Richmond is not a seaport. It has no exports or imports. It is generally unknown abroad. The only foreign exchange which can be said to originate from Richmond is exchange in connection with exports of tobacco. As these goods are actually exported from the port of Baltimore, or other seaports, Richmond is not generally known abroad even in connection with the tobacco trade. There is no opportunity for the establishment of actual business relations between Richmond and Europe, and little even to make Richmond known in Europe, in the circumstance that Richmond is an inland city, which happens to be the headquarters of a number of tobacco buyers, who buy from Richmond (and other points in Virginia, North and South Carolina and Kentucky), tobacco grown in the fields of Virginia, North Carolina or Kentucky, shipped from Baltimore or other seaports, and paid for in New York exchange.

Mr. Warburg, in an article in the *North American Review* [October, 1913, page 540], said:

"The Owen-Glass Bill contains elaborate provisions for the development of bank acceptances and for dealing in foreign exchange. Both provisions are most appropriate, for without creating an effective machinery covering these two items the law would not achieve its aims."

In the same article Mr. Warburg urged that the number of regional banks be limited to four or six. Without entering debated territory, on this much debated question of the number of regional banks, it can certainly be said that the inherent difficulty of maintaining uniform policy and harmonious action among a large number of regional banks,—especially with respect to just such matters as the development of bank acceptances and dealing in foreign exchange—enhances the importance of locating twelve banks with a due regard to the customary course of business, including existing relations between the several cities designated.

IV.

MISCELLANEOUS.

The Organization Committee, in a statement issued under date of April 10th, 1914, undertook to give reasons in defence of its action in designating Richmond rather than Baltimore as the Federal Reserve City in the Fifth District. In the speech of Honorable Carter Glass on April 8th, 1914, practically the same reasons were stated. Most of these reasons we have already referred to. Some which we have thus referred to, and others which we have not yet specifically mentioned, may be considered at this point.

The reasons relied on by the Committee are inconsistent with the only test prescribed by Congress. Moreover, except in the cases of Baltimore and New Orleans, these alleged reasons were completely ignored by the Committee whenever they would have led to the selection of a city other than the business capital of a district.

NATIONAL BANKS AND OTHER BANKS.

On June 4th, 1913, there were in the United States 29,254 banks, of which 7,473 were national banks. On the same date the capital, surplus and profits of all banks in the United States was \$4,448,689,221, and of national banks was \$2,045,667,547. The deposits of all banks amounted to \$18,010,731,188, and of national banks to \$6,021,848,465. In other words, the national banks constituted in number barely one-fourth, in capital surplus and profits less than one-half, and in deposits one-third of the total banking power of the United States. (Report of Comptroller of Currency, 1913, page 46.)

All this banking power outside of the national banks was ignored by the Organization Committee in the figures offered in support of its designation of reserve cities. In its statement of April 10th, the Committee said:

"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 [referring to the New Orleans District] as in most others the assenting banks were the *national* banks." (Page 19.)

As we have already pointed out, the new banking system was not created solely to handle the business now passing through national banks. The new system is, on the contrary, intended to constitute but the governing or regulating part of one comprehensive system embracing all banks.

The Act requires all national banks to signify their assent within a short time. This assent has already been expressed by practically all the national banks. The Act, however, carefully avoids imposing any absolute limit of time within which other banks may become members of the system. It was certainly never anticipated that State banks and trust companies would generally, or to any large extent, become members of the new system within the sixty days prescribed by the Act. It would be manifestly opposed to the purposes of Congress to organize the new system on the assumption that only those banks which have *already* signified their assent will *ultimately* be technically members of the new system, and that in organizing the new system all the enormous banking power outside of the national banks shall be disregarded.

THE PER CAPITA THEORY.

It is urged by the Committee in justification of their action that on March 4th, 1914, the capital and surplus of the national banks of Richmond were twice as much as the

capital and surplus per capita of the national banks of either Baltimore or Washington; the individual deposits in Richmond national banks \$201 per capita as against Baltimore \$76, and loans and discounts in Richmond national banks \$279 per capita as against Baltimore \$108. (See page 26, Committee's Report of Decision).

This is simply juggling with figures. If it means anything, it means that when the per capita of individual deposits, capital and surplus, or loans and discounts is greater, by so much is the city having the greater per capita a better city for a Federal Reserve City. This proves too much. It proves that Richmond is better entitled to be a Federal Reserve City than New York, Philadelphia, Chicago or Cleveland.

	<i>Capital and Surplus per Capita</i>	<i>Individual Deposits per Capita</i>	<i>Loans and Discounts per Capita</i>
	<i>Mch. 4, 1914.</i>	<i>Mch. 4, 1914.</i>	<i>Mch. 4, 1914.</i>
Richmond.	\$73	\$201	\$279
New York.	52	161	227
Philadelphia. . . .	40	119	153
Cleveland.	25	72	112
Chicago.	31	97	154

(Committee's Report, page 15.)

Thus the per capita theory has nothing to do with the case. A small town with few banks may show better on a par capita basis than a very large city with many times the trade, business and banking resources of the small town.

STATES AND CITIES.

Most strangely at variance alike with the Act of Congress, and with the other reasons relied on by the Organization Committee, and the Honorable Carter Glass, is the

curious citation of comparative *national* bank statistics for the *States* of Maryland and Virginia (Statement of Committee, page 21). This use of figures ignores alike (1) the fact that cities, not states, are to be designated; (2) the express authority of the Act to disregard State lines (which authority has actually been exercised in the case of the Fifth District, as well as in every other district except the First and the Second); (3) the existence of banks other than national banks; and (4) the Committee's own favorite per capita theory. We have already pointed out that the resources of all banks in Baltimore City alone exceed the resources of all banks not only in Richmond but in the whole State of Virginia. The Committee limits its comparison to national banks. Richmond, however, does not embrace the whole State of Virginia. Even geographically it is not as near as Baltimore to a great part of the State of Virginia. The per capita theory is, however, most curiously ignored in this most curious comparison. Although the State of Maryland has about one-fourth the area and one-half the population of the State of Virginia, the Committee's figures show the capital and surplus, individual deposits and loans and discounts of *national* banks alone to be almost the same in the two States. If *all* banks are considered, the figures for Baltimore exceed those for the whole State of Virginia

LOANS IN THE SOUTH.

Perhaps the most startling use of figures by the Committee is its comparison (page 25) of loans and discounts made by the *national* banks of Richmond and Baltimore, respectively, in "the thirteen southern States,"—showing a total of over \$33,000,000 for Richmond, and less than \$7,000,000 for Baltimore. At first blush, these figures certainly seem imposing. On examination, it appears, however, that these

thirteen southern States include *nine* States south of the Fifth District, and *include Virginia*, but *do not include Maryland*. In other words, this imposing comparison really means only this, and nothing more,—that the Richmond banks lend more money in Richmond than the Baltimore banks do.

These figures are followed by the statement that “The figures also show that in these 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.” This is a good illustration of the utterly fanciful comparisons resorted to to defend the designation of Richmond instead of Baltimore. The Act requires the Committee to pay due regard to the customary course of business in the whole district. The district comprises five States, and the District of Columbia. To compare, therefore, the relative claims of Baltimore and Richmond, the Committee ignores the three principal cities in the district (including Baltimore and Richmond themselves), and three out of the six territorial divisions (including the two principal States, so far as the banking business is concerned). It is difficult to characterize such a comparison. If the reserve city for the Fifth District were to be located on the Pacific Coast, and the choice of a reserve city for the Twelfth District lay between Baltimore and Richmond, some such comparison might be very important. As it is, we fail to understand what possible significance this comparison can have.

POLL OF BANKS.

Of all the subjects which received elaborate discussion and consideration in Congress prior to the enactment of the Federal Reserve Act, probably none was more fully discussed than the question how and to what extent the wishes of member banks are to control the operation of the new system. It

is impossible to suppose that anything on this subject which is either included or omitted in the Act has been so included or omitted by inadvertence. It must be assumed that the elaborate provisions in the Act prescribing and limiting the powers of member banks as such and the method by which they may cast their votes measure the full extent to which Congress intended the operation of the new system to be controlled by the votes of member banks.

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.

This stands to reason. The committee was dealing with the whole country, and its action as to each city and each district was to be for the good of the whole system. The wishes of individual banks might represent their individual interests, but ignore the interest of others whether in the same or in an adjoining district. Therefore, the law wisely placed the determination of the city and district in the hands of a central committee, whose outlook extended over the whole country, and even made their action subject to review by an independent board fairly representing the different commercial industrial and geographical divisions of the country. The proper relation of the parts to the whole was most important, and, therefore, individual preferences of banks and financial institutions were to be ignored, and full authority placed in a central body.

The Committee, without regard to the customary course of business, has apparently been guided almost entirely by the supposed wishes of member banks, and directly and indirectly by consideration of State lines. The Committee not only ascribes great, indeed controlling, importance to the poll of

the *national* banks in District No. 5; it also discusses this poll of banks largely with reference to State lines, concluding that the wishes of Virginia, North and South Carolina should outweigh the wishes of Maryland, District of Columbia and West Virginia. The poll itself and the circumstances under which it was taken, moreover, demonstrate that sentimental considerations and other considerations quite apart from the customary course of business principally determined the result of the poll. In the first place, Richmond, as the sentimental capital of the South, undoubtedly got a great many votes entirely regardless of all business considerations. For similar reasons, the States of North and South Carolina, having looked to Richmond to save them from Atlanta, doubtless to a considerable extent would feel constrained by loyalty to vote for Richmond even as against Baltimore. As a matter of fact, however, the North and South Carolina bankers evidently believed that the contest lay between Richmond and Atlanta, and did not contemplate the creation of a district which would include Baltimore. Accordingly only one vote from these two States was cast for Baltimore, and three for Washington, as against fifty-five for Richmond, although Mr. Rhett, one of Richmond's advocates from South Carolina, only ventured the estimate that from 60 to 80% of the South Carolina banks would prefer Richmond as against Baltimore. The remaining forty-seven votes from the Carolinas were cast for Carolina cities.

On the Committee's own basis of consideration by States, the State of Maryland was practically unanimous for Baltimore; the District of Columbia was unanimous for Washington, but, as against Richmond, of course, desired either Baltimore or Washington, as the Committee itself recognizes (page 24). West Virginia cast five more votes for Baltimore than for Richmond, and more votes each for Pittsburg and for Cincinnati than for Baltimore, illustrating the fact that the vote was cast without knowing what would be the boun-

daries of the District. Unquestionably, as between Baltimore and Richmond, the Committee's poll shows that Maryland and the District of Columbia would unanimously and West Virginia overwhelmingly prefer Baltimore. Except for sentimental and similar considerations, a large part of Virginia itself and both the Carolinas would prefer Baltimore to Richmond. The Committee's own figures (page 25) show that for the national banks alone in the Fifth District the totals, both of individual deposits (\$174,159,561) and also of capital, surplus and undivided profits (\$62,284,814), of the national banks (in the Fifth District) in Maryland, West Virginia and the District of Columbia exceed such totals for Virginia, North and South Carolina combined (deposits, \$150,269,928; capital, etc, \$57,404,156). If all banks were included, the disparity as against Virginia and the Carolinas would be greater. (Total capital, surplus and profits, June 4th, 1913, for *all* banks in Virginia, North and South Carolina, \$115,974,629.30; Maryland, District of Columbia and West Virginia, \$142,353,380.75. [Comptroller's report, 1913, page 49.] Deducting one-sixth of West Virginia total, to allow for Panhandle banks, leaves over \$137,000,000 for Maryland, District of Columbia and remainder of West Virginia. *National* bank figures for August 9th, 1913, show barely *one-eighth* of West Virginia totals in Panhandle counties. Total individual deposits, June 4th, 1913, for *all* banks in Virginia, North and South Carolina, \$299,204,951.43; Maryland and District of Columbia alone, \$332,928,118.63; Maryland, District of Columbia and West Virginia, \$458,515,093.13; Maryland, District of Columbia and *five-sixths* of West Virginia total, over \$437,000,000).

The total vote, regardless of State lines, shows not only the same effect of sentimental considerations and of the fact that the voters did not know that the choice lay between Richmond and Baltimore, but also the disparity between the *number of banks* and *banking power*. Virginia and North and South Carolina had two hundred and twenty-four votes;

Maryland, the District of Columbia and West Virginia only two hundred and seven. This disproportion between the number of votes and the amount of business of all kinds (including banking) done in these respective parts of the District results not only (1) from the large number of small country banks in the Carolinas and Virginia, as compared with the relatively smaller number of much larger banks in Baltimore and Washington, but also (2) from the fact that the State banks and trust companies, which have no vote at all, are relatively much less important in Virginia than in Baltimore.

Notwithstanding the sentimental and other considerations not proper to be considered by the Committee, which, however, undoubtedly swelled the Richmond vote, and the inequality of the whole scheme of voting,—which gave the same weight to a country bank with \$25,000 capital as to the largest bank in Baltimore and which gave no weight at all to the trust companies in Baltimore and elsewhere in the district,—the total vote for Richmond was but thirty-nine in excess of the vote for Baltimore, while twenty-five votes were cast for Washington, thirty-five for Pittsburg, twenty-seven for Cincinnati, and two for New York. So far as business considerations are concerned, any bank which voted for Pittsburg, Washington or New York should prefer Baltimore to Richmond, to say nothing of the fact that, if business considerations alone governed, undoubtedly a large number of the banks in both the Carolinas, as well as a larger number from Virginia, would vote for Baltimore.

The real facts, therefore, are: (1) That even the *vote* taken by the committee fails to show that Richmond would have received a larger vote than Baltimore had the voters known that the choice lay between Richmond and Baltimore; (2) that many of the votes for Richmond were cast for sentimental and other reasons quite foreign to business considerations; (3) that, in professing to follow a *vote* of member *banks*, i. e., national banks, the committee did not follow the *wishes* of the banking interests—or even of the national

banking interests—in the district, or of the *customers* of the banks in the district, *i. e.*, the commercial, industrial and agricultural public. The *wishes* of the banking interests of the district—of the stockholders, depositors and customers—are in favor of Baltimore, if such wishes are to be ascertained by any method which makes allowance for the difference between a small country bank, with few stockholders, few customers and little business, and a large city bank, with many stockholders and customers and a very large business. 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 member banks either in dividing the districts or in designating the reserve cities. If it had been so influenced, Connecticut and New Jersey would have been put in the New York District, and West Virginia would have been put in the Fourth District, with Pittsburg, instead of Cleveland, as the reserve city. (Congressional Record, pages 7731-7733.)

INCONSISTENCY OF COMMITTEE'S REASONING IN FOURTH AND FIFTH DISTRICTS.

The choice of Cleveland in the Fourth District strongly shows how little real weight the arguments urged by the Committee as controlling in the Fifth District had in the Fourth District. The choice of Cleveland is justified by the following single paragraph:

"The Committee named as cities for the location of Federal reserve banks New York, Chicago, Philadelphia, St. Louis, Boston, and Cleveland. In population these are *the six largest* cities in the United States; their geographical situation and all other considerations fully justified their selection." (Page 24.)

So far as geographical situation is concerned, it will be observed that Cleveland is on the northern edge of the district, and is at least no more accessible than Pittsburg to the other parts of the district. The only other consideration mentioned is that Cleveland is the *sixth* largest city in the United States. That is to say, Cleveland, the *sixth* city, with 560,663 persons, is slightly larger than Pittsburg, the *eighth* city, with 533,905. Baltimore, the *seventh* city, with 558,485 (*practically the same as Cleveland*), is, however, subordinated to Richmond, the *thirty-ninth* city, with 127,628 persons—for the alleged reasons which we have already discussed. It is interesting to note what force these reasons had in the selection of Cleveland rather than Pittsburg, which has a population over 95% of that of Cleveland.

District No. 4 comprises the State of Ohio and parts of Pennsylvania, Kentucky and West Virginia. In Pennsylvania the vote was 256 for Pittsburg and 3 for Cleveland. In Kentucky and West Virginia, Cleveland did not receive a single vote, and in Ohio itself the vote was 150 for Cincinnati to 107 for Cleveland. In the whole district Pittsburg received 291 votes, Cincinnati 194, and Cleveland 110, out of a total of 685. In capital and surplus the Committee's figures for national banks show a total of \$14,400,000 for Cleveland as against \$46,714,000 for Pittsburg; individual deposits, for Cleveland \$40,479,025, for Pittsburg \$120,260,088; loans and discounts, Cleveland, \$62,588,735, Pittsburg \$124,568,231. On the per capita basis, the comparison is, capital and surplus, Cleveland \$25, Pittsburg \$88; indi-

vidual deposits, Cleveland \$72, Pittsburg \$225; loans and discounts, Cleveland \$112, Pittsburg \$233.

Of so little consequence to subordinate the *sixth* city to the *eighth* city where the reasons now urged to defend the subordination of the *seventh* city to the *thirty-ninth*.

[We, of course, intimate no opinion on the question whether *in fact* Cleveland is (when allowance is made for suburbs or metropolitan district) larger than Pittsburg. We are not concerned with the accuracy or inaccuracy of the *application* by the Committee of the reasons assigned by it for its choice of the Federal reserve city in the Fourth District. The point we make is that the reasons—whether properly applied or misapplied—relied on by the Committee to justify its action in the Fourth District, have been ignored in the Fifth District.]

INCREASE.

The last excuse offered by the Committee for selecting Richmond instead of Baltimore is that the capital and surplus, loans and discounts and individual deposits of the *national* banks of Richmond show a greater percentage of increase in ten years than the same figures for the national banks of Baltimore. Fundamentally, such a comparison is unjust to Baltimore, being limited to national banks alone, thus leaving out of consideration the trust companies, which, largely for the purpose of financing the development of the South, have been brought to their present condition in Baltimore. The figures filed as Exhibits Nos. 4 and 5 with the brief for Baltimore before the Organization Committee show an increase in clearings of 72% in the ten year period from 1903 to 1913, and an increase in individual deposits from April, 1909, to June, 1913, for *all* banks and trust companies in Baltimore of 24%.

The Committee, however, properly had absolutely nothing to do with increases as such. Its own figures show that the national banks alone in Baltimore have shown a steady increase in deposits and resources in the past ten years. Whether this increase amounts to the same, a greater or a less percentage of increase than the corresponding increase in Richmond is wholly immaterial. The Committee has to do with the present, not with the past, or with dreams of the future. It is to be guided by a due regard for the customary course of business. If, in the remote future, Richmond—or any other now relatively insignificant city in the district—should grow larger than Baltimore in population or in business, so that the customary course of business should be different from what it now is, this board may then, under its powers to readjust districts, change the Federal Reserve City in the Fifth District to meet the change in the customary course of business. At present such a future is too remote even to speculate about.

It is peculiarly idle to compare rates of increase in a large city and in a city of one-fifth its size. It is a trite and obvious, but nevertheless adequate, answer to such comparison, to say that the smaller city has so much more room to grow that a larger percentage of increase may fairly be expected. If percentage of increase were to be accepted as a criterion, probably most of the twelve Federal Reserve Cities would be in Oklahoma. Even in the Fifth District doubtless some boom towns can be found which would stand ahead of either Richmond or Baltimore. Richmond is by no means a boom town, either in age or characteristics. It is, however, but the simple truth to say that, as Baltimore began earlier to recover from the effects of the Civil War, while Richmond was late in making such beginning, it would be but natural that Richmond's recovery thus longer deferred, should now, for a time at least, proceed at a relatively higher rate than the increase of Baltimore, which has

proceeded along more even and normal lines for many years. However this may be, it is futile to speculate on the obliteration—within any time that could now be remotely foreseen—of the difference in population and business which now exists between Richmond and a place five times as important.

This test, moreover, is a purely accidental one, which proves nothing, and which, the Committee's figures show, in no sense influenced its decisions. Of the twelve cities designated as Federal Reserve Cities, the capital and surplus of the national banks of San Francisco show an increase from 1903 to 1913 of 300%. The same figures for Cleveland show a *decrease* of 6.5%, and for Boston an increase of 2.7%; for Baltimore the increase was 4.4%. In loans and discounts the increase for San Francisco was 313%; for Cleveland, 24%; Boston, 21%; St. Louis, 22%, and for Baltimore, 35%. In individual deposits the increase for San Francisco was 308%; for St. Louis, 32%; Philadelphia, 33%; for Baltimore, 38%, and for New York City, 41%. (Statement of Committee, page 12.)

BRANCH THEORY.

In the examination of witnesses who testified before the Organization Committee in favor, respectively, of Washington, Baltimore, Richmond and Philadelphia, the witnesses were frequently asked by the Secretary of the Treasury, or by the Secretary of Agriculture, whether the particular city then being urged before them as a Federal Reserve City would not be as well served by a *branch bank*, the idea seeming to be that if a city could be served by a *branch bank*, it did not make much, if any difference, where the "headquarters" or "parent" bank was located in the district.

This view contains, of course, a very transparent fallacy. Branch banks are provided for by Sec. 3 of the Act:

"Each Federal reserve bank shall establish branch banks within the Federal reserve district in which it is located * * *. Such branches shall be operated by a board of directors under rules and regulations approved by the Federal Reserve Board * * *. Four of said directors shall be selected by the reserve bank and three by the Federal Reserve Board * * *."

It seems mandatory for the reserve bank to establish branches in its district, although no time is fixed for this, nor is the selection of the places where the branches shall be established governed by any rules other than the judgment or discretion of the reserve bank of the district.

The question of the location of branch banks does not come before the Organization Committee at all. They have no power to designate them. Their only concern is with the location of the Federal Reserve Bank in the district and to accomplish this duty they are enabled by the Act to employ experts and take testimony.

If this were not so, the purposes of the Act could be frustrated, and Federal reserve cities be selected from personal, sentimental or political reasons under the specious plea that the real city of the district entitled to the parent bank could fairly well be served by a branch bank. For example,—Albany, Harrisburg and Richmond, could be selected as the homes of the parent regional banks, whilst New York, Philadelphia and Baltimore could be served by branch banks.

In this way, and under this theory, the commercial metropolis of the district, where the greatest amount of trade and commerce centers, could be ignored.

This is, of course, not only contrary to the meaning of the Act, but contrary to reason. The branch is always inferior to the main thing of which it is the branch. This is clearly perceived by the bankers who testified before the Committee.

Thus, Levi L. Rue, President of Philadelphia National Bank and Chairman of the Clearing House Committee of Philadelphia, in substance says on this point:

“* * * But the question you have got to solve,—where is the logical and best place to establish the head office. The head office ought to be where trade is concentrated, and where the vast amount of trade passes, because there a bank can more properly fulfill its functions.” (Page 1070.)

“The management of the head bank have got such tremendous problems to deal with in extending credit to any section which belongs to them. They must be men that are in touch with the great flow of trade and commerce. They must be men that have broad knowledge; men who are, I say, in touch with things and where the great commerce of that district concentrates. They must be. Now that naturally is true of the metropolis of the District.” (Page 1075.)

Even after Mr. Seay, who testified for Richmond, and wrote the Richmond brief, had admitted in his testimony that Richmond might be as well served by a branch bank, though the country tributary thereto might not (page 866), the Richmond advocates felt that a mistake had been made and put up Mr. Oliver J. Sands, President of American National Bank, Richmond, to counteract this idea. He says that “a branch bank would only operate and care for the particular location in which it served, and its lines of influence would be more or less limited” (page 899). “Those of us in practical business here who have had to deal with branches, know that it is not possible under the ordinary operations of business, to operate branches with the same facility and dispatch in handling business that you can with the head office, because that is the court of last resort.” (page 898.) Mr. Sands thought Richmond better for a headquarters bank, as he claimed that Baltimore was four and a half to five hours further from all the southern points, and meant the loss of a day’s business to the bankers of the south, an argument which might have had some little force in it when the northern edge of the district was proposed to be the Potomac River, but of

no force at all with the district as now constituted. (Page 898.)

There is no logic or reason in making Richmond the headquarters and Baltimore the branch. It would be like the tail wagging the dog.

EFFECT OF ACTUAL ESTABLISHMENT OF BANK AT RICHMOND.

On this review, the fact of the actual establishment of the bank at Richmond, of course, should have no effect. The review of the decision of the Reserve Bank Organization Committee by the Federal Reserve Board was intended to be a real review. In the absence of any rules of procedure it is not specified whether the method of review shall be by application to the Committee or to the Federal Reserve Board when constituted. Pending, however, the appointment and organization of this latter Board no rights of review can be lost or impaired by any proceeding of the Committee.

All this is fully set forth in the protest of the Banks of Baltimore to the Reserve Bank Organization Committee of April 29th, 1914, in which they were asked not to organize the Federal Reserve Bank for the Fifth District at Richmond, nor to proceed to collect subscriptions on the stock.

The Committee replied that the statute made it *mandatory* for them to proceed with the organization of the bank at Richmond, basing their contention on the use of the word "when." "*When* the minimum amount * * * shall have been subscribed and allotted, the Organization Committee shall designate any five banks * * * to execute a certificate of organization," etc. [Section 4].

The word "when," however, in this context does not mean "at the very moment." The word fixes a time before which the bank cannot be organized. It cannot be organized until

the minimum amount prescribed by the Act shall have been subscribed and allotted. When this is done, it shall be the duty of the Organization Committee to appoint the five banks to execute the certificate of organization; but not that this duty must be exercised on the very day the minimum amount is subscribed. In other words the subscription of the minimum amount is a condition without which they cannot organize the bank.

The word "when" frequently has this meaning in statutes.
40 Cyc. 921.

However this may be, it is quite certain under the statute that the Organization Committee had in their hands the question of the time when the first one-half of the subscription should be paid. There was no reason for making a call pending this application for review.

The correspondence referred to is herewith inserted.

APRIL 29TH, 1914.

To the "Reserve Bank Organization Committee."

Gentlemen:—

The Regional Reserve Bank Committee of Baltimore, representing all the citizens of Baltimore, respectfully pray for a review of your decision designating the City of Richmond, instead of the City of Baltimore as the Federal Reserve City in the Fifth Federal Reserve District, under the Federal Reserve Act; and hereby also give notice that a similar application for Review will be made to the Federal Reserve Board as soon as it is constituted and organized, and under such form of procedure as it may provide.

The Baltimore Committee calls attention to the fact that the proposed bank at Richmond is using every effort to per-

fect an organization so that it will be the more difficult for the Federal Reserve Board to effectively review your decision.

The Baltimore Committee suggests that this is an injustice which should not be allowed, and its prevention lies in your hands.

When the Act of Congress gives a right of review from your decision to the Federal Reserve Board, which will be one of the most powerful, and it is expected, most highly efficient organizations in this Country after the Supreme Court of the United States, and, perhaps, the Interstate Commerce Commission, it means a real bona fide right of review, unobstructed and unhampered,—it means that the Board of Review shall approach the examination of the question submitted with the view of deciding, under circumstances free from all embarrassment, whether the Reserve Bank Organization Committee has designated the Federal Reserve city in question, in accordance with the spirit and letter of the Act of Congress, and in such a way as to subserve and not partially to frustrate the real objects of the Act.

The Baltimore Committee suggests that it is not responsible for any delay in starting proceedings for review, but that such delay is occasioned solely by the fact that the Federal Reserve Board, which is to hear and decide the application for review, has not yet been constituted.

It would seem, therefore, grossly unjust that pending the period of waiting for the appointment and organization of the Federal Reserve Board, the projected bank at Richmond should with your official help and assistance be allowed to perfect an organization under the Act of Congress as if the decision of the Reserve Bank Organization Committee was final. This method treats the application for review, which it was well known would be formally made, as amounting to nothing,—and really helps to *prejudge* the case.

Up to the present time, subscriptions to stock in the Federal Reserve Bank of Richmond have been made. *This* is really no obstruction to a review, as the bank is really the Federal Reserve Bank of the Fifth District, and would be the same bank, except in name, even if Baltimore were designated as the result of the Review as the Federal Reserve City of the Fifth District. In the contemplation of the Act, the bank would be the same, the only change being the change of name from "The Federal Reserve Bank of Richmond" to "The Federal Reserve Bank of Baltimore."

But the Act of Congress puts the collection of the subscription and the Organization of the Bank as a corporation in your hands.

The Act provides:—

"One-sixth of the subscription to be payable on call of the Organization Committee or of the Federal Reserve Board, one-sixth within three months and one-sixth within six months thereafter, and the remainder of the subscription, or any part thereof, shall be subject to call when deemed necessary by the Federal Reserve Board, said payment to be in gold or gold certificates."

So that you have in your hands the question of the time when the first one-half of the subscription shall be paid.

You have further in your hands the time when the Bank shall be allowed to organize and become a corporation, capable of enforcing its subscriptions to stock.

The Act of Congress gives you the right to select five banks to execute a certificate of organization therein fully described, and it is only on the due execution of this certificate and on its being filed with the Comptroller of the Currency that said Federal Reserve Bank becomes a corporation. This is what we meant by stating that it was only by your official help and assistance that the projected bank at Richmond could perfect its organization.

So the question comes to this: Is it just to Baltimore to officially assist the organization of the projected bank at Richmond, thereby giving matters a set and apparent conclusiveness, pending the hearing of the application for Review before a Board not yet constituted?

We respectfully suggest that it is not just nor right. The application of Baltimore for a review is bona fide and earnest. She is fully convinced that the spirit and letter of the Act of Congress have not been followed in the designation of Richmond; that it amounts to an official attempt to turn back the ordinary and usual course of trade and business, that it is taking from Baltimore that to which her pre-eminence as the financial and trade center of the Fifth District entitle her; and she only asks that she be allowed to present her case fully and completely before the Federal Reserve Board, unembarrassed and unhampered by any further organization of the Bank of Richmond.

The Baltimore Committee, therefore, respectfully requests, in view of the foregoing statement, that the "Reserve Bank Organization Committee" shall do nothing further toward officially assisting in the organization of the bank at Richmond until the application for review be fully heard and decided.

EDGAR H. GANS,

AND

CHARLES MARKELL,

of Gans & Haman,

Counsel to Baltimore Committee.

RESERVE BANK ORGANIZATION COMMITTEE.

WASHINGTON, D. C., MAY 1, 1914.

*Messrs. Gans & Haman,
Counsel to Baltimore Committee,
1137 Calvert Building,
Baltimore, Maryland.*

Sirs:—

On behalf of the Reserve Bank Organization Committee, I beg to acknowledge the receipt of your letter of April 29th, and to advise you that the same has been submitted to and considered by the Committee.

You request on behalf of the Regional Reserve Bank Committee of Baltimore:

First: That the decision of the Reserve Bank Organization Committee designating Richmond as the Federal Reserve City for District No. 5, be reviewed by the Committee.

Second: That pending an application to be made by your Committee to the Federal Reserve Board when organized for a review of the Committee's decision that no steps be taken by the Committee in the matter of the organization of the Federal Reserve Bank of Richmond.

In response to your first request, your attention is directed to that part of Section 2 of the Federal Reserve Act, which provides that:

"* * * 'The Reserve Bank Organization Committee' shall designate not less than eight nor more than twelve cities to be known as Federal Reserve Cities, and shall divide the continental United States, excluding Alaska, into districts, each district to contain only one of such Federal Reserve Cities. The determination of said Organization Committee shall not be subject to review *except by the Federal Reserve Board when organized.*"

The Committee has already filed the certificate required by law with the Comptroller of the Currency designating the several Federal reserve cities and defining the geographical limits of the districts to be served. Accordingly the matter is no longer in its hands, and under the clear provisions of the Act its determination is reviewable only by the Federal Reserve Board when organized.

In response to your second request that the Organization Committee defer the organization of the Federal Reserve Bank of Richmond until Baltimore has submitted its appeal to the Federal Reserve Board when organized, I am instructed to direct your attention to that part of Section 4 of the Federal Reserve Act, which reads as follows:

“When the minimum amount of capital stock prescribed by this Act for the organization of any Federal Reserve Bank shall have been subscribed and allotted, the Organization Committee *shall* designate any five banks of those whose applications have been received, to execute a certificate of organization, and thereupon the banks so designated shall, under their seals, make an organization certificate which shall specifically state,” etc.

I am also instructed to direct your attention to that part of Section 2 of the Federal Reserve Act, which reads as follows:

“When the Organization Committee shall have designated the cities in which Federal Reserve Banks are to be organized, and fixed the geographical limits of the Federal Reserve Districts, every national banking association within that district shall be required within thirty days after notice from the Organization Committee, to subscribe to the capital stock of such Federal Reserve Bank in a sum equal to six per centum of the paid-up capital stock and surplus of such bank, one-sixth of the subscription to be payable on call of the Organization Committee or of the Federal Reserve Board, one-sixth within three months,” etc.

Pursuant to this provision of Section 2, the Organization Committee gave notice on April 8th to all national banks which had signified their intention of entering the Federal reserve system that the applications provided for stock in the banks of their respective districts should be filed with the Committee within thirty days as prescribed by law. The time limit will accordingly expire on May 8th, and according to the mandatory provision of Section 4, above referred to, the Committee is required to designate five banks to execute the organization certificate and is not empowered by any provision of the Federal Reserve Act to waive or disregard this obligation at the request of the representatives of any city.

Your petition for review will be called to the attention of the Federal Reserve Board as soon as that body has been organized. It is not probable that the Committee will call for the payment of any installments of the subscriptions to stock of any Federal Reserve Bank before the organization of the Federal Reserve Board, but under its interpretation of the sections referred to its duty to proceed with the organization of all Federal Reserve Banks is mandatory and not discretionary, and accordingly your request must be denied.

Respectfully,

M. C. ELLIOTT,

Secretary, Reserve Bank Organization Committee.

CONCLUSION.

The people of Baltimore (as well as great numbers of people throughout the United States) feel that a great mistake has been made. They are seeking in manner prescribed by law to have this mistake rectified. How the mistake was made is immaterial. The important thing is that it be cor-

rected. Justice to Baltimore demands this. The success of the new system requires it, in order that the people of the United States may be assured that the new system is to be administered with a strict impartial adherence to the letter and spirit of the law, and is not, at the very outset, to be controlled by considerations (even though they may be entertained in good faith) utterly inconsistent with the law.

We respectfully submit that this Board, reviewing the decision of the Organization Committee, should designate Baltimore as the Federal Reserve City in the Fifth Federal Reserve District.

EDGAR H. GANS,

AND

CHARLES MARKELL,

OF GANS & HAMAN,

Counsel for the Regional Reserve Bank Committee of Baltimore.

Appendix.

"APPENDIX A."

LIST OF ALL CITIES IN THE FIFTH FEDERAL RESERVE DISTRICT IN WHICH A NATIONAL BANK IS LOCATED, WITH NUMBER OF NATIONAL BANKS, AGGREGATE CAPITAL AND SURPLUS AND TOTAL RESOURCES OF ALL NATIONAL BANKS IN THE FIFTH DISTRICT, WITH ACTUAL MAILING TIME BETWEEN EACH PLACE AND BALTIMORE AND RICHMOND, RESPECTIVELY.

(ALL FIGURES, AS OF AUGUST 9TH, 1913, FROM 1913 REPORT OF COMPTROLLER OF THE CURRENCY.)

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond).	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore).		Mailing Time (Richmond).	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
			hrs. min.				hrs. min.					
								MARYLAND.				
.....	\$ 60,000	\$ 330,683	1	1.30	... Aberdeen ...	9.00	.....	.....	.....
.....	378,000	1,561,050	1	1.50	... Annapolis ...	11.00	.....	.....	.....
.....	19,760,720	110,896,349	16	0.00	... Baltimore ...	5.00	.....	.....	.....
.....	40,000	261,521	1	7.00	... Barton ...	14.00	.....	.....	.....
.....	199,200	1,416,242	3	1.50	... Bel Air ...	13.00	.....	.....	.....
.....	28,500	85,424	1	6.30	... Berlin ...	16.00	.....	.....	.....
.....	35,000	363,189	1	3.00	... Brunswick ...	5.30	.....	.....	.....
.....	272,000	2,029,464	3	8.00	... Cambridge ...	20.00	.....	.....	.....
.....	105,500	1,077,912	1	0.00	... Canton ...	5.00	.....	.....	.....
.....	100,000	643,331	1	0.00	... Catonsville ...	5.00	.....	.....	.....
.....	255,000	1,205,696	2	3.30	... Centreville ...	12.00	.....	.....	.....
.....	37,500	237,127	1	3.30	... Chesapeake City ...	13.00	.....	.....	.....
.....	80,000	820,593	1	6.00	... Chestertown ...	15.00	.....	.....	.....
.....	30,000	174,072	1	4.00	... Clear Spring ...	12.00	.....	.....	.....
.....	61,000	452,357	1	1.00	... Cockeysville ...	8.50	.....	.....	.....
.....	1,115,000	7,701,407	4	6.00	... Cumberland ...	8.30	.....	.....	.....
.....	252,500	1,271,903	2	4.00	... Denton ...	14.00	.....	.....	.....
.....	435,000	2,036,011	2	5.00	... Easton ...	14.20	.....	.....	.....
.....	210,000	1,723,123	2	2.00	... Elkton ...	10.00	.....	.....	.....
.....	130,000	870,251	1	1.00	... Ellicott City ...	9.00	.....	.....	.....
				\$23,584,920	\$135,157,705	46		Carried Forward.				

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
								MARYLAND.				
				\$23,584,920	\$135,157,705	46		<i>Brought Forward</i>				
				30,000	103,022	1	7.30	.. Federalsburg ..	19.30	....	
				830,000	6,764,939	3	4.30	... Frederick ...	11.00	....	
				55,000	310,867	1	9.30	.. Friendsville ..	16.00	....	
				245,000	2,216,339	2	8.10	... Frostburg ...	11.10	....	
				75,000	309,475	1	2.00	.. Gaithersburg ..	4.30	....	
				42,000	178,490	1	13.00	.. Grantsville ...	19.00	....	
				590,000	3,532,785	3	4.00	.. Hagerstown ..	13.00	....	
				30,000	200,069	1	2.00	... Hampstead ...	12.00	....	
				40,000	235,589	1	4.00	... Hancock	12.00	....	
				175,000	1,238,132	2	2.00	.. Havre De Grace.	10.00	....	
				50,000	280,232	1	1.00	... Hyattsville ...	5.00	....	
				38,000	184,181	1	8.00	.. Kitzmillerville	13.00	....	
				44,000	317,884	1	3.00	... La Plata	14.00	....	
				110,000	525,020	1	1.00	.... Laurel	5.00	....	
				60,000	454,888	1	9.45	.. Leonardtown ..	21.00	....	
				30,000	157,406	1	7.00	... Lonaconing ...	14.00	....	
				30,750	106,143	1	5.00	.. Mechanicsville .	16.00	....	
				50,000	258,829	1	7.00	... Midland	14.00	....	
				30,500	198,653	1	3.30	... Monrovia ...	8.30	....	
				50,000	591,406	1	3.30	... Mount Airy ...	8.30	....	
				50,000	378,144	1	7.00	... Mount Savage...	14.00	....	
				\$26,240,170	\$153,700,198	73		<i>Carried Forward.</i>				

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
				\$26,240,170	\$153,700,198	73		MARYLAND.				
				80,000	283,592	1	2.00	Brought Forward				
				38,000	221,384	1	2.00	..New Windsor..	10.00	....	.....	.....
				187,500	1,106,785	2	8.00	..North East...	10.00	....	.....	.....
				30,000	198,914	1	1.30	... Oakland ...	11.00	....	.....	.....
				31,000	317,965	1	0.00	... Parkton ...	9.20	....	.....	.....
				158,000	939,272	2	7.30	... Pikesville ...	5.00	....	.....	.....
				35,000	159,227	1	4.00	..Pocomoke City..	8.45	....	.....	.....
				160,000	875,331	2	3.00	... Poolesville ...	6.30	....	.....	.....
				125,000	654,692	1	3.30	... Port Deposit..	11.00	....	.....	.....
				200,000	1,099,374	1	2.00	... Rising Sun...	11.30	....	.....	.....
				175,000	915,799	2	6.00	... Rockville ...	4.30	....	.....	.....
				41,000	133,108	1	3.00	... Salisbury ...	9.00	....	.....	.....
				26,000	129,985	1	2.00	..Sandy Spring..	7.00	....	.....	.....
				181,000	1,000,695	2	7.00	..Silver Spring..	4.30	....	.....	.....
				93,000	481,160	1	3.00	... Snow Hill...	22.00	....	.....	.....
				42,000	533,042	1	2.30	... Sykesville ...	8.00	....	.....	.....
				187,500	1,159,058	2	0.00	... Thurmont ...	10.30	....	.....	.....
				32,000	364,747	1	2.00	... Towson ...	5.00	....	.....	.....
				55,000	509,580	1	2.00	..Union Bridge..	10.00	....	.....	.....
				80,000	471,604	1	6.45	..Upper Marlboro.	13.00	....	.....	.....
				465,000	1,731,513	3	2.00	.. Westernport ..	11.00	....	.....	.....
								.. Westminster ..	10.00	....	.....	.....
				\$28,662,170	\$166,987,025	102		..Carried Forward..				

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
								MARYLAND.				
				\$28,662,170	\$166,987,025	102		Brought Forward				
.....	.....	....	.....	32,500	218,428	1	1.30	... White Hall...	9.20	....	.....	.....
.....	.....	....	.....	120,000	452,995	1	4.00	.. Williamsport ..	7.00	....	.....	.....
.....	.....	....	.....	32,000	223,494	1	3.30	... Woodbine ...	8.30	....	.....	.....
.....	.....	....	.....	11,669,000	60,331,889	12	1.30	DIST. OF COLUMBIA	4.00	....	.....	.....
								VIRGINIA.				
\$ 177,500	\$ 921,692	2	13.00	.....	.....	.....	.....	... Abingdon ...	.....	....	.....	.....
.....	.....	....	.....	575,000	3,739,242	3	2.30	.. Alexandria ...	3.30	....	.....	.....
.....	.....	....	.....	.....	.....	.....	7.45	... Altavista ...	7.00	1	\$ 66,000	\$250,549
.....	.....	....	.....	87,500	463,395	1	19.00	.. Appalachia. ..	22.30	....	.....	.....
.....	.....	....	.....	39,000	210,525	1	4.20	... Berryville ...	6.20	....	.....	.....
.....	.....	....	.....	.....	.....	.....	10.20	... Blackstone ...	3.45	1	74,000	390,278
172,750	1,103,953	1	14.00	.....	.....	.....	.....	... Bristol ...	.....	....	.....	.....
.....	.....	....	.....	.....	.....	.....	9.40	... Broadway ...	9.00	1	25,000	95,787
.....	.....	....	.....	27,750	173,683	1	9.40	... Buchanan ...	10.10	....	.....	.....
.....	.....	....	.....	.....	.....	.....	9.40	... Buena Vista...	9.00	1	60,000	245,805
.....	.....	....	.....	.....	.....	.....	5.00	.. Charlottesville .	4.40	3	504,000	2,471,296
\$350,250	\$2,025,645	3		\$41,244,920	\$232,800,676	123		Carried Forward.		7	\$729,000	\$3,453,715

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$350,250	\$2,025,645	3		\$41,244,920	\$232,800,676	123	13.30	VIRGINIA.		7	\$729,000	\$3,453,715
31,000	118,007	1	12.45				10.15	Brought Forward	3.30	1	90,000	390,130
							9.10	...Chase City...				
							20.00	...Chilhowie...	10.00	1	42,000	192,504
							9.40	...Christiansburg...	8.30	2	222,500	1,405,273
							10.00	...Clifton Forge...	17.20	1	55,000	271,421
							5.00	...Coeburn...	9.00	2	263,000	1,519,055
							8.00	...Covington...	2.40	1	30,000	154,400
				130,000	1,386,285	2	7.15	...Crewe...	10.00			
							14.30	...Culpeper...	5.45	4	857,500	4,855,213
							6.15	...Danville...	2.20	2	96,000	395,706
				50,000	247,116	1	10.20	...Emporia...	12.15	1	35,000	116,087
							3.50	...Esmont...	12.00			
							5.00	...Fairfax...	4.00	2	154,300	799,818
				80,000	482,251	1	17.00	...Farmville...	2.20	2	210,000	831,186
				68,700	582,225	2	4.30	...Fredericksburg...	11.00			
							16.00	...Front Royal...	11.00	1	34,000	195,345
				35,500	252,404	1	8.00	...Galax...	20.40			
				27,500	129,816	1	8.00	...Gate City...	3.30	1	25,000	74,724
								...Gordonsville...	13.00	1	60,000	203,209
								...Graham...	8.30			
								...Hallwood...	13.50			
								...Hamilton...				
\$381,250	\$2,143,652	4		\$41,636,620	\$235,880,773	131		Carried Forward.		29	\$2,903,300	\$14,857,786

"APPENDIX A"—Continued.

BALTIMORE AND RICHMOND. BANKS EQUIDISTANT FROM				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond).	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore).		Mailing Time (Richmond).	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
			hrs. min.				hrs. min.					
\$381,250	\$2,143,652	4		\$41,636,620	\$235,880,773	131		VIRGINIA.				
.....	9.15	Brought Forward		29	\$2,903,300	\$14,857,786
.....	9.10	... Hampton ...	2.25	2	140,000	1,013,085
.....	30,500	173,469	1	7.00	... Harrisonburg .	8.30	2	380,000	2,379,368
.....	18.20	... Herndon	12.50	.....	.....	.....
.....	11.00	... Honaker	15.20	1	30,000	186,477
40,000	237,380	1	14.00	.....	.....	.....	.....	... Hot Springs...	10.20	1	62,500	355,814
.....	32,500	133,818	1	31.00	... Irvington ...	.....	.....	.....	.....
.....	10.20	... Jonesville ...	34.40	.....	.....	.....
.....	19.15	.. Laurenceville ..	4.15	1	46,500	311,057
.....	300,000	2,400,489	2	7.40	... Lebanon	16.10	1	71,270	294,369
.....	199,000	894,981	2	9.00	... Leesburg	13.30	.....	.....	.....
.....	117,000	512,562	2	5.40	... Lexington ...	9.25	.....	.....	.....
.....	7.00	... Luray	12.50	.....	.....	.....
.....	113,000	686,604	2	3.30	... Lynchburg ...	6.00	3	2,700,000	11,453,196
.....	12.45	... Manassas ...	8.00	.....	.....	.....
.....	10.40	... Marion	12.30	1	70,000	395,150
.....	12.00	... Marshall	10.00	1	46,600	151,879
.....	22.10	.. Martinsville ..	9.30	2	167,000	1,026,036
.....	10.10	... Monterey ...	21.30	1	40,000	256,901
.....	9.00	.. Mount Jackson..	9.30	1	60,000	282,638
.....	8.10	.. Newport News..	2.00	1	200,000	1,474,047
..... Norfolk	3.00	4	4,090,000	20,602,313
\$421,250	\$2,381,032	5		\$42,428,620	\$240,682,696	141		..Carried Forward.		51	\$11,007,170	\$55,040,116

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$421,250	\$2,381,032	5		\$42,428,620	\$240,682,696	141	20.50	VIRGINIA.				
.....	.....	.....	.....	.....	.....	.....	9.15	Brought Forward	17.50	2	\$11,007,170	\$55,040,116
.....	.....	.....	.....	.....	.....	.....	8.30	.... Norton	9.00	1	105,000	559,661
.....	.....	.....	.....	.....	.....	.....	4.00	... Onancock ...	8.00	1	100,000	691,568
73,500	326,979	1	8.20	.....	.....	.....	.....	.... Onley	3.30	2	77,500	545,475
.....	.....	.....	.....	.....	.....	.....	.....	.... Orange ....	.....	.....	155,000	791,167
.....	.....	.....	.....	.....	.....	.....	.....	.... Parksley ..	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	13.50	.... Pearisburg ...	10.45	1	115,000	535,268
.....	.....	.....	.....	.....	.....	.....	6.00	... Petersburg ...	1.15	2	800,000	4,776,735
.....	.....	.....	.....	.....	.....	.....	16.00	... Pocahontas ...	12.45	1	55,000	366,234
.....	.....	.....	.....	.....	.....	.....	8.40	.. Portsmouth ..	3.30	1	117,500	658,558
.....	.....	.....	.....	.....	.....	.....	11.30	.... Pulaski	11.15	1	120,000	475,611
.....	.....	.....	.....	85,000	545,339	1	8.10	.. Purcellville ..	14.00	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	11.00	.... Radford	10.50	1	70,000	378,867
.....	.....	.....	.....	.....	.....	.....	5.00	.... Richmond ...	0.00	8	9,484,150	51,120,153
1,775,000	9,998,581	3	9.00	.....	.....	.....	.....	.... Roanoke ....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	13.30	.. Rocky Mount..	11.15	2	99,000	731,465
.....	.....	.....	.....	26,000	215,143	1	5.25	.... Rosslyn	11.10	.....	.....	.....
50,000	216,816	1	11.30	.....	.....	.....	.....	.. Rural Retreat..	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	19.25	.... St. Paul....	16.30	1	40,000	245,186
123,000	476,325	1	9.30	.....	.....	.....	.....	.... Salem ....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	12.20	... Scottsville ...	3.30	1	50,000	233,246
.....	.....	.....	.....	.....	.....	.....	10.10	.. South Boston..	5.00	3	274,200	1,664,714
\$2,442,750	\$13,399,733	11		\$42,539,620	\$241,443,178	143		Carried Forward.		79	\$22,669,520	\$118,814,024

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$2,442,750	\$13,899,733	11		\$42,539,620	\$241,443,178	143		VIRGINIA.				
.....	7.00	Brought Forward		79	\$22,669,520	\$118,814,024
.....	75,000	433,120	2	7.30	... Staunton	6.20	3	720,000	3,194,874
.....	8.00	... Strasburg ...	8.30	.....	.....	.....
.....	17.20	... Suffolk ...	2.15	1	220,000	977,615
.....	30,000	201,571	1	10.15	... Tazewell	13.40	1	120,000	568,349
.....	205,000	1,389,134	2	7.00	... Troutville ...	10.35	.....	.....	.....
.....	36,500	145,230	1	12.20	... Warrenton ...	9.30	.....	.....	.....
.....	555,000	3,295,385	2	5.00	... Washington ..	15.00	.....	.....	.....
.....	6.40	.. Waynesboro ..	6.00	2	72,000	521,881
.....	10.40	... Winchester ...	8.30	.....	.....	.....
145,000	427,916	1	11.30	.....	.....	.....	.....	... Woodstock ...	10.00	1	40,000	273,500
..... Wytheville ...	.....	.....	.....	.....
.....	WEST VIRGINIA.				
.....	11.15	.... Alderson	10.35	2	147,500	834,842
.....	18.10	.... Anawalt	16.00	1	25,000	92,051
.....	14.10	.... Ansted	13.30	1	47,000	239,123
.....	100,000	592,692	2	12.20	.... Belington ...	15.20	.....	.....	.....
.....	21.30	.... Berwind	17.00	1	42,000	337,195
.....	15.10	.... Bluefield	12.00	2	610,000	3,303,045
\$2,587,750	\$13,827,649	12		\$43,541,120	\$247,500,310	153		Carried Forward.		94	\$24,713,020	\$129,156,499

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.						BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.	CITIES IN FIFTH FEDERAL RESERVE DISTRICT.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$2,587,750	\$13,827,649	12		\$43,541,120	\$247,500,310	153		WEST VIRGINIA.					
.....	100,000	591,740	1	13.15	Brought Forward			94	\$24,713,020	\$129,156,499
.....	15.10	.. Buckhannon ..	16.15	.....	.....	.....	.....
.....	14.40	.. Ceredo	14.30	1	62,000	319,392	.....
.....	11.05	.. Charlestown ..	14.00	5	1,827,000	8,098,825	.....
.....	1,025,000	7,549,175	3	10.50	.. Clark	10.20	1	25,000	188,849	.....
.....	18.25	.. Clarksburg ..	13.50	.....	.....	.....	.....
.....	100,000	402,732	1	11.00	.. Clendenin ...	17.45	1	33,000	232,710	.....
.....	235,000	1,340,752	2	12.00	.. Davis	15.30	.....	.....	.....	.....
.....	1,540,000	6,625,084	3	10.50	.. Elkins	16.30	.....	.....	.....	.....
.....	35,000	221,573	1	17.05	.. Fairmont	13.50	.....	.....	.....	.....
.....	13.10	.. Fairview	20.05	.....	.....	.....	.....
.....	16.55	.. Fayetteville ..	12.30	1	75,000	293,321	.....
.....	30,000	151,399	1	9.30	.. Gary	14.45	1	50,000	381,438	.....
.....	300,000	1,782,314	1	10.00	.. Gorman	14.00	.....	.....	.....	.....
30,500	235,638	1	24.00	.....	.....	.....	.....	.. Grafton	13.00	.....	.....	.....	.....
65,000	268,939	1	19.00	.....	.....	.....	.....	.. Griffithsville ..	.....	.....	.....	.....	.....
.....	59,000	381,058	1	11.30	.. Hamlin .....	.....	.....	.....	.....	.....
.....	70,000	295,652	1	11.00	.. Harrisville ...	14.30	.....	.....	.....	.....
.....	11.55	.. Hendricks	15.30	.....	.....	.....	.....
.....	13.55	.. Hinton	11.15	3	343,200	1,646,256	.....
.....	15.15	.. Huntington ...	13.15	3	1,371,000	6,171,718	.....
..... Kenova	14.35	1	45,400	188,636	.....
\$2,683,250	\$14,332,226	14		\$47,035,120	\$266,841,794	168		Carried Forward.			111	\$28,544,620	\$146,677,644

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$2,683,250	\$14,332,226	14		\$47,035,120	\$266,841,794	168		WEST VIRGINIA.				
.....	85,000	659,836	1	6.30	Brought Forward	9.30	111	\$28,544,620	\$146,677,644
.....	50,000	356,608	1	17.15	.... Keyser	13.10	1	67,500	311,979
77,500	349,205	1	21.30	.....	.....	.....	11.00	.... Keystone	14.00	.....	.....	.....
..... Kingwood ...	.....	.....	.....	.....
.....	75,000	821,877	1	13.10	.... Logan	12.30	1	70,000	329,491
.....	11.30	.... Madison	14.30	.....	.....	.....
.....	265,000	1,481,245	2	13.45	.. Mannington ..	13.05	1	51,650	314,734
.....	3.45	.. Marlinton ...	6.45	.....	.....	.....
.....	39,500	450,355	1	20.30	.. Martinsburg ..	16.00	1	21,135	82,364
.....	50,000	300,190	1	18.00	.. Matewan	21.00	.....	.....	.....
.....	13.00	.. Middlebourne ..	16.00	.....	.....	.....
.....	120,000	517,769	1	13.55	.. Monongah ...	13.15	2	128,500	833,075
.....	369,000	1,441,033	2	8.15	.. Montgomery ..	10.45	.....	.....	.....
.....	30,000	273,450	1	11.00	.. Moorefield ...	13.30	.....	.....	.....
.....	75,000	659,756	1	9.30	.. Morgantown ..	12.30	.....	.....	.....
.....	14.40	.. Newburg	17.40	.....	.....	.....
.....	1,381,000	6,876,907	5	17.00	New Martinsville.	13.10	1	82,000	517,643
.....	27,500	132,602	1	13.30	.. Northfork ...	16.30	.....	.....	.....
.....	61,200	619,030	2	11.00	.. Parkersburg ..	15.30	.....	.....	.....
.....	12.15	.... Parsons ...	15.15	.....	.....	.....
.....	19.45	.. Pennsboro ...	15.15	1	33,000	148,311
\$2,760,750	\$14,681,431	15		\$49,663,320	\$281,432,452	188		.. Peterstown ...	.....	.....	.....	.....
								Carried Forward.		119	\$28,998,405	\$149,215,241

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$2,760,750	\$14,681,431	15		\$49,663,320	\$281,432,452	188		WEST VIRGINIA.				
.....	180,000	1,114,940	2	11.30	Brought Forward		119	\$28,998,405	\$149,215,241
.....	220,000	1,398,005	2	6.45	... Philippi	14.30	.....	.....	.....
.....	23.30	... Piedmont ...	9.45	.....	.....	.....
.....	161,000	891,428	2	16.20	... Pineville	23.00	2	92,000	331,057
.....	17.00	... Point Pleasant..	19.20	.....	.....	.....
.....	26,250	112,791	1	19.25	... Princeton ...	12.30	1	60,000	262,720
.....	65,000	431,865	1	20.00	... Reedy	22.25	.....	.....	.....
.....	52,000	200,077	1	11.15	... Richmond ...	23.00	.....	.....	.....
.....	10.55	... Romney	14.15	.....	.....	.....
.....	26,000	103,226	1	9.00	... Ronceverte ...	10.10	2	109,000	543,739
.....	15.05	... Rowlesburg ...	12.00	.....	.....	.....
.....	85,000	708,175	1	15.30	... St. Albans....	14.20	1	28,000	164,802
.....	85,000	745,721	1	11.20	... St. Marys....	18.30	.....	.....	.....
.....	60,000	426,748	1	13.00	... Salem	14.20	.....	.....	.....
.....	411,000	2,596,577	3	15.00	... Shinnston ...	16.00	.....	.....	.....
.....	57,000	422,976	1	20.00	... Sistersville ...	18.00	.....	.....	.....
.....	121,000	914,887	2	16.35	... Spencer	23.00	.....	.....	.....
.....	41,000	377,173	1	8.20	... Sutton	19.35	.....	.....	.....
.....	12.55	... Terra Alta... ..	11.20	.....	.....	.....
.....	30,000	215,197	1	19.00	... Thurmond ...	12.10	1	62,000	277,984
.....	17.35	... Webster Springs.	22.00	.....	.....	.....
\$2,760,750	\$14,681,431	15		\$51,283,570	\$292,092,238	209		... Welch	13.45	2	330,000	1,578,887
								Carried Forward.		128	\$29,679,405	\$152,374,430

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$2,760,750	\$14,681,431	15		\$51,283,570	\$292,092,238	209		WEST VIRGINIA.				
.....	.....	.....	.....	200,000	1,185,386	1	14.00	Brought Forward		128	\$29,679,405	\$152,374,430
.....	.....	.....	.....	50,000	350,803	1	17.30	.... Weston	17.00	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	20.55	.. West Union ..	14.30	.....	.....	.....
.....	.....	.....	.....	40,000	142,195	1	16.00	... Williamson ...	16.25	2	235,500	1,597,854
26,250	156,544	1	20.35	.....	.....	.....	.....	.. Williamstown .	19.00	.....	.....	.....
								.... Winona ....	.....	.....	.....	.....
								NORTH CAROLINA.				
.....	.....	.....	.....	.....	.....	.....	13.20	.... Ashboro	11.20	1	30,250	257,815
.....	.....	.....	.....	.....	.....	.....	18.00	.... Asheville	16.00	1	315,000	1,497,667
.....	.....	.....	.....	.....	.....	.....	11.30	... Burlington ...	9.30	1	65,000	365,046
.....	.....	.....	.....	.....	.....	.....	13.20	... Charlotte ...	11.20	5	1,850,000	9,526,956
.....	.....	.....	.....	.....	.....	.....	19.50	... Cherryville ...	17.50	1	35,000	155,581
.....	.....	.....	.....	.....	.....	.....	12.50	... Concord	10.50	1	125,000	539,420
.....	.....	.....	.....	.....	.....	.....	14.00	... Creedmor ...	9.40	1	26,325	115,360
.....	.....	.....	.....	.....	.....	.....	11.00	.... Dunn	6.30	1	50,000	386,691
.....	.....	.....	.....	.....	.....	.....	13.00	... Durham	8.00	2	510,000	3,599,364
.....	.....	.....	.....	.....	.....	.....	11.10	..Elizabeth City..	8.30	1	150,000	779,941
.....	.....	.....	.....	.....	.....	.....	15.20	... Elkin	14.00	1	42,600	349,932
.....	.....	.....	.....	.....	.....	.....	11.25	.. Fayetteville ..	6.55	2	320,600	2,138,246
\$2,787,000	\$14,837,975	16		\$51,573,570	\$293,770,622	212		Carried Forward.		148	\$33,434,680	\$173,684,303

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.					BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.	CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$2,787,000	\$14,837,975	16		\$51,573,570	\$293,770,622	212		NORTH CAROLINA.				
							21.30	Brought Forward	19.30	148	\$33,434,680	\$173,684,303
							14.00	... Forest City ...	12.00	1	30,000	138,578
							11.00	... Gastonia ...	6.30	2	250,000	1,615,237
							14.50	... Goldsboro ...	12.50	1	130,000	567,013
							10.30	... Graham ...	7.35	1	70,000	270,713
							13.45	... Greensboro ...	9.20	2	592,500	3,333,864
							8.00	... Greenville ...	3.50	1	110,000	701,784
							20.30	... Henderson ...	18.30	1	119,000	625,687
							15.00	... Hendersonville .	13.00	1	51,500	224,262
							11.00	... Hickory ...	9.00	1	240,000	904,693
							29.40	... High Point... ..	26.40	1	250,000	1,427,392
							14.15	... Jefferson	12.15	1	27,550	97,837
							12.00	... Kings Mountain .	7.30	1	31,000	119,202
							15.20	... Kinston	10.50	2	275,000	1,236,260
							16.00	.. Laurinburg	14.00	1	30,000	192,970
							11.30	... Lenoir	9.30	1	64,000	357,911
							19.00	... Lexington	17.00	1	30,000	211,567
							14.00	... Lincoln	7.40	2	128,500	614,033
							16.45	... Louisburg	11.45	2	112,500	558,146
							16.00	... Lumberton	14.00	1	73,000	435,716
							16.30	... Marion	12.00	1	67,500	462,241
								... Monroe		1	122,000	572,206
\$2,787,000	\$14,837,975	16		\$51,573,570	\$293,770,622	212		Carried Forward.		174	\$36,238,730	\$188,351,615

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$2,787,000	\$14,837,975	16		\$51,573,570	\$293,770,622	212		NORTH CAROLINA.				
.....	15.00	Brought Forward		174	\$36,238,730	\$188,351,615
.....	15.30	... Mooresville ..	13.00	1	61,000	279,647
.....	15.10	... Morganton ..	13.30	1	63,000	409,895
.....	13.30	... Mount Airy ...	13.10	1	100,000	417,348
.....	14.30	... New Berne....	9.00	1	180,000	799,903
.....	13.40	... Newton	12.30	1	60,000	301,717
.....	11.00	... Oxford	6.15	2	230,000	1,185,852
.....	12.00	... Raleigh	6.30	3	890,000	5,883,901
.....	9.50	.. Roanoke Rapids.	6.00	1	56,500	253,339
.....	12.00	.. Rocky Mount...	4.20	1	40,000	465,745
.....	22.40	... Salisbury ...	10.00	2	250,000	1,192,091
.....	13.30	... Shelby	20.40	2	208,000	1,316,181
.....	13.50	... Statesville ...	11.30	2	245,000	1,322,688
.....	11.10	... Tarboro	9.20	1	70,000	449,723
.....	15.40	.. Thomasville ..	9.10	1	33,000	264,691
.....	20.10	... Wadesboro ...	11.10	1	120,000	513,530
.....	14.30	.. Washington ..	10.30	1	150,000	554,238
.....	9.30	.. Waynesville ..	18.10	1	70,000	401,738
.....	12.40	... Wilmington ..	10.00	2	1,505,000	9,119,478
..... Wilson	5.00	1	150,000	652,460
..... Winston-Salem .	10.00	2	462,500	2,300,299
\$2,787,000	\$14,837,975	16		\$51,573,570	\$293,770,622	212		Carried Forward.		202	\$41,182,730	\$216,436,079

"APPENDIX A"—Continued.

BALTIMORE AND RICHMOND. BANKS EQUIDISTANT FROM				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$2,787,000	\$14,837,975	16		\$51,573,570	\$293,770,622	212		SOUTH CAROLINA.				
.....	18.00	Brought Forward		202	\$41,182,730	\$216,436,079
.....	21.00	... Abbeville ...	15.30	1	105,000	340,760
.....	20.20	... Aiken	19.00	1	62,500	271,908
.....	19.15	... Anderson ...	18.20	1	115,000	351,526
.....	18.00	... Batesburg ...	17.15	1	37,500	264,340
.....	27.20	.. Bennettsville ..	13.00	1	125,000	460,870
.....	15.10	... Bishopville ...	22.50	1	52,000	143,778
.....	17.00	... Camden	12.40	1	60,000	304,312
.....	13.00	.. Charleston ...	12.00	3	1,800,000	10,731,444
.....	17.30	... Cheraw	11.10	1	28,500	146,302
.....	17.00	... Chester	13.00	1	135,000	645,774
.....	16.15	... Clinton	14.30	1	60,000	254,325
.....	20.00	... Columbia ...	13.45	5	1,825,000	11,056,286
.....	18.00	... Conway	15.30	1	31,000	226,975
.....	14.00	... Darlington ...	13.00	1	54,750	278,938
.....	16.30	... Florence	9.00	1	162,000	770,095
.....	14.45	... Fort Mill	14.30	1	26,200	105,848
.....	16.30	... Gaffney	12.45	1	180,000	603,647
.....	17.00	... Greenville ...	14.30	4	680,000	3,105,325
.....	28.20	... Greenwood ...	14.30	1	120,000	586,430
.....	22.50	... Hartsville ...	23.50	1	26,700	73,493
.....	22.50	... Lancaster ...	20.50	1	75,000	365,661
\$2,787,000	\$14,837,975	16		\$51,573,570	\$293,770,622	212		Brought Forward		232	\$46,943,880	\$247,524,116

"APPENDIX A"—Continued.

BANKS EQUIDISTANT FROM BALTIMORE AND RICHMOND.				BANKS NEARER TO BALTIMORE.				CITIES IN FIFTH FEDERAL RESERVE DISTRICT.	BANKS NEARER TO RICHMOND.			
CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore & Richmond). hrs. min.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.	Number of Banks.	Mailing Time (Baltimore). hrs. min.		Mailing Time (Richmond). hrs. min.	Number of Banks.	CAPITAL AND SURPLUS.	TOTAL RESOURCES.
\$2,787,000	\$14,837,975	16		\$51,573,570	\$293,770,622	212		SOUTH CAROLINA.				
								<i>Brought Forward</i>		232	\$46,943,880	\$247,524,116
.....	19.00	.... Leesville	17.00	1	30,000	177,215
.....	18.30	... Lexington ...	16.30	1	29,000	237,367
.....	19.50	.... Marion	14.50	1	110,000	472,751
.....	19.50	.... Mullins	14.50	1	28,000	165,202
.....	21.30	... Newberry ...	17.30	1	107,000	479,208
.....	21.10	... Prosperity ...	16.40	1	28,250	197,259
.....	15.30	.... Rock Hill....	13.30	2	500,000	2,297,774
.....	18.00	.... Sharon	16.00	1	29,000	147,855
.....	15.30	.. Spartanburg ..	13.30	3	1,235,000	4,407,833
.....	19.00	.... Sumter	17.00	2	380,000	1,235,331
.....	18.00	.... Union	16.00	2	184,000	736,514
.....	21.20	.. Walterboro ..	16.20	1	30,000	133,348
.....	21.20	... Yorkville ...	16.50	1	65,000	307,002
\$2,787,000	\$14,837,975	16		\$51,573,570	\$293,770,622	212		..GRAND TOTALS..		250	\$49,699,130	\$258,518,775

"APPENDIX B."

(Based Solely on Figures in "Appendix A.")

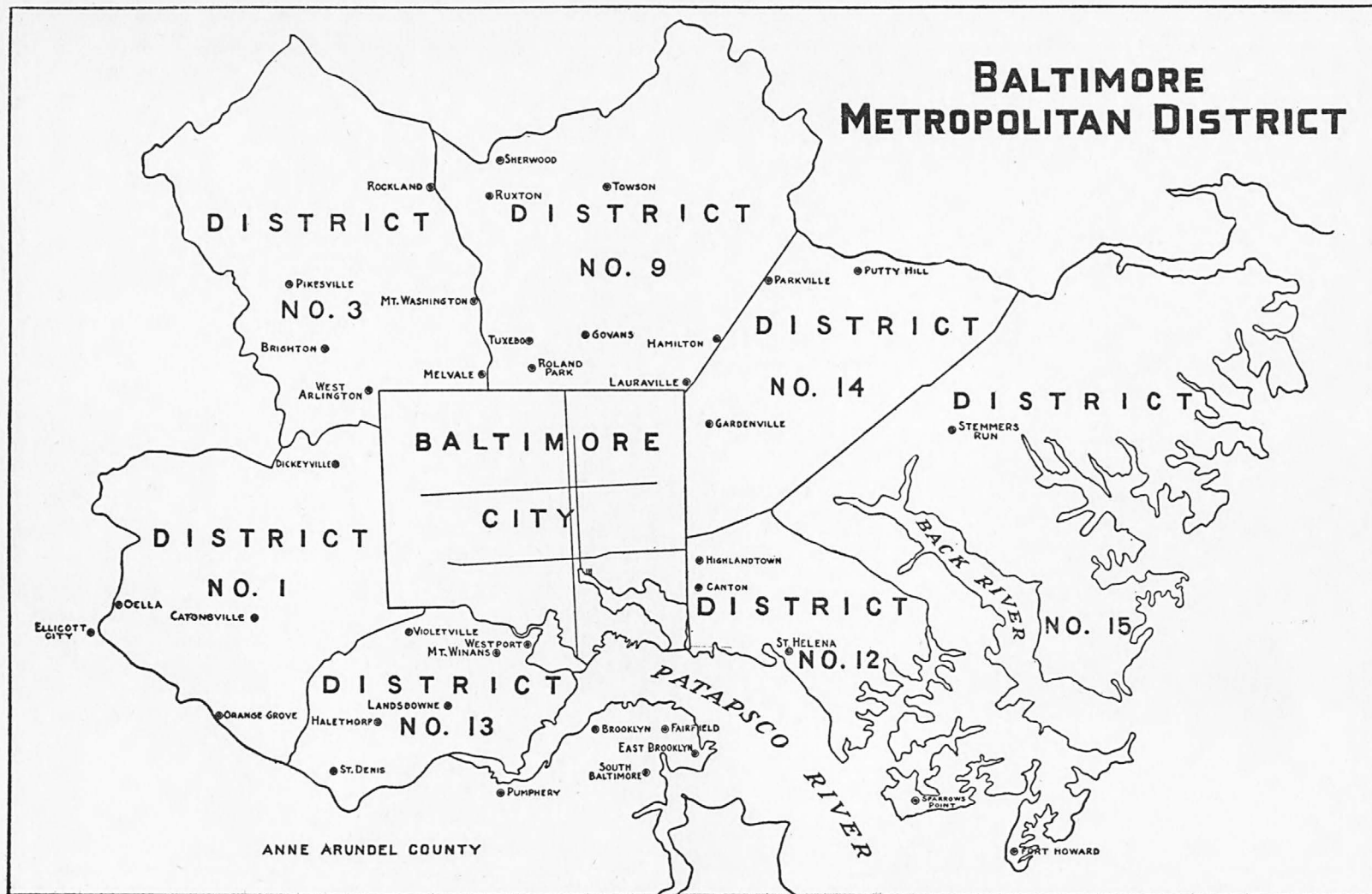
Distance in Hours, Mailing Time, be- tween National Banks in Fifth District	Mean Distance (Hours.)	Total Resources of All National Banks in the Fifth Federal Reserve District.	
		BALTIMORE.	RICHMOND.
0	0	\$114,094,615	\$51,120,153
Not more than 59 min.	$\frac{1}{2}$	.....	.....
1 hr. to 1.59 min.	$1\frac{1}{2}$	66,185,066	4,776,735
2 hrs. to 2.59 min.	$2\frac{1}{2}$	12,083,258	4,846,039
3 hrs. to 3.59 min.	$3\frac{1}{2}$	8,280,775	27,505,345
4 hrs. to 4.59 min.	$4\frac{1}{2}$	13,667,926	65,918,639
5 hrs. to 5.59 min.	$5\frac{1}{2}$	61,625,229	122,435,443
6 hrs. to 6.59 min.	$6\frac{1}{2}$	17,598,400	27,435,990
7 hrs. to 7.59 min.	$7\frac{1}{2}$	22,789,426	5,964,922
8 hrs. to 8.59 min.	$8\frac{1}{2}$	35,951,110	24,291,662
9 hrs. to 9.59 min.	$9\frac{1}{2}$	22,779,593	26,317,387
10 hrs. to 10.59 min.	$10\frac{1}{2}$	24,256,535	25,728,599
11 hrs. to 11.59 min.	$11\frac{1}{2}$	22,792,562	30,621,723
12 hrs. to 12.59 min.	$12\frac{1}{2}$	10,269,536	23,105,766
13 hrs. to 13.59 min.	$13\frac{1}{2}$	36,885,356	58,627,293
14 hrs. to 14.59 min.	$14\frac{1}{2}$	25,114,105	25,703,911
15 hrs. to 15.59 min.	$15\frac{1}{2}$	18,108,144	3,911,054
16 hrs. to 16.59 min.	$16\frac{1}{2}$	18,994,924	15,607,607
17 hrs. to 17.59 min.	$17\frac{1}{2}$	16,261,354	6,171,837
18 hrs. to 18.59 min.	$18\frac{1}{2}$	4,661,564	4,282,278
19 hrs. to 19.59 min.	$19\frac{1}{2}$	4,832,641	2,909,447
20 hrs. to 20.59 min.	$20\frac{1}{2}$	4,727,186	4,671,653
21 hrs. to 21.59 min.	$21\frac{1}{2}$	2,213,703	1,511,349
22 hrs. to 22.59 min.	$22\frac{1}{2}$	1,938,743	1,935,856
23 hrs. to 23.59 min.	$23\frac{1}{2}$	331,057	1,259,391
24 hrs. to 24.59 min.	$24\frac{1}{2}$	235,638	235,638
26 hrs. to 26.59 min.	$26\frac{1}{2}$	.....	97,837
27 hrs. to 27.59 min.	$27\frac{1}{2}$	143,778	.....
28 hrs. to 28.59 min.	$28\frac{1}{2}$	73,493	.....
29 hrs. to 29.59 min.	$29\frac{1}{2}$	97,837	.....
31 hrs. to 31.59 min.	$31\frac{1}{2}$	133,818	.....
34 hrs. to 34.59 min.	$34\frac{1}{2}$	.....	133,818
Average Distance of all Re- sources of National Banks in Fifth District.....		\$567,127,372	\$567,127,372
		7.3 hrs.	8.1 hrs.

122.5-7

Industrial Survey of Baltimore

DECEMBER, NINETEEN FOURTEEN
BALTIMORE, MARYLAND

BALTIMORE METROPOLITAN DISTRICT



Industrial Survey of Baltimore

Report of Industries Located Within
The Baltimore Metropolitan District

DECEMBER, NINETEEN FOURTEEN
BALTIMORE, MARYLAND

THE INDUSTRIAL SURVEY OF BALTIMORE

Projected by J. E. ALDRED and carried out
under the supervision of E. V. ILLMER, Sec-
retary, and the following Advisory Committee

DR. JACOB H. HOLLANDER
MR. JOHN R. BLAND
MR. FREDERICK W. WOOD

DEDICATED TO THE CITIZENS OF BALTIMORE

JANUARY 10, 1915

MR. J. E. ALDRED,

Industrial Survey of Baltimore, Baltimore, Md.

My dear Sir:

In conformity with the general plan submitted, I have made and completed a thorough and accurate survey of the local situation as relating to manufactures and beg to submit my conclusions herewith.

The utmost care and supervision were exercised in both the collection and compilation of the statistics embraced in the statements which accompany the report, and the trade comments are the result of exhaustive and intimate study of conditions peculiar to the industries considered. The foremost aim was to display the existing status of each industry, and it may be possible that through rigid adherence to this principle, one or more of the manufacturers who have co-operated in the Survey may take exception to the statements of fact as they relate to their particular business, but to have deviated would have defeated the prime object of an industrial survey.

In transmitting this report, I beg leave to state further that the plans as originally conceived were subjected to extensive alterations and modifications necessitated by inherent difficulties encountered in collecting the essential information, due largely to want of confidence in the intent and purpose of the Survey, which in most cases was occasioned by lack of familiarity with the conditions that prompted this investigation.

Baltimore's citizens have not thoughtfully analyzed the local industrial conditions and carefully studied their opportunities, a fact borne out by certain conclusions to be drawn from the data compiled in this report.

That Baltimore needs additional industries employing both skilled and unskilled workmen in large numbers is evidenced by the universal complaint of local manufacturers requiring an abundance of female help, who contend that they are considerably handicapped through the restriction of male labor to a limited number of pursuits resulting in consequent lack of attraction for families to locate here.

In addition to the co-operation of individual manufacturers, trade and civic organizations in general materially assisted in accomplishing the aims of the Survey. These associations are working energetically to overcome characteristics of selfishness and to instil civic pride into the community to the end that an altruistic spirit may prevail for the advancement of the welfare of Baltimore and its citizens.

Anent commodities produced, there was a marked increase in the value of manufactures for the year 1913 compared with 1909, the latter being the most recent census issued by the Government. To the student this may appear lacking in conformity with previous data, but as the compiler of the statistics herewith submitted, I have positive knowledge of conditions which have contributed to this large gain and it must suffice to state that the figures given are correct in every particular. There is a contingency that the Census of 1914, which will be made under the direction of the Government, will not show the volume of business reported by the Industrial Survey for the following fundamental reasons: Industrial depression prevailing during the first six months of the present year and subsequent stagnation of business in the early fall due to European hostilities.

Yours respectfully,

December 15, 1914.

E. V. ILLMER, Secretary.

My dear Mr. Aldred:

At your request we have reviewed the contents of the report comprising an Industrial Survey of Baltimore.

Acting upon your further suggestion that we should make such recommendations as would render the Survey of practical usefulness to the citizens of Baltimore, we have prepared the report which accompanies this letter.

We have not found it practicable to verify the detailed statements and figures set forth in the report, but we have no reason to question their essential accuracy.

Very truly yours,

JACOB H. HOLLANDER,
JOHN R. BLAND,
FREDERICK W. WOOD.

January 10, 1915.

REPORT OF THE ADVISORY COMMITTEE

The Committee to whom was referred the text and tables of the Industrial Survey have given careful attention to the matter therein contained and beg to present the following opinions:

At the outset, the Committee deem it proper to recognize the services rendered the City of Baltimore by those responsible for the Survey. For the first time an attempt has been made to take a descriptive inventory of our industrial life, not as an academic performance nor as an advertising project, but as a deliberate and sober inquest designed to acquaint our citizen-body with facts as they are—to the end that the purpose of the Survey may be realized.

The one clear and emphatic impression left upon our minds by the data hereinafter presented is that the industrial growth of Baltimore has been less pronounced than it should have been, having in mind the general economic progress of the country and the forward strides of other cities no more favorably circumstanced.

The population of Baltimore has increased less rapidly than that of certain competing communities and it has fallen back in relative rank among the great cities of the United States. Real estate values, a reasonable index of industrial activity, have been, with some notable exceptions, relatively immobile and there have been considerable areas of absolute decline marked by vacant properties and reduced rentals. The number of newly established industries is less considerable than it seems reasonable to expect and there are certain discouraging instances of the decay of one-time flourishing establishments. There is no evidence of any considerable influx of industrial workers, such as inevitably occurs in a growing manufacturing center.

We deem it mistaken policy in anywise to suppress or gloss over the fact that the industrial progress of Baltimore has been thus sluggish. There is less reason for such suppression because the situation which we face is an unnecessary and remediable one. If we were in our present situation by virtue of inevitable conditions, it would perhaps be expedient to put the best face possible upon matters and to magnify our position, defective though it might be. Such is not, however, the case. The forces which have delayed the industrial advance of Baltimore have resulted from an economic transition the ill effects of which have been too long tolerated and the removal of which is possible and practicable.

Prior to the Civil War, the dominant economic activities of Baltimore were commerce and trade. Manufactures there were—and important and prosperous ones at that. But it was in the direction of trade—foreign and domestic—that the energies of our business men were for the most part expended. By it the great fortunes of the city had been acquired—there our young men were accustomed to look for a business career—to it our financial institutions were adjusted and in it our enterprise found expression.

The outbreak of hostilities between the States brought this fabric to the earth with a crash. Our markets were destroyed—our credit was impaired—and the great region for which we had been the market place and base of supplies was devastated. The interruption of accustomed lines of communication forced our business energies into new channels, and that which we lost in trade we sought to regain in manufactures. It was not an easy transition and the difficulties incident thereto were aggravated by failure to realize the situation—to supplement the natural impulses of self interest as a motive to business enterprise by deliberate communal policies. In a word the industrial retardation of Baltimore is largely traceable to the absence of organized effort to make easy an abrupt change in our business life.

A concrete illustration of this tendency has been the failure of Baltimore to make any material progress in the years immediately preceding the Industrial Survey, either in the aggressive development of existing manufacturing establishments or in the attraction of new industries. There has been an expanding tendency in specific industrial pursuits—copper smelting and refining, the manufacture of tin cans and specialties, preserving and canning fruits and vegetables, and slaughtering and meat packing. Opposed to this, on the other hand, Baltimoreans have within the past decade witnessed the gradual curtailment, and in some instances the absolute elimination of certain industrial activities which had they been financed and husbanded with the same measure of efficiency and diligence that prevailed in the cases of the trades mentioned above, would probably have attained as great or greater development. The industries which have suffered local decline in this manner include those engaged in the manufacture of railroad cars and construction, sugar (refining), iron bars, chrome, crockery and pottery, boots and shoes, wall paper and soap.

The citizen-body of Baltimore is not differently constituted from that of any other progressive community. Individual initiative is no less, business talents are as pronounced, resourcefulness and enterprise are as prevalent. That which has been lacking is a collective consciousness and a communal effort which should take account of existing difficulties growing out of the historical change of Baltimore from a commercial to a manufacturing city, and which should encourage and facilitate the endeavors of individual enterprise to adapt itself to this necessity.

The positive elements favorable to a marked industrial advance are present

at this time in Baltimore in no less degree than in any other city in the United States. The three great essentials in competitive industry are (1) LABOR, (2) FUEL, (3) FREIGHT RATES. In other particulars—geographical location, manufacturing sites, taxation exemption, climatic conditions, municipal spirit—Baltimore probably enjoys in the net aggregate not less favorable conditions than exist elsewhere. But in the matter of labor supply, coal and transportation, Baltimore possesses clear differential advantages.

It will appear from the detailed exhibits (Tables Nos. 1 and 2) appended to this report, that the average scale of wages in representative industries is markedly lower in Baltimore than in other competing centers, and that such lower rates are not in consequence of underpayment, but proceed from a lower cost of living due to the cheaper price of staple foods, house rentals and living conveniences. In the matter of fuel, a marked advantage appears in the fact that the delivered all-rail cost of bituminous coal to Baltimore is \$2.80 per ton as against \$3.15 per ton to New York or to Boston. Finally, the superior advantages of Baltimore in the matter of freight rates are no less striking, as is clearly set forth in the appended maps (Page 77) to which particular attention is directed.

If the facts collected by the present Survey be examined with regard to the future industrial growth of Baltimore and in the light of the foregoing statements, it becomes apparent that marked development should be possible in three directions, by the encouragement of:

1. Industries entirely unrepresented in Baltimore for whose products there is now an actual local demand.
2. Industries entirely unrepresented in Baltimore but conspicuously successful in similar communities.
3. Industries now in operation in Baltimore but capable of marked expansion.

Noteworthy examples of industries included in these several groups are as follows:

1. Industries whose products would meet the needs, for materials or partly finished wares, of industrial establishments now located in Baltimore:

Wagon materials of iron and steel	Card board
Malting house	Printers' ink
White lead	Thread, twine and rope
Sugar refinery	Buttons
Machine tools	Tin and terne plate
Plate and window glass	Bar iron mill
Hardware and accessories used in the leather, trunk and electrical trades	Cacao products
Builders' hardware	Sweat bands and hat bands

2. Industries which have attained prominent development in other cities, but entirely without representation in Baltimore:

FOUNDRY AND MACHINE SHOP PRODUCTS

Agricultural implements	Oil stoves
Automobiles	Lawn mowers
Electrical motors, machinery and appliances	Hydraulic rams, hand and steam pumps
Fire arms	Radiators
Edge tools	Steam and hot water furnaces
Nails and spikes	Wrought iron pipe

HARDWARE

Locks	Cutlery
Brackets	Metal weather strip
Wood and machine screws	Saws
Oilers	Hammers
Spirit levels	Mallets
Picks and shovels	Screw drivers
Spades	Wrenches
Scoops	Chains
Files	

MEN'S FURNISHINGS

Collars and cuffs	Garters
Elastic woven goods	Leather belts
Gloves	

TEXTILES

Hammocks	Combination suits
Fancy jackets	Wristers
Cotton and silk hose and half hose	Cordage and twine other than cotton
Knit underwear	Thread

HOUSEHOLD SPECIALTIES

Carpet sweepers	Curtain rods
Carpets	Oil stoves
Chinaware	Mops
Clothes wringers	Washing machines

GLASS

Plate and window glass	Tumblers
Jars	Pressed and cut glassware
Lamp chimneys	

RUBBER

Clothing	Boots
Mats	Shoes
Tubing	Toys
Brushes	Medical and hygienic appliances
Bands	

STATIONERY GOODS AND OFFICE SUPPLIES

Index and card systems	Blackboards
Copying devices	Playing cards
Inkstands	Metal office furniture
Desk pads	

LEATHER

Pocket books and satchels	Garments
Chair seats	

LUMBER

Excelsior	Refrigerators
Chain and bucket pumps	Kitchen cabinets

WOODEN GOODS

Butter bowls	Wash boards
Dishes	Churns
Chopping bowls	Step ladders
Clothes pins	Wash tubs and buckets
Tooth picks	

FOOD PRODUCTS

Sugar and molasses refining	Condensed milk
Cereals, exclusive of hominy	

MISCELLANEOUS

Lamps	Tin foil
Wall paper	Aluminum pots and pans
Watches and clocks	Oil cloth and linoleum
Matches	Metallic packing
Brass and other metal beds	Ice cream freezers
White lead	Wire screen
Lead pencils	Buttons other than metal
Scales and balances	Fire extinguishers
Sporting and athletic goods	Candles
Starch	Wheelbarrows
Tin andterne ^{re} plate	

3. Industries represented by plants with limited facilities, but capable of marked expansion:

Envelopes	Rug weaving
Soft and stiff felt hats	Cooperage
Children's clothing	Trunks and suit cases
Suspenders	Saws
Varnishes	Ink, printing and writing
Artificial flowers	Picture frames
Blackening	

To aid in the attraction of new establishments and the expansion of existing ones, it seems to the Committee that effort might profitably be expended in improving the local demand for local products. As at present constituted, Baltimore manufacturers are supplying but a small part of our home consumption and that of an essentially neighborhood kind. We realize that what has been called the "territorial division of labor" is constantly extending the area from which a local demand is met, and that in the long run consumers will buy only in those markets where the things desired can be obtained upon the most favorable terms. But it seems clear that the wide gap between local producers and local consumers tends to produce a feeling of chronic apathy toward local manufacturing enterprises, resulting in discouragement to existing establishments and in neglect of new enterprises.

The various trade and civic bodies of Baltimore might very properly individually and in co-operation undertake the work of establishing closer business relations between the manufacturers and merchants of the city to the end that local effort should receive proper encouragement and stimulation.

Going beyond this, the Committee, however, venture to impress upon the varied interests of Baltimore—its commercial organizations, its financial bodies, its owners of real estate, its men of affairs generally, all of those in fact who have at heart the future growth and prosperity of the city—the necessity for taking some definite and immediate step towards utilizing the information here placed before them to the ultimate end that prompted the movement—the upbuilding of our city.

The Committee have been deeply impressed with the great value of the Industrial Survey in presenting clearly and in detail the industrial situation in Baltimore—its past development, its present condition and its future possibilities.

Unless, however, the citizens of Baltimore are willing to take hold of the work and willing to give evidence of their interest by the formation of some agency which will aid in developing, stimulating, increasing and promoting the industrial interests of Baltimore, this Survey and all the efforts expended in connection with it will amount to naught.

This subject is also of vital and far-reaching importance to the City of Baltimore and to the State of Maryland. If the proposed plan of development meets with a measure of success it is bound to result in an increase in industrial activities, in population, in the demand for dwelling houses and in the requirement for improved and unimproved property for factory sites—all of which mean an increase in the basis of taxation and in municipal and state revenue.

As a practical proposal the Committee urge the immediate formation of a corporation empowered to further the above interests. A dozen of the best known men of Baltimore should act as its incorporators. These men should be carefully selected from the financial, industrial and commercial walks of life. They should be thoroughly imbued with the absolute necessity and importance of the work to be undertaken.

The capital of the company to be formed should be from \$100,000 to \$250,000, this to be increased as the use for larger capital may be found necessary. The subscribed capital should be paid into the treasury on the call of the board. The sum so acquired should be utilized in lending at legal rates amounts to desirable industrial enterprises, either to those already located in Baltimore or to those that may be subsequently induced to locate here.

The main purpose of the corporation would be to advance money for the assistance of small industries. Preference should be given to establishments of moderate size, whose success would be reasonably assured, and which give promise of growth from small beginnings into larger and greater institutions.

It is interesting to speculate on the cumulative good that would accrue to the community in the course of ten years if a certain number of such industries, each employing a moderate working force, were given financial assistance each year. Of the total number of such concerns assisted a limited number would be unsuccessful, but the remainder would have become self-supporting and would probably have increased their respective undertakings so as to require the employment of a large body of workers with resulting stimulus to the demand for houses and necessities. Such a movement would in itself work a remarkable change in the local industrial situation.

Although the especial advantage of this new financing corporation would lie in its purpose and ability to assist smaller industries susceptible of larger growth, the corporation would also be in a position to consider cases of local concerns which require additional capital, and to assist them to properly present their propositions to the financial institutions and the public. Similar offices could be rendered to outside projects seeking local establishment, in the way of arousing public interest, subscribing part of the required capital and aiding in obtaining subscriptions to the remainder of the capital stock.

No gifts of money are to be made to any industry whatever. All advances made are to be in the shape of loans, pure and simple, and are to be returned to the corporation within a stated period of time. These advances should be

secured by the issuance of preferred stock of the borrowing corporation, bonds, chattel mortgages, or in any manner that may be considered best by the board of directors.

As a condition precedent to such loans, the board should have the right to delegate one or more persons to thoroughly study the operation and condition of any industry seeking aid and the character of those in charge thereof; and to provide also for representatives upon the directorate or in the active management, if such be deemed desirable, who would keep in touch with the progress of the establishment and be in a position to make report from time to time to the lending corporation.

Such a corporation must not be considered an eleemosynary institution in any sense. It should become known as an organization in its best and broadest sense for the promotion and development of such industrial enterprises as are conducted on sound principles of business, or which show a willingness to be so conducted.

One of the most important services which such a company could render would be to encourage the existing financial institutions and capitalist interests of Baltimore to participate in new industrial enterprises. The Committee are of the opinion that whatever hesitation may heretofore have shown itself on the part of local capital in this direction, has resulted not from any unwillingness, but rather from the absence of any agency of inquiry and recommendation. The company could thus serve as an intermediary between prospective enterprises and existing financial institutions, bringing the two into personal relations and instituting the necessary inquiries upon which capital investment ordinarily waits.

In all probability, some of the industries to which loans may be made will not succeed. But with a watchful and careful interest on the part of the lending corporation in the affairs of the borrower these failures should be few and the losses from such cause small. The Committee believe, however, that most of the industries thus aided will succeed. It will be from their success, evidenced by the tangible return to stockholders, that the advancement of the city's interests will result.

The foregoing recommendations are not intended to exhaust the possibilities or usefulness of the Survey. There will be found other things therein which will commend themselves to existing trade and civic bodies as having a direct bearing on their particular functions and capable of successful development.

The purpose of the Committee has been, by presenting certain definite recommendations, to insure some early practical result of advantage to the city and its population.

Respectfully submitted,

JACOB H. HOLLANDER,
JOHN R. BLAND,
FREDERICK W. WOOD.

TABLE No. 1

AVERAGE SCALE OF WAGES

As of May 15, 1913

	BALTIMORE	New York	Boston	Philadelphia	Pittsburgh
Bakery trades.....	.2489	.3089	.3249	.3184	.3628
Building trades.....	.4462	.5603	.4973	.4963	.5135
Granite and Stone.....	.5208	.5887	.5359	.5208	.5417
Metal Trades.....	.3480	.4306	.3607	.3875	.4055
Millwork trades.....	.3056	.3321	.4500	.4300	.3889
Printing trades—					
Book and Job.....	.3467	.5135	.4231	.3919	.3991
Newspaper.....	.4580	.6746	.6417	.4889	.4982

Authority: Bulletin of the United States Bureau of Labor Statistics—Whole No. 143.
Wages and Hours of Labor—Series No. 7.

TABLE No. 2

RETAIL PRICE OF STAPLE FOODS

As of December 15, 1913

From Statistics Compiled by the United States Government

	BALTIMORE	New York	Boston	Philadelphia	Pittsburgh
Sirloin steak—lb.....	0.222	0.257	0.362	0.298	0.270
Chuck steak—lb.....	.150	.156	.162	.176	.166
Hens—lb.....	.203	.207	.241	.217	.248
Lard—lb.....	.150	.159	.158	.152	.156
Flour—bag— $\frac{1}{8}$ bbl. ....	.764	.787	.871	.758	.776
Corn meal—lb.....	.0250	.0342	.0373	.0280	.0302
Storage eggs—doz.....	.332	.366	.359	.364	.349
Creamery butter—lb....	.407	.409	.381	.413	.421
Sugar—lb.....	.0492	.0486	.0535	.0500	.0550
Milk—qt.....	.088	.090	.089	.080	.092
Total	\$2.3902	\$2.5138	\$2.7138	\$2.5360	\$2.5632

Comparative Purchasing Power of One Dollar

	BALTIMORE	New York	Boston	Philadelphia	Pittsburgh
All Staples considered..	100.00	95.09	88.08	94.25	93.25

VALUE OF MANUFACTURES AND CLASSIFICATION OF INDUSTRIES
BALTIMORE METROPOLITAN DISTRICT—YEAR 1913

REFERENCE No.	INDUSTRY		EMPLOYEES—NUMBER OF							PRODUCT—VALUE AND DISPOSITION				REMARKS
	CHARACTER OF	Number of Estab- lishments Engaged In	SKILLED		UNSKILLED		EXECUTIVE SALES AND CLERICAL		TOTAL	VALUE OF MANUFACTURES	PER CENT. OF TOTAL MANUFAC- TURES	LOCAL SALES	SHIPMENTS	
			Male	Female	Male	Female	Male	Female						
1	BREWING AND DISTILLING:													
	Malt Liquors.....	12	669	----	91	----	145	28	933	\$5,820,841	1.65%	\$5,529,799	\$ 291,042	See Page 3.
	Spirituos Liquors.....	14	141	----	188	----	105	7	441	2,951,867	.83%	837,532	2,114,335	See Page 4.
2	CEMENT, CLAY AND PRODUCTS:													
	Builders' Materials.....	19	185	----	187	----	33	3	408	452,831	.13%	323,819	129,012	See Page 4.
	Brick.....	9	487	----	881	----	37	2	1,407	1,252,134	.35%	935,655	316,479	See Page 5.
	Crockery and Pottery.....	3	12	55	----	----	3	----	70	204,000	.06%	134,000	70,000	See Page 6.
	Paving and Roofing Materials.....	7	123	----	606	----	64	3	796	4,062,766	1.15%	3,994,080	68,686	See Page 6.
3	CHEMICALS, OILS, ACIDS, ETC.:													
	Acids, Fertilizer, etc.....	23	749	3	1,008	----	446	51	2,257	15,976,306	4.52%	2,229,783	13,746,523	See Page 7.
	Paints, Varnishes and Dyes.....	11	98	1	87	----	90	24	300	1,933,084	.55%	323,550	1,609,534	See Page 8.
	Soaps and Perfumery.....	11	21	26	33	25	31	14	150	441,519	.12%	190,211	251,308	See Page 9.
	Miscellaneous Chemicals and Oil.....	15	370	----	678	7	346	41	1,442	11,965,946	3.39%	2,253,500	9,712,446	See Page 10.
4	DRUGS AND PREPARATIONS.....	65	354	440	200	154	389	165	1,702	6,673,355	1.89%	987,346	5,686,009	See Page 10.
5	FOOD PRODUCTS:													
	Bakery Products and Flour.....	381	860	62	666	269	487	98	2,442	6,740,474	1.91%	4,221,528	2,518,946	See Page 11.
	Cereals and Spices.....	5	36	25	57	16	33	5	172	2,068,581	.59%	417,699	1,650,882	See Page 12.
	Preserved and Canned Foods.....	52	876	515	1,935	2,914	378	75	6,693	12,971,721	3.67%	1,028,317	11,943,404	See Page 12.
	Slaughtering and Meat Packing.....	49	826	----	359	----	158	9	1,352	18,533,317	5.25%	8,451,605	10,081,712	See Page 13.
	Candy and Confectionery.....	50	429	831	266	709	153	60	2,448	5,680,978	1.60%	1,317,578	4,363,400	See Page 14.
	Miscellaneous.....	12	41	28	73	87	82	50	361	2,199,167	.62%	374,755	1,824,412	See Page 15.
6	FOUNDRY AND MACHINE SHOP PRODUCTS:													
	Bridge and Structural Iron.....	11	408	10	206	----	50	8	682	1,344,388	.38%	548,780	795,608	See Page 16.
	Electrical Equipment.....	7	134	----	11	----	45	4	194	478,870	.14%	299,225	179,645	See Page 16.
	Machinery.....	51	2,871	2	946	20	323	28	4,190	6,730,245	1.90%	1,664,261	5,065,984	See Page 16.
	Railway Cars and Construction.....	6	3,641	----	1,105	----	463	2	5,211	11,422,110	3.23%	1,990,000	9,432,110	See Page 17.
	Miscellaneous.....	39	2,571	68	3,430	----	416	35	6,520	11,833,751	3.35%	1,209,348	10,624,403	See Page 18.
7	GLASS AND PRODUCTS:													
	Bottles and Glassware.....	5	398	1	785	59	68	11	1,322	1,681,521	.48%	490,915	1,190,606	See Page 20.
	Mirrors and Stained Glass.....	6	69	----	13	----	8	1	91	158,494	.04%	92,912	65,582	See Page 20.
8	JEWELRY AND SILVERWARE:													
	Jewelry.....	14	61	11	24	----	17	3	116	322,100	.09%	187,780	134,320	See Page 21.
	Silverware.....	10	279	----	43	----	57	10	389	974,000	.28%	458,500	515,500	See Page 21.
	Miscellaneous.....	8	30	5	4	----	4	2	45	64,000	.02%	31,500	32,500	See Page 22.
9	LEATHER AND MANUFACTURES:													
	Belting.....	7	82	299	27	----	44	29	481	1,690,452	.48%	159,500	1,530,952	See Page 22.
	Shoes.....	7	339	184	39	31	70	10	673	1,885,000	.53%	511,750	1,373,250	See Page 23.
	Harness and Saddlery.....	14	226	7	7	6	70	4	320	783,399	.22%	148,637	634,762	See Page 23.
	Finishing of Leather.....	4	18	----	33	----	6	----	57	128,500	.03%	39,000	89,500	See Page 24.
	Miscellaneous.....	5	60	2	10	----	18	3	93	165,000	.05%	100,300	64,700	See Page 25.
10	LUMBER AND MANUFACTURES:													
	Baskets, Willow Ware, etc.....	23	90	6	26	2	8	5	137	235,834	.07%	150,307	85,527	See Page 25.
	Boxes, Barrels, etc.....	29	1,008	105	782	4	110	8	2,017	3,940,232	1.11%	2,415,084	1,525,148	See Page 26.
	Furniture.....	35	1,297	78	571	----	171	41	2,158	4,754,330	1.35%	1,165,296	3,589,034	See Page 27.
	Millwork.....	22	786	----	325	----	146	13	1,270	2,470,841	.69%	1,251,050	1,219,791	See Page 28.
	Miscellaneous.....	22	956	35	330	----	278	16	1,615	5,388,300	1.53%	753,920	4,634,380	See Page 28.
11	PAPER AND PRINTING:													
	Boxes and Bags.....	20	265	601	66	191	59	26	1,208	1,935,930	.55%	981,810	954,120	See Page 29.
	Printing and Publishing.....	204	2,908	420	500	262	637	170	4,897	8,763,817	2.48%	5,208,463	3,555,354	See Page 30.
	Printers' Supplies.....	17	102	----	30	1	75	17	225	434,288	.12%	283,489	150,799	See Page 31.
	Paper and Stationery.....	5	54	19	40	16	21	7	157	232,695	.06%	76,928	155,767	See Page 32.
12	TEXTILES:													
	Awnings, Tents and Sails.....	9	36	23	7	2	20	5	93	203,500	.06%	137,363	66,137	See Page 32.
	Cotton and Burlap Bags.....	4	8	27	72	72	19	5	203	1,621,769	.46%	622,634	999,135	See Page 33.
	Carpets and Rugs.....	2	37	2	----	2	3	----	44	63,000	.02%	20,000	43,000	See Page 33.
	Cottons and Prints.....	5	1,060	2,280	150	320	33	13	3,856	5,890,000	1.67%	372,700	5,517,300	See Page 33.
	Clothing—Men and Boys.....	82	7,447	5,073	424	208	1,467	372	14,991	30,091,441	8.52%	1,796,695	28,294,746	See Page 34.
	Men's Furnishings.....	53	967	7,145	118	834	397	327	9,788	14,259,068	4.04%	1,135,273	13,123,795	See Page 35.
	Hats and Caps—Except Straw.....	12	163	135	6	----	33	2	339	480,232	.14%	103,250	376,982	See Page 37.
	Ladies' Apparel.....	55	1,130	1,508	138	167	379	128	3,450	7,415,884	2.10%	1,334,859	6,081,025	See Page 38.
	Miscellaneous.....	8	54	558	27	50	60	63	812	576,235	.16%	240,577	335,658	See Page 39.
13	TOBACCO.....	208	917	2,575	250	263	208	54	4,267	10,585,048	2.99%	3,192,261	7,392,787	See Page 40.
14	TOOLS AND HARDWARE:													
	Builders' Hardware.....	7	74	----	96	----	18	----	188	304,500	.09%	79,500	225,000	See Page 41.
	Miscellaneous.....	7	33	16	57	----	27	5	138	567,632	.16%	68,543	499,089	See Page 41.
15	VEHICLES:													
	Horse Drawn.....	36	382	----	66	----	60	2	510	651,200	.18%	584,750	66,450	See Page 42.
	Motor and Vehicle Parts.....	12	130	----	24	----	22	5	181	479,162	.14%	242,587	236,575	See Page 42.
16	MISCELLANEOUS:													
	Brass and Bronze Products.....	19	406	32	78	11	65	5	597	872,800	.25%	284,110	588,690	See Page 43.
	Brooms and Brushes.....	18	257	65	154	29	60	14	579	776,055	.23%	215,500	560,555	

VALUE AND DISPOSITION OF MERCHANDISE JOBBED
BALTIMORE METROPOLITAN DISTRICT—YEAR 1913

REFERENCE No.	CLASSIFICATION OF COMMODITY	NUMBER OF JOBBERS		VALUE AND DISPOSITION OF WARES				Purchased from Baltimore Manufacturers. In Per Cent.	REMARKS
		Jobbing Exclusively	In Conjunction With Other Wares	Total Sales	Per Cent. of Grand Total	Sold Locally	Shipments		
1	AGRICULTURAL IMPLEMENTS.....	12	2	\$7,486,188	3.13%	\$384,510	\$7,101,678	-----	Includes Seeds, see Page 3.
2	BREWING AND DISTILLING:								
	Malt Liquors.....	8	1	751,868	.31%	625,104	126,764	-----	See Page 3.
	Spirituous Liquors.....	62	---	25,785,658	10.78%	10,328,931	15,456,727	4.11%	See Page 4.
3	CEMENT, CLAY AND PRODUCTS:								
	Builders' Materials.....	14	---	2,766,509	1.16%	2,240,357	526,152	2.18%	See Page 5.
	Cement and Brick.....	2	14	3,070,118	1.28%	2,460,192	609,926	2.44%	
	Crockery and Pottery.....	---	7	1,210,212	.51%	232,513	977,699	9.50%	
	Roofing Materials.....	13	2	801,367	.34%	526,102	275,265	-----	
4	CHEMICALS, OILS, ACIDS, ETC.:								
	Acids, Fertilizer, etc.....	4	3	2,611,486	1.09%	321,814	2,289,672	28.16%	See Page 7.
	Paints and Varnishes.....	3	2	395,114	.17%	272,148	122,966	6.08%	See Page 8.
	Soaps and Perfumery.....	4	7	680,408	.28%	418,289	262,119	17.06%	
	Chemicals and Oil.....	6	2	4,546,322	1.90%	2,255,831	2,290,491	13.12%	See Page 10.
5	DRUGS AND PREPARATIONS.....	8	3	3,338,762	1.40%	1,272,082	2,066,680	9.48%	See Page 10.
6	FOOD PRODUCTS:								
	Bakery Products and Flour.....	10	---	2,781,412	1.16%	862,237	1,919,175	7.44%	Principally Flour.
	Cereals, Teas and Coffee.....	10	4	15,382,824	6.43%	2,741,317	12,641,507	1.49%	Practically all Coffee and Tea.
	Preserved and Canned Foods.....	44	4	15,883,269	6.64%	6,346,560	9,536,709	4.44%	Grocery Jobbers.
	Slaughtering and Meat Packing.....	7	---	9,432,608	3.95%	8,953,126	479,482	4.08%	Includes Provisions.
	Candy and Confectionery.....	12	2	2,727,226	1.14%	522,110	2,205,116	30.16%	
	Miscellaneous.....	9	11	1,870,304	.78%	420,783	1,449,521	8.23%	
7	FOUNDRY AND MACHINE SHOP PRODUCTS:								
	Bridge and Building Construction.....	10	2	2,345,128	.98%	232,149	2,112,979	-----	See Page 16.
	Electrical Equipment.....	9	2	1,269,682	.53%	658,176	611,506	1.13%	
	Machinery.....	14	5	3,014,253	1.26%	1,497,040	1,517,213	2.11%	See Page 16.
	Miscellaneous.....	11	4	895,799	.37%	269,825	625,974	.56%	
8	GLASS AND PRODUCTS:								
	Bottles and Glassware.....	2	7	1,055,241	.44%	157,196	898,045	6.16%	
	Mirrors, Plate and Window Glass.....	3	2	1,425,623	.60%	350,982	1,074,641	-----	
9	JEWELRY AND SILVERWARE:								
	Jewelry.....	6	3	529,000	.22%	92,250	436,750	-----	
	Silverware.....	2	1	65,102	.03%	4,869	60,233	4.18%	
	Miscellaneous.....	1	4	138,000	.06%	30,250	107,750	.13%	
10	LEATHER AND MANUFACTURES:								
	Boots and Shoes.....	17	1	9,671,122	4.05%	1,993,964	7,677,158	4.32%	
	Harness and Saddlery.....	2	3	1,068,750	.45%	159,252	909,498	-----	
	Leather—Raw and Tanned.....	17	---	3,908,686	1.63%	398,200	3,510,486	-----	
	Miscellaneous.....	2	3	225,892	.09%	14,680	211,212	-----	Bags and Trunks.
11	LUMBER AND MANUFACTURES:								
	Baskets, Willow Ware, etc.....	2	2	315,613	.13%	85,201	230,412	-----	See Page 26.
	Furniture.....	4	5	3,733,434	1.56%	622,311	3,111,123	3.24%	Principally Chairs, see Page 27.
	Millwork.....	5	11	4,845,822	2.03%	2,627,386	2,218,436	-----	
	Miscellaneous.....	18	6	9,319,369	3.90%	7,104,000	2,215,369	-----	Principally Lumber.
12	PAPER AND PRINTING:								
	Boxes and Bags.....	7	2	1,392,500	.58%	1,096,350	296,150	20.38%	See Page 30.
	Printers' Supplies.....	3	1	359,000	.15%	233,350	125,650	.14%	
	Paper and Stationery.....	14	3	3,997,269	1.67%	2,003,986	1,993,283	-----	
13	TEXTILES:								
	Carpets and Rugs.....	2	3	1,741,693	.73%	397,923	1,343,770	-----	
	Cottons and Prints.....	3	11	21,527,942	9.01%	1,534,904	19,993,038	.15%	Dry Goods Jobbers.
	Clothing—Men and Boys.....	40	2	3,650,882	1.53%	318,208	3,332,674	6.29%	
	Gents' Furnishings.....	2	16	4,294,104	1.80%	488,752	3,805,352	6.47%	
	Hats and Caps—Except Straw.....	1	7	1,005,017	.42%	99,881	905,136	10.14%	
	Hosiery, Knit Goods and Notions.....	5	13	5,597,112	2.34%	1,116,444	4,480,668	-----	
	Ladies' Apparel.....	8	3	2,692,125	1.13%	326,108	2,366,017	22.41%	
	Silk and Manufactures.....	2	2	915,000	.38%	238,750	676,250	-----	
	Miscellaneous.....	14	10	4,090,247	1.71%	1,137,643	2,952,604	-----	
14	TOBACCO.....	8	3	6,605,633	2.76%	2,252,141	4,353,492	11.73%	
15	TOOLS AND HARDWARE:								
	Builders' Hardware.....	6	2	924,191	.39%	350,333	573,858	7.00%	
	Miscellaneous.....	9	5	4,355,110	1.82%	928,265	3,426,845	.32%	
16	VEHICLES:								
	Horse Drawn.....	---	3	51,523	.02%	46,411	5,112	-----	
	Wagon and Motor Parts.....	2	5	524,191	.22%	175,833	348,358	1.53%	
17	MISCELLANEOUS:								
	Brass and Bronze Products.....	---	5	436,182	.18%	196,421	239,761	4.10%	
	Brooms and Brushes.....	---	8	359,166	.15%	118,946	240,220	2.08%	
	Copper, Tin, and Sheet Iron Products.....	9	5	1,623,867	.68%	403,246	1,220,621	7.75%	
	Dental and Surgical Goods.....	8	3	375,000	.16%	210,000	165,000	-----	
	Furs and Skins.....	5	2	1,680,190	.70%	111,040	1,569,150	-----	Includes Hides.
	Mattresses, Brass and Spring Beds.....	4	1	810,209	.34%	325,861	484,348	1.16%	
	Millinery and Lace Goods.....	13	3	9,151,811	3.83%	1,202,750	7,949,061	.84%	
	Plumbers' Supplies.....	9	1	3,090,000	1.29%	1,185,000	1,905,000	22.11%	
	Rubber Goods.....	4	6	3,031,719	1.27%	370,517	2,661,202	-----	
	Umbrellas and Canes.....	---	9	405,000	.17%	40,000	365,000	.05%	
	Straw Hats.....	---	7	764,208	.32%	137,250	626,958	6.19%	
	Wall Paper.....	5	3	625,878	.26%	292,046	333,832	-----	
	Miscellaneous.....	18	11	7,662,720	3.21%	2,693,673	4,969,047	.29%	
	Grand Total.....	554		\$239,087,660	100.00%	\$77,513,769	\$161,573,891	4.10%	

MANUFACTURING AND JOBBING BUSINESS

AGRICULTURAL IMPLEMENTS AND SEEDS

AGRICULTURAL IMPLEMENTS

No local establishments are reported as engaged in the manufacture of machinery or implements designed for use in agriculture. Collectively, there are eight jobbers and branch houses of manufacturers dealing in agricultural implements of every description, whose combined sales for 1913 totalled \$3,361,193.

In this class of wares Baltimore has for the past forty years been considered an advantageous jobbing centre for the South. Very little competition is encountered in the territory served, although Richmond, Va., and Chattanooga, Tenn., manufacture on a limited scale a special line of agricultural implements.

SEEDS

In grass and field seeds Baltimore is the acknowledged largest jobbing centre on the Atlantic Seaboard. Garden and flower seeds are also extensively jobbed. While the trend of the business is South, local dealers canvass the country generally.

Competition in grass and field seeds is reported from Chicago, Toledo and Cincinnati, and in garden and flower seeds from Philadelphia and New York.

Six jobbers in the trade show aggregate sales for 1913 of \$4,124,995.

BREWING AND DISTILLING

MALT LIQUORS

The amount of lager beer produced in Baltimore is practically sufficient to take care of the local consumption. Out-of-town brewers have, however, been able to command 10 per cent. of the trade, which has been offset by home manufacturers' shipments to near-by points. The increase in local consumption has been at the rate of 5 per cent. per year, being relative to the increase in population.

Of the ingredients which enter largely into the manufacture of the product, hops are procured from the Pacific Coast, New York State, and imported; malt principally from Chicago and Milwaukee; and rice from India. 25 per cent. of the corn grits used is purchased locally, the remainder being secured from Indianapolis, Ind., and vicinity.

Articles used in the trade, such as kegs, barrels, copper and other tubing, tanks and boilers, are purchased from local manufacturers; 20 per cent. of the bottles used are procured from local establishments, the brewers claiming that home manufacturers cannot successfully compete with the Middle West in the production of beer bottles.

The amount of beer produced per capita in Baltimore is not as great as in most other large cities, due to the fact that the territory adjacent to Baltimore is not so densely populated.

SPIRITUOUS LIQUORS

Establishments embraced in this classification are engaged in distilling whiskey, brandy and gin. The value of products shown in Statement No. 1 is greatly affected by the Internal Revenue tax. This fact, coupled with diversified methods peculiar to the industry employed in the disposition of the product, and bonding with the resultant loss through evaporation make it impossible to compile absolutely accurate and reliable statistics. So far as would admit of verification, the figures noted are exclusive of the Internal Revenue tax.

Maryland manufactured approximately 4,750,000 gallons of whiskey in 1913, 85 per cent. of which was produced within the Baltimore Metropolitan District. With tax, storage charges, and handling costs added, and after making due allowance for evaporation, the value of this product four years hence will approximate \$8,350,000.

From this trade local coppersmiths secure practically all the work in their line. Cooperage is purchased largely in Baltimore, although quantities are contracted for yearly with firms in Cincinnati, Ohio and Peoria, Ill. Malted grain is shipped in from Wisconsin and Michigan.

Distilled and vinous liquors are jobbed on an extensive scale. According to official United States Internal Revenue records, sixty-two firms were reported as doing a wholesale liquor business in 1913, fifty-two of them being rectifiers. The value of products shown as disposed of through wholesale dealers is inclusive of the Internal Revenue tax and of one of the essentials entering primarily into the rectifying, compounding and blending of whiskey.

Maryland, with Baltimore as the logical distributing point, enjoys an international reputation on the superior quality of her whiskies, a reputation which the manufacturers and jobbers are exerting every effort to uphold.

CEMENT, CLAY AND PRODUCTS

BUILDERS MATERIALS

Of the numerous articles handled by builders' supply companies, very few are made in Baltimore. The building supply business is divided up among a small number of very large firms and a large number of smaller ones, under three general classifications. First in importance is the line which embraces such

articles as cement, plaster, brick, lining and sheathing paper, terra cotta and other clay pipe and stone trimmings; second come those concerns which handle sash and blinds, doors and door frames (See Lumber and Manufactures, Millwork); and last, those which handle an assortment of builders' hardware and iron work (See Tools and Hardware, Builders' Hardware).

In the first group there is one local concern which makes a very high grade of ornamental terra cotta, supplying the bulk of the local demand and selling the remainder of its product throughout the country generally. Lime used for both building and fertilizer comes principally from Western Maryland. At the present time there is located in Baltimore one concern engaged in the manufacture of lime which secures its raw material from an accumulation of matter used years ago by the local gas company. This supply is about exhausted and the company will shortly go out of business. A large percentage of the fireproof building blocks comes from Mt. Savage, Md., and the remainder from New Jersey. Plaster is shipped in from Staten Island, although purchases are reported from Buffalo and Chester, Pa. Cement is secured principally from Lehigh Valley, Pa., with a portion from Western Maryland. Mortar colors are made locally and furnish the bulk of the consumption. Building papers are brought here from York, Pa. Terra cotta pipe, fire clay pipe and flue linings are purchased in Akron, Ohio territory, metal lath from factories at Youngstown, Ohio, and roofing of such kinds as asphalt, slag, rubber, and tarred comes from York, Pa. Shingle stains and waterproof and weatherproof paints are secured largely from Boston and near Buffalo.

CONCRETE—There is one concern making a patented concrete pile, another making a tile of concrete, and a third manufactures concrete beams with steel reinforcement. One firm casts concrete front and side walls for buildings in steel forms or molds. One establishment reports making statuary and urns of concrete. Eleven firms are engaged in making concrete blocks for building purposes.

BRICK

The making of building brick is almost essentially a local or neighborhood industry, as the weight of the product and the close margin at which it is sold make it virtually impossible for manufacturers to pay freight on it and successfully compete for business except within a very narrow radius of their yards. With colored face brick and paving blocks this does not hold good, as sufficient demand may be established for a particular make of either to justify expansion.

Almost every city in this vicinity produces nearly sufficient brick to supply the local demand and Baltimore is no exception to this rule, 95 per cent. of the local consumption of common building brick being taken care of by the yards in and around the city. Only about 25 per cent. of the colored face brick used in Baltimore is manufactured here, consisting entirely of red brick, which is among the cheapest colored front brick made. The making of face brick in other colors

or artificially colored has been attempted here on numerous occasions by different concerns, only to be abandoned, as the profits derived did not justify its continuance, although an adequate supply of suitable clay is available.

Of sidewalk brick, the use of which is steadily declining, Baltimore yards make all that is consumed in the city. An average of 25 per cent. of the street paving brick used by the local municipality and by private parties is secured from one manufacturer of this class of brick.

Ordinarily the supply of labor, which is chiefly unskilled, is ample, but recently the large amount of paving being done by the city has not only affected the wage scale, but also materially curtailed the supply.

CROCKERY AND POTTERY

The manufacture of crockery and pottery, while never a really important industry in Baltimore, has dwindled to almost nothing. The business reached its height about 1888, when there were four concerns making whiteware, an equal number stoneware, and two making roofing tile. Now there is but one of each engaged in the first two pursuits mentioned and none in the last named industry. There is no particular reason assigned for the dwindling of the industry, except perhaps concentration of the business in certain pottery centres, such as Trenton, N. J. It is claimed that there are ample opportunities here for the establishment of crockery and pottery manufactories, if experienced men with adequate capital would enter the field. Suitable clay in large quantities is available, labor is obtainable at a reasonable figure, and distribution facilities are all that could be desired.

Of the porcelain ware made here at this time about half is sold in Baltimore, the remainder principally in the South. Practically all flower pots and clay pipes manufactured are sold locally.

PAVING AND ROOFING MATERIALS

There are five concerns engaged in the making and laying of asphalt paving. The local consumption takes about 85 per cent. of the production, and practically all of the remaining 15 per cent. is used on Maryland State roads. Two of the manufacturers are in reality branches of outside concerns, although they maintain plants here temporarily for the production of asphalt paving materials, and three are permanently located.

The materials other than asphalt used in this class of paving are coarsely crushed stone, secured locally; trap rock and granite crushed to varying degrees of fineness, obtained from Maryland quarries; sand and gravel, secured locally; and the oil used for fluxing, furnished by local concerns. 60 per cent. of the crude asphalt is purchased locally, the remainder being shipped in from California, Texas, Bermuda and Mexico.

One concern makes asphalt blocks, used largely in street paving and repair work, and the others turn out their product in what is known as sheet form.

The local patronage of the companies comes almost entirely from the municipality, and as the paving of streets in Baltimore is at a high level, chiefly asphalt being used for the purpose, the business is in a thriving condition and bids fair to remain so for at least five years to come.

Of other varieties of paving material, one concern turns out a considerable amount of granite or Belgian block, the local consumption being fairly large.

ROOFING—At the present time there is no concern in Baltimore manufacturing slag roofing, although the product in its entirety was manufactured by one firm for a number of years, but was abandoned when the coal tar by-product of a local concern was no longer available.

There are twelve large concerns in Baltimore engaged in coating and applying tar, slag, and asphalt roofing and applying asbestos roofing, 70 per cent. of their sales being in Baltimore and the remaining 30 per cent. within a very narrow radius of the city. The trade has shown an increase of 200 per cent. in the past ten years, the greatest gain being noted since 1909. The business done by the twelve firms mentioned in roofing materials last year amounted to \$511,288.

CHEMICALS, OILS, ACIDS, ETC.

ACIDS, FERTILIZERS, ETC.

There are four concerns in Baltimore engaged in the manufacture of sulphuric acid, which is used largely by the fertilizer factories in the treatment of phosphate rock. There is a large demand locally for sulphate of ammonia from the fertilizer factories, but at present there is only one concern manufacturing this product and that on a very limited scale.

Baltimore is the largest fertilizer manufacturing centre in the world. This industry is growing in importance from year to year, due largely to the educational campaign which is being waged by the fertilizer companies in conjunction with the Department of Agriculture and various state agricultural colleges. This city enjoys certain advantages from a fertilizer manufacturing standpoint which, in the opinion of some of the best informed men in the business, make it impregnable as a centre in this particular field. These advantages may be summarized as follows: The enormous prestige which it has long enjoyed; cheap coal; attractive rail and water transportation facilities, unequalled for distribution north, south, east and west; favorable labor conditions; and low freight rates on the most important ingredients by water from Chili and Cuba. The possibilities for expansion are almost limitless, as farmers are fast beginning to realize that through the proper use of fertilizer one acre of land can be made to produce as much as two acres under natural conditions.

The trend of increase in consumption is toward the South, because of the character of agricultural products raised there and the ever-increasing acreage devoted to intensive farming and truck raising. About 60 per cent. of the prod-

uct is finding a market in that section, although the demand from the West is increasing rapidly and is second in importance in distribution.

All the potash used in the manufacture of fertilizer comes from Germany, nitrate of soda from the guano beds of Chili, phosphate rock principally from Florida. Ammoniates are secured from nearly all sections of the United States to the extent of 75 per cent., the remaining 25 per cent. being imported from Scotland. Local manufacturers are required to secure certain kinds of tankage from other cities which, as is done elsewhere, could as well be derived from the garbage here. This tankage is a prime requisite in the manufacture of special fertilizers.

Practically all gunny sacks or bags, which of late years have almost entirely supplanted barrels as containers of fertilizer products, are made by local firms.

Jobbers connected with the fertilizer business derive their principal income from handling the various raw materials which go to make up the finished product, rather than from buying and selling fertilizer itself. The demand for fertilizer has increased throughout the country at the annual rate of 10 per cent. for the past five years.

PAINTS, VARNISHES AND DYES

Due to overlapping in the products of establishments engaged in the manufacture of paints and varnishes, these materials have been included in one classification, which also embraces an establishment manufacturing dyes.

Ready mixed paints are manufactured on a fairly large scale locally, but have not enjoyed a particularly broad market, as our manufacturers have done little to advertise widely their brands. The trend of the trade is South, where Baltimore-made paints have long possessed an excellent reputation. Labor is plentiful and can be had at a reasonable wage.

There are no exclusive jobbers of paints in this city, although the wholesale drug houses and hardware dealers in some instances handle considerable quantities of paint on a jobbing basis, the greatest part of which comes from out-of-town manufacturers and is of a cheaper grade than that manufactured locally.

Eight manufacturers of other cities have established agencies through local retail paint dealers and the aggregate volume of their business has been ascertained to amount to \$141,550.

There are three jobbers representing outside manufacturers of lead, whose sales for 1913 amounted to 1,600 tons, valued at \$225,000.

About 80 per cent. of the ready mixed paint handled by local retailers is purchased from the manufacturers, but contractors and other large users mix their own paints, purchasing their materials chiefly from the local representatives of outside manufacturers. The character of the business is such that it does not lend itself to being handled on a jobbing or commission basis, and manufacturers confine their efforts largely to selling the retail trade. This condition exists all over the country, with the possible exception of several nationally advertised brands.

SOAPS AND PERFUMERY

Fifteen years ago Baltimore ranked fourth among the cities of the country in the production of soap, at which time it practically monopolized the business in the Southern states, the aggregate value of the product approximating \$4,000,000 per annum, with from thirteen to fifteen concerns engaged in its manufacture, but this business is no longer an item of importance among Baltimore's enterprises. A number of factors have contributed to the curtailment, among which the most important are the following: The extraction of cotton seed oil and its utilization in the manufacture of soap, stimulating the establishment of factories throughout the South; utilization of by-products by large western packing houses in the manufacture of soap; and the stupendous advertising campaigns inaugurated by many of the large soap manufacturers. However, it is the consensus of opinion of practical soap men that the business could again be enormously developed here, for this city possesses as many advantages favorable to the industry as Buffalo, Cincinnati or New York, and furthermore, the distribution facilities are superior to those enjoyed by any inland soap manufacturing centre.

Forty per cent. of the soap produced in Baltimore is sold to jobbers, as the character of the business is such as to encourage the handling of the product in this manner.

A considerable portion of the raw material entering into the composition of soap is the by-product, such as fats, greases and oils, of slaughtering and meat packing establishments, and Baltimore has quite a number of such establishments which at the present time are shipping most of their by-products out of the city, to be made into soap, ointments, and the like. In addition to the materials named above, cocoanut oil is also a very important ingredient, especially of white soap, and this oil can be brought from the tropics to this city cheaper than to almost any other point. Other materials entering into the composition of soap are caustic soda and soda ash, neither of which is manufactured here. These raw materials come from Syracuse, N. Y., Wyandotte, Mich., and Saltville, Va., and also from England.

New York is the acknowledged largest soap grease market in the country, and to that city Chicago, St. Louis, and Kansas City, as well as other packing and slaughtering centres, send to a large extent their surplus by-products. Most of the packers are in the soap business, though none of them can as yet find a market for a sufficient quantity of soap to enable them to utilize all of their by-products in its manufacture.

PERFUMERY AND TOILET ARTICLES—The manufacture of perfumery and toilet articles has never been developed locally on an extensive scale. There are at present three manufacturers of perfumery and talcum powder, and two establishments specializing in toilet articles. There are a number of other concerns manufacturing toilet articles as a side line, but since their product of chief value as reported is "Drugs," they are accordingly so classified.

MISCELLANEOUS CHEMICALS AND OIL

There are two concerns in Baltimore producing heavy chemicals, which are used largely in making dyes and by the textile industries generally.

Inherent difficulties encountered in securing thoroughly accurate and reliable information on the oil industry have made it obligatory to include as manufacturers, establishments which purchase partly refined petroleum products and compound them with vegetable, animal, and mineral oils or other substances, in order to produce a special composition, or lubricating product. There is only one establishment in the Baltimore Industrial District engaged primarily in the refining of crude petroleum by distillation. The number of establishments reported as manufacturing lubricating oil is twelve, several of which purchase their materials of jobbers.

There is one concern reporting as engaged in the manufacture of shoe blacking.

Refined oil, gasoline and petroleum products are being extensively jobbed, six independent concerns maintaining tank wagon delivery service to take care of the local demand.

DRUGS AND PREPARATIONS

Baltimore ranks fourth among the cities of the country in the production of drugs, and standard and proprietary medicinal preparations. There has been some little expansion in the business during the past four years, but the increase would probably have been considerably greater had not the passage of the Pure Food and Drugs Act required the printing of ingredients on the labels of all proprietary preparations, which has apparently somewhat curtailed their sale.

Forty per cent. of the local consumption of these products is supplied by the manufacturers, which is equivalent to 15 per cent. of their total output, one-third going to jobbers and two-thirds to retailers. Approximately 40 per cent. of the output is sold in the Southern states, and the remainder is evenly distributed throughout the country.

Fifty per cent. of the containers used, such as bottles, pill and other boxes, are procured of home manufacturers. Of raw materials, about 10 per cent. are purchased of local manufacturers, including phosphate of soda, sal soda, and sundry acids.

In the jobbing of drugs and preparations, Baltimore also ranks high among the cities of the United States, having eight concerns engaged in this business. The jobbing of drugs has doubled in the past twelve years and has shown an average annual increase of 8 per cent. in the last four years. The distribution has been about as follows: 25 per cent. local, 50 per cent. in the South, and 25 per cent. scattered over adjoining states.

FOOD PRODUCTS

BAKERY PRODUCTS

The production of baker's bread, cake, and pies has increased 60 per cent. during the past ten years, due partially to increase of population but mainly to the fact that the factory-made product is gradually supplanting home-made articles.

Seventy per cent. of the flour used, or practically all of that required in the making of bread, comes from the West, and the remaining 30 per cent. utilized in the manufacture of cakes, pastry and pies is purchased from local millers.

About five years ago there was inaugurated the shipment of bread, pies, and cake to points outside of Baltimore and now 5 per cent. of the total product is sold within a radius of 100 miles of this city, which distance appears to be the mileage limit within which the business can be successfully carried on. The labor situation is satisfactory and there are no serious handicaps.

The manufacture of factory-made crackers and biscuits, both plain and fancy, has shown an increase of 35 per cent. during the past four years. Nearly 51 per cent. of the local consumption of these foodstuffs is supplied by Baltimore manufacturers, which is equivalent to 34 per cent. of their total output. About 85 per cent. of the flour used in the making of these products is secured locally and from near-by points, the remainder being procured from the West. None of the local product is jobbed here, but the bulk of that which is shipped goes to jobbers. The trend of the outside demand is to the South, but a fair amount of the output is sold all over the country east of the Mississippi River. Of lard and compounds used for shortening by the biscuit, cake and pie manufacturers, 20 per cent. is secured from local manufacturers and 80 per cent. from western packing houses. Flavoring extracts for both branches of the industry are largely purchased in this city from manufacturers, but dried fruits, with the exception of apples which are secured principally in New York State, are shipped in from California.

FLOUR

The local milling of wheat flour has fallen off about 50 per cent. since 1880, when the business reached its zenith, but has about held its own at the reduced output since 1899. This slump in production is not peculiar to Baltimore, but is a condition which exists at all centres in the country with the exception of the great flour producing sections of the Middle West, of which Minneapolis is the headquarters. With the enormous development of wheat raising in the West came the establishment of many large mills near the source of supply of the raw material, and the manufacture of flour decreased correspondingly in all other sections.

Of the flour made here 25 per cent. is sold locally, 40 per cent. is exported, and 35 per cent. finds its principal market in the South. As to source

of supply for raw materials, 85 per cent. is winter wheat from Maryland and adjoining states and 15 per cent. spring wheat from the West. Very little flour is sold to jobbers here or elsewhere, the bulk of it going direct to large consumers and to retailers. The western flour is nationally advertised to an extent which the local manufacturers would not be warranted even in approximating. The former product is made nearer to the geographical centre of the country, and therefore logically finds a nation-wide market.

CEREALS AND SPICES

There are three concerns engaged in the grinding of spices from raw materials imported from India, East Indies, China, Japan, other sections of the Far East, and Africa. Everything in the spice line is therefore made here.

About 20 per cent. of the local consumption is supplied by local concerns, the remainder being shipped in principally from New York. The Baltimore sales are equivalent to about 10 per cent. of the local output. Local sales are chiefly to jobbers, with the exception of those of one establishment which caters exclusively to the retail trade. The bulk of the patronage of the local spice mills comes from the South and Southwest, but large quantities go to New England, New York and Philadelphia. Two of the mills also manufacture a complete line of fruit and other extracts, the latter from imported essential oils. One concern reports as being engaged chiefly in the manufacture of vanilla extract in bulk.

Seven firms import tea from all tea producing centres, blend it and sell it under their own brands in packages and in bulk.

CEREALS—Practically the only breakfast food made locally is hominy, but this is manufactured on a considerable scale. The raw product is corn, which is shipped in from the Middle West. Hominy manufacturers also produce corn grits, corn meal, and some little flour. The hominy mills supply 75 per cent. of the local consumption of grits, and 50 per cent. of the home consumption of the other products which they make, these amounts being equivalent to 15 per cent. of the total production of the four items mentioned above. The remainder is shipped South and Southeast, a small quantity being exported. These mills also make horse and cattle feed, in the composition of which oats as well as corn largely enters. Altogether there are eight concerns making this feed, securing about 50 per cent. of the local patronage, exclusive of that enjoyed by a number of small feed stores, which mix their own horse and cattle feed.

PRESERVED AND CANNED FOODS

No market packs a more general assortment of canned fruits and vegetables than Baltimore. It is known in the trade as the "Mother of the Canned Goods Industry." This city was the first to use machinery in connection with the business and was the initial point at which commercial canning of food products was successfully developed.

The packing of oysters was begun here in 1820, and has experienced an almost continuous growth in quantity of output since that time. The next venture of the local packers was the canning of tomatoes, followed closely by the same treatment of practically all other vegetables and fruits. This was soon after the beginning of the Civil War, which was responsible for the initial demand for canned goods in this country. Baltimore canned goods are exported to all parts of the civilized world. Considering the vast volume of the output, they are not extensively jobbed here.

Tomatoes are more extensively packed here than any other one item, and last year the packers of this city turned out about two-fifths of the tomatoes canned in the country. Oysters, including raw and cove, come next in importance. All kinds of berries are packed here in large quantities, with strawberries leading the list, and so are all other fruits and vegetables grown in this climate, with the addition of pineapples. Practically all the pineapples packed in this country were put up in Baltimore until about ten years ago, at which time the industry was introduced in the native islands, where by far the largest part of the canning for consumption in this country is now done. Baltimore has also lost out as the centre of the pea-canning industry, though some of the finest canned peas in the country are still put up here. From occupying the first place in the pea-packing business eight years ago, Baltimore has dropped to sixth in rank.

The growth locally of the packing business during recent years has been enormous, the value of the output having nearly doubled in the past four years, while there has been a proportionate increase in the number of employees during the same period.

The putting up of jellies and preserved fruits has nearly kept pace with the general canning business, some packers conducting it as a side line and others making it a specialty. This business received a great impetus locally with the passage of the Pure Food and Drugs Act in 1906, as the Baltimore packers had never attempted competition with cheap, adulterated articles.

The local Canned Goods Exchange is an unusually strong trade organization and the packers work together with a more unselfish spirit than is found in many other trades.

SLAUGHTERING AND MEAT PACKING

Under this heading are given statistics of wholesale slaughtering and meat-packing establishments, public abattoirs, butchering establishments and those making a specialty of manufacturing sausage.

Slaughtering is fast becoming the leading industry of Baltimore. In addition to a number of privately owned plants, there are at the present time four beef and seven pork slaughtering houses under Government supervision. Aside from the regularly established packing houses, thirty-eight butchers kill

their cattle, sheep and hogs through public abattoirs or in their own slaughtering houses.

Although this industry is showing a steady and healthy development, it is laboring under serious handicaps. Foremost among these is the inferiority of its advantages compared with those enjoyed by western packers. Those concerns have such advantages as, first, proximity to the source of supply; second, the utilization of their offals for manufacturing a number of by-products such as tallow, oleo oil, stearin, glue, gelatine, soap, and fertilizer materials; and third, the addition of private refrigerator car service, all of which tend to offset in a measure the difference in freight of cattle on the hoof and the dressed product, and permit them to enter eastern markets and practically monopolize the business. Another handicap to the extensive development of this industry in Baltimore is caused by certain local restrictions as to the sites for plants. New York and Philadelphia are making decided concessions in this respect, in that they permit the erection of plants within the city limits, proper control being exercised in respect to sanitation. It is stated authoritatively that if this industry is given the same privileges extended other pursuits in this city, it will show even larger gains within the next decade.

There are seven branches of packing establishments in Baltimore and their sales for 1913 aggregated \$9,432,608, this amount being equivalent to slightly more than half of the local business.

An educational campaign waged among the local butchers, and their banding together in an organization for the sale of their offals, have had a tendency to retard the inroads made by outside packers, so that the local establishments are now practically holding their own with conditions favorable for securing a larger share of the business offering.

CANDY AND CONFECTIONERY

Baltimore ranks fifth among the cities of the country in the quantity and value of the candy manufactured. This business is not showing any particular growth in production of the cheaper grades, but the average quality has improved within the past four years, and the price obtained for the output has therefore increased during that period.

There are fifty-six concerns engaged in the business, twenty-eight of which are of considerable size. Of the remaining number, six are jobbers who make a little of the hard candy which they sell, and twenty-two are retailers who usually manufacture on their premises a portion of their wares.

About 12 per cent. of the candy made here is sold locally to both jobbers and retailers, the remaining 88 per cent. being distributed as follows: Southern states, 25 per cent.; Middle West, 18 per cent.; New England and other states to the North, 15 per cent.; Northwest, 15 per cent.; Far West, 10 per cent.; export and scattered, 5 per cent. The retail trade is extensively catered to in Balti-

more only, 85 per cent. of the wares shipped being sold to jobbers. About 75 per cent. of the candy made here may be termed high grade, 15 per cent. is medium, and 10 per cent. low grade.

Of the ingredients which enter into the manufacture of candy, local concerns purchase all of their sugar from local brokers, cocoa from New York and Boston brokers, lemon and orange essential oils from abroad, other fruit flavors from New York jobbers, and corn syrup mostly from the Middle West. The candy manufacturers would be glad to purchase their fruit flavors locally if some one would manufacture and furnish the grade and quality desired.

Cardboard boxes, both plain and fancy, are purchased of local manufacturers to the extent of 95 per cent., and practically all wooden shipping cases are made in this city. Local printers and lithographers furnish about 50 per cent. of the plain and fancy wraps used in the trade, New York and Boston supplying the remainder.

Labor conditions are far from satisfactory. It is impossible, except in very dull seasons, to secure an adequate supply of experienced help.

MISCELLANEOUS

BAKING POWDER—About 20 per cent. of the local consumption is taken care of by home manufacturers, which is equivalent to 8 per cent. of the output of the four concerns engaged in the business. The remainder finds a market in the South. Of the amount sold locally 75 per cent. goes to jobbers and 25 per cent. to retailers.

Of the ingredients required, the starch, bicarbonate of soda, acids and chemicals come from the Middle West. The tin plate used in making the tops and bottoms of cardboard containers comes from Pittsburgh and the labels from Baltimore.

No gelatine is made here, but one concern makes a dessert powder with fruit flavors, of which gelatine is the principal ingredient, and also an ice cream powder of a similar nature. There is one importer of ground cassava root, procured from South America, and from this root tapioca is made. Six local concerns put up tapioca in packages under their respective brands. 80 per cent. of the local production is sold through jobbers and the remainder to retailers. Only 5 per cent. of the local production is sold in Baltimore, the remainder going to adjacent states and to the South.

One concern is reported as engaged in clarifying and packing olive oil, three as making macaroni, and three as manufacturing supplies used in the baking industry.

FOUNDRY AND MACHINE-SHOP PRODUCTS

BRIDGE AND STRUCTURAL IRON

With the exception of the manufacture on a limited scale of cast iron bases, columns, and scroll work, Baltimore makes nothing in structural iron and steel, from the raw material to the finished product. Structural iron and steel, however, is fabricated and put up by ten concerns. The beams, columns, channels, angle iron, tees, bars, scroll work and all other structural materials are purchased in the rough from manufacturers, principally in the Pittsburgh district, and are cut into lengths, riveted, shaped, and painted by local firms. These establishments furnish and do practically all of the erecting on about 90 per cent. of the local consumption of structural iron and steel, so far as the construction of buildings is concerned, but they supply nothing for bridge work except steel cores for concrete construction. The remaining 10 per cent. of structural iron and steel already fabricated is shipped in from various points.

The local business of these concerns is equivalent to about 40 per cent. of their total output, the remaining amount finding a market principally in the Southern states. Two of the finishing and erecting shops also job unfinished materials, and ten additional concerns are engaged exclusively in jobbing rough material, securing a market for 90 per cent. of their turn-over from the Southern states and 10 per cent. from local fabricators.

One of Pittsburgh's large steel and iron establishments maintains a branch in Baltimore where they fabricate structural material, exporting nearly all of the finished product.

ELECTRICAL EQUIPMENT

Local manufacturing of electrical equipment, excepting telephone and telegraph instruments, is confined chiefly to the assembling of finished parts and the construction of special apparatus to order. Five concerns are engaged in the industry, two manufacturing telephone and telegraph instruments and messenger coil boxes, one oil fuse boxes, and two medical and storage batteries.

The principal complaint of the manufacturers is that they cannot get many of the small articles which they need, such as screws, rivets and other hardware in Baltimore, local dealers carrying only staple articles whereas there is a big demand for specialties.

MACHINERY

The gross income of the local machine shops is derived as follows: 50 per cent. from the construction of standard or patented machines of limited variety, made principally for account of the owners of the patents; 25 per cent. from building special machinery on specifications; and the remainder from repair work.

In the number and value of patented and standard machines produced, used in the fruit, vegetable, and oyster-packing business, Baltimore leads other cities. In the construction of machinery for making tin cans Baltimore also ranks very

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high. Its canning machinery has a world-wide reputation, for which the market is largely out of the city, due to new packing establishments springing up throughout the country.

Among the specific machines and articles which are built here and carried in stock by the machine shops are the following: very high grade planers; bolt cutting and drilling and boring machines; street lighting and other iron posts; machinery for joining together tin for roofing purposes; machinery for filling and corking bottles; devices for making ice cream cones; grain and cereal dryers; some special types of marine boilers and engines, but no other steam boilers or engines; gasoline engines; tobacco granulators and cutters; passenger and freight elevators; grain presses used by brewers; chain elevators or conveyors; heating boilers for heating systems; grinders and mixers for fertilizer plants; cookers, pressers, and dryers for fish fertilizer manufacturers; rotary blowers; nautical instruments; sanitary and ordinary pumps; broom-making machinery; gasometers; and sugar machinery.

Of the equipment and supplies used in machine shops, those engaged in the business are required to purchase, chiefly from Baltimore agencies of out-of-town concerns, lathes; medium grade planers; shapers; drill presses; power punches and shears; emory grinders; milling machines; perforators; key seaters; slotters; pipe cutting, threading and sawing machines; bending and straightening rolls; riveting machines; and pneumatic hammers and drills, as well as all hand tools.

There is room locally for the establishment of a steel plate mill, since the consumption is very large, principally in the making of boilers, stacks, tanks, etc., the last two articles in particular being made on an extensive scale. Most of the concerns engaged in the manufacture of metal cornice and roofing are prepared to build smoke stacks, sheet iron tanks, and in fact anything where sheet iron or steel is involved. There is in process of formation an organization which is expected to include practically all the sheet steel and galvanized iron concerns in this city.

The machine-shop business is in a healthy condition, but it does not show a particularly strong growing tendency. The labor situation is satisfactory at this time, a full supply of fairly competent mechanics being available.

RAILWAY CARS AND CONSTRUCTION

This classification covers shops making running or classified repairs to locomotives, railway and street cars, and those engaged in the manufacture of new equipment or parts thereof. The building of freight cars was discontinued about four years ago, and this industry in the main consists in the assembling of finished parts shipped in from the Pittsburgh district. There is one concern engaged in the manufacture of car wheels.

MISCELLANEOUS

STOVES—There are seven concerns manufacturing coal ranges, other domestic coal consuming stoves, and hot air furnaces. Three of them also make gas ranges and one concern manufactures gas ranges exclusively. Two of the seven companies cater to hotel trade particularly, building extra large and heavy combined gas and coal ranges, and the equipment used in hotel and restaurant kitchens. About 95 per cent. of the local consumption of coal ranges, other than coal stoves and hot air furnaces, is supplied by the Baltimore manufacturers, which is equal to 25 per cent. of their combined output; 65 per cent. is disposed of throughout the South and 10 per cent. shipped to widely scattered points. Were it not for the fact that there is a limited demand for very small and cheap coal ranges which are not made here, local manufacturers would supply the entire demand. Practically the whole local consumption of gas ranges is taken care of by Baltimore manufacturers.

All of the stove manufacturers maintain foundries, in which are cast iron parts used in the making of the finished product. Sheet steel, of which there is a large amount used, is practically all purchased in the Pittsburgh district, and bolts, nuts, screws and rivets come from Portchester, N. Y. and New England points. Stamped steel parts and tubing come largely from the Middle West, mica comes from North Carolina, and fire brick from Maryland. The foundries attached to the stove works are also utilized in making a general line of small castings for all purposes. Only 5 per cent. of the output is sold to jobbers, 95 per cent. going mainly to retailers. Four of the manufacturers maintain retail establishments. One local stove foundry makes a specialty of casting automobile parts, and another is equipped to make the heaviest character of castings, running up to thirty tons in weight.

The making of coal stoves and ranges is on the decrease, but the output of gas ranges is steadily becoming larger. No steam or hot water furnaces are made here.

GENERAL FOUNDRY WORK—There are fourteen iron foundries in Baltimore, including those connected with the stove plants. All the foundries make cast iron castings, but only one makes malleable iron and two steel castings also. About 75 per cent. of the local consumption of cast iron castings is furnished by Baltimore foundries, 50 per cent. of the malleable and 25 per cent. of the steel. The remaining supply comes from Pennsylvania, within a 100 mile radius of Baltimore, where labor is cheaper and working hours longer. It takes about 60 per cent. of the local production to supply 75 per cent. of the demand in this city for cast iron castings, and the remainder is shipped to near-by points in Maryland, District of Columbia, and southern Pennsylvania. The making of foundry castings is of necessity a neighborhood industry to a considerable extent, as the weight of the product and the narrow margin of profit absolutely limit competition to points where the

freight rate is not more than twelve cents. Although Baltimore foundries are getting a large share of strictly local business, they feel they should secure more near-by patronage. More heavy machinery should also be made here. The present condition is attributed to the timidity of local capital to invest in a business which, while perfectly safe, does not promise especially large profits.

After filling the local demand there remain about 50 per cent. of malleable and 75 per cent. of steel castings, which find a market principally in the North and Northeast, very little going South. Local founders do not carry any castings in stock, their entire output, excepting the stove foundries, consisting of strictly made-to-order wares for machine shops, ship yards, and other plants. Shipbuilders buy all of their castings here. There are two large engineering concerns which maintain their own foundries, but the remainder of these concerns, as well as most small shops, use Baltimore castings.

The business has shown a contracting and dragging tendency since the panic of 1907, with the exception of two good intervening years. The labor situation at this time is favorable, with an abundant supply of skilled workmen who can be had at a reasonable wage, but it is very difficult to secure sufficient trained help when the business is at all brisk.

There are several concerns manufacturing enameled iron signs and kindred articles, such as railroad semaphors, parts of gas ranges, and reflectors for various uses. About 95 per cent. of their product is sold out of town. Two large firms make a general line of sheet steel and iron stamped ware, mainly articles for domestic use.

There is a general line of plumbers' supplies made in Baltimore, including a rather cheap grade of enamel ware bath tubs, lavatories, sinks and toilet bowls. Soil pipe and fittings and water closet tanks and seats are manufactured in medium and high grades, but the stationary wash tubs produced are mainly of a poor quality. Soil pipe and fittings are made on a large scale and supply 75 per cent. of the local demand.

In the plumbers' supply trade it is believed that there is a good opportunity to establish locally a stationary wash tub plant, making tubs of cement in the better grades. There is said to be a very large demand for this product throughout the South and the nearest point at which these tubs are now manufactured to any extent is Brooklyn, N. Y. The bulky nature and weight of the product make the freight rate a considerable factor from that source to southern points.

Plumbers' supplies, such as earthenware closet bowls and china lavatories, are not made here, the bulk of the supply coming from Trenton, N. J.

GLASS AND PRODUCTS

BOTTLES AND GLASSWARE

Baltimore leads the cities of the country in the production of bottles used as perfumery and toilet water containers, and takes a high rank in the manufacture of the general line of druggists' bottles, and also those used for whiskey and other liquors.

About 25 per cent. of the local consumption of the kind of glassware manufactured here is furnished by the local producers. The reason advanced for a larger percentage not being sold at home is that the demand is principally for a cheaper grade of bottles than is made here. 25 per cent. of the local consumption is equivalent to about 30 per cent. of the production. The sales to either local or out-of-town jobbers are insignificant. Most of the bottles made here are of the kind known as "private mould" lettered ware, that is, the druggists and others ordering them have their names blown in the glass. This business has increased about 50 per cent. in seven years and is in a prosperous condition. The outside demand is evenly distributed over the country.

About all the skilled labor needed is obtainable at reasonable wages.

MIRRORS AND STAINED GLASS

There are no domestic articles made of glass produced here, nor is there any plate or window glass manufactured in Baltimore. Four concerns are engaged in the manufacture of mirrors, plate glass for which is obtained from the Pittsburgh district and imported. Until the recent tariff law went into effect, materially reducing the duty on plate glass, the entire supply was purchased in this country.

One of the manufacturers utilizes the entire product of his factory in office, bar-room, and other fixtures, and another does work only to order. The manufacturing of mirrors consists of beveling and silvering plate glass and cutting it into required shapes and sizes. About 75 per cent. of the local consumption is supplied by the manufacturers, which takes one-third of their output, the remaining two-thirds finding a market mainly in Maryland and Pennsylvania. The additional supply required to take care of the local demand comes largely from New York and Williamsport, Pa.

The product is sold almost entirely to furniture and mantel manufacturers, and to those who make a specialty of framing mirrors and selling them to retailers.

Of raw materials other than glass, nitrate of silver—which has altogether superseded quick silver as the coating—comes from Pittsburgh and New York, and carborundum, used in grinding, comes exclusively from Niagara Falls.

Two concerns are engaged in manufacturing stained and ornamental glass.

JEWELRY AND SILVERWARE

JEWELRY

Jewelry made of gold, silver, platinum, and other precious metals, constitutes the principal product reported for establishments included under this classification. Inasmuch as some of the concerns do work in whole or in part on materials furnished by others, there is necessarily some duplication in the value of products reported.

This industry has never been developed on an extensive scale and very few of the local concerns are strictly speaking "manufacturers to the trade," confining themselves principally to special order and repair work. Baltimore manufacturers cannot successfully compete with New York and Providence, as their wares cannot be produced as cheaply. In every instance where comparison is possible, the product of the New England manufacturer excels, due to the fact that New York is the recognized jewelry centre of the United States and controls the labor situation so far as skilled workers, designers, lapidaries, and stonecutters are concerned.

Most of the jewelry disposed of through local jobbing houses is of the cheap variety, and there are very few who specialize in this business. There are also a number of wholesale jewelers to the trade carrying limited stocks, but who confine their efforts principally to soliciting orders from samples. These have not been considered in the compilations on this industry.

It is stated that the reason why Baltimore manufacturers do not secure more of the local business is that they do not properly solicit the trade. Their complete lines are seldom ever shown to retail dealers in this city and the merchant is therefore left in ignorance as to what is really produced here. On account of this condition, no retail dealer in Baltimore really knows what is made by the shops at his door.

SILVERWARE

There is more sterling silver hollowware made here than at any point south of New York, but the greater portion of it is sold by the manufacturer at retail, three establishments maintaining retail departments in which they also sell other goods than their own manufacture. This retail feature precludes the possibility of their securing any patronage from other retail merchants.

Baltimore is noted the country over for its hand-made repousse sterling silver hollowware, which has never been successfully imitated in other cities. The out-of-town demand for this line of goods is general, a good portion of the output being marketed in the South. Manufacturers who do not sell at retail secure a small amount of local patronage from retail merchants. One factor which curtails their local sales to merchants is that manufacturers from other cities are disposed to place their wares on consignment for long periods, a method which

local manufacturers do not feel justified in pursuing. Another factor is that by patronizing out-of-town firms, retailers are enabled to show a larger assortment, each manufacturer having his own particular designs. A cheap grade of plated ware is made here in considerable quantities and has a wide market.

Expert labor is cheaper in Baltimore than in most localities where the business is carried on, and overhead expenses also are reported as being lower.

MISCELLANEOUS

The only class of optical goods made in Baltimore is spectacle and eyeglass lenses. There are eight concerns engaged in this business, but only two of them make lenses for stock and these fill prescriptions as well. The other six do prescription work exclusively, selling in connection a general line of optical goods. One of the concerns referred to sells 50 per cent. of his output to jobbers and 25 per cent. to retailers, the remainder being prescription work; the other sells 25 per cent. to retailers, 75 per cent. being prescription work.

Local manufacturers supply about 80 per cent. of the stock lenses carried by Baltimore retailers, and about all of the prescription lenses used. This is equivalent to 50 per cent. of their combined output of stock lenses. The other 50 per cent. is sold in all parts of the country.

There is but one concern that does its own importing of glass and pebble blanks, Rochester, N. Y. and Southbridge, Mass. importers supplying the remainder. Only high grade stock lenses are ground in this city.

LEATHER AND MANUFACTURES

BELTING

Three concerns are engaged in the manufacture of leather belting which was inaugurated here about eleven years ago. 90 per cent. of the local consumption is taken care of by them, which constitutes 20 per cent. of their production; 50 per cent. of the product finds a market in the Southern states; and 30 per cent. is distributed throughout the country. About 15 per cent. of these wares are sold to jobbers, nearly all of the remainder being sold to consumers direct. There is not sufficient margin in the business to make it attractive to jobbers.

Most of the hides from which the product is cut are tanned in Virginia. One tannery has a selling agency in Baltimore, others maintaining branches in either New York or Boston.

The manufacture of leather belting is not a growing industry, mainly because of the very large advance in the price of leather. If this is carried much farther, as appears to be the prospect, it would make the cost of the raw material prohibitive, and users would not be willing to pay extravagant prices for leather belting, when that made of canvas (even if much less durable) could be made to

answer the purpose. On account of the increased use of electric motors, there has been a considerable shrinkage in the demand for wide belting of leather, canvas, and rubber, but the changed conditions have stimulated a demand for narrow or auxiliary belting.

Canvas belting was first made in this country by an Englishman who established a plant at Baltimore. At the present time there are four firms making canvas belting, and the entire local consumption of stitched canvas belting, which is the only kind made here, is supplied by the local manufacturers. 5 per cent. of the consumption is of the woven variety, which is made elsewhere. The local demand takes about 5 per cent. of the output, the remainder being sold chiefly in the South and West, where it is used largely in connection with agricultural machinery and saw mills.

Cotton yarn used in weaving and stitching the canvas is purchased principally from southern mills, and the canvas is procured from Baltimore and southern mills in about equal proportions. 80 per cent. of the canvas belting manufactured is sold to jobbers.

Measured in square feet, 90 per cent. of the belting made in Baltimore is of canvas, which represents 75 per cent. in value of the total output of both varieties of belting.

SHOES

Shoes made in Baltimore are mainly high grade. The factories are gradually increasing their business through the manufacture of shoes possessing distinctive individuality and merit, thus giving them a strong patronage. Labor in the industry is scarce.

About ten years ago the business reached considerable proportions, due in a measure to there being 500 or more prisoners employed in the trade. This practice, however, was discontinued about five years ago.

The jobbing business is in cheap, medium, and better grade shoes made principally in New England and carrying the jobbers' names. It has been a source of surprise that more of the larger jobbers did not also become manufacturers, thereby making the maximum profit out of the wares they sell.

HARNESS AND SADDLERY

The number of sets of harness manufactured in Baltimore during the past fifteen years has shown a considerable increase, although the value of the product has decreased. The output of fine driving sets has fallen off about 85 per cent., but, notwithstanding this, there is a considerable increase in demand for utility or business harness, which, however, averages a much lower selling price than the former. About 80 per cent. of the local consumption of harness is supplied by the manufacturers, the patronage being divided between retailers and consumers. Local sales are equivalent to 20 per cent. of total manufactures, the remainder being distributed as follows: 45 per cent. in Maryland, Virginia, West Virginia,

Delaware, North Carolina, New Jersey and southern Pennsylvania; 25 per cent. in the remaining Southern and Southwestern states; and 10 per cent. in other sections of the country and abroad.

There are five large concerns manufacturing a general line of harness. Two of them make collars, and three make saddles also. Six concerns make collars exclusively, and there are four smaller manufacturers of the general line. All of the harness manufacturers job accessories. Retail manufacturers make harness to order. There are two exclusive jobbers of accessories in Baltimore.

Most of the leather used is secured from tanneries in the West, although patent leather comes largely from Newark, N. J. and Cincinnati, O. Supplies such as tools come from Newark, N. J., and hardware is shipped here from Newark, N. J., Cleveland, O., Buffalo, N. Y., and New Britain, Conn. Metal hames are secured from Newark, N. J., and wooden and metal-bound hames from the West. In accessories there are two manufacturers of whips, one of them making fly nets also, but the bulk of these articles comes from New England. The greater part of robes and blankets is purchased in Massachusetts, although a portion comes from Philadelphia and New York.

Seventy per cent. of the output of exclusive manufacturers of horse collars is sold locally, 25 per cent. disposed of within a radius of 100 miles, and the remainder shipped to widely scattered points. Most of the cotton cloth used in the making of collars is purchased from local mill representatives and jobbers; padding material, both hair and straw, locally; hardware from Connecticut; and thread from Massachusetts. The business has fallen off in fine coach and patent leather collars, but has increased in the utility or cheaper lines.

One concern makes a specialty of manufacturing street car straps and sells practically its whole output to car building concerns.

FINISHING OF LEATHER

This industry has dwindled from thirteen concerns engaged in the finishing of steer and other cattle hides to two firms, both of which collectively are not doing as much business as the smallest of the original thirteen. This transformation has taken place within the last fifteen years and the present condition is very largely due to the tanneries now doing their own finishing. There were 1,800 sides of leather finished here last year, as compared to an average of 54,000 per annum when the business was at its height. Only steer and cattle hides are being finished at present, although in the past many calf skins were so treated. One of the present establishments finishes leather for harness and belting purposes, and the other also furnishes a considerable amount of that used in making shoe skirtings.

Ten years ago Baltimore supported one establishment tanning beef hides, but the business has since been discontinued. There are at present two concerns tanning sheep skins.

MISCELLANEOUS, INCLUDING TRUNKS

There is but one concern in Baltimore manufacturing trunks, exclusively for the jobbing and retail trade. Three other concerns make a general line of trunks, but retail most of their wares locally, selling a small percentage of their output to dealers in other cities. Three additional concerns make sample trunks, mostly of fibre, such as are used by traveling salesmen, and these are sold all over the country. Very few suit cases and traveling bags are made for stock purposes. This is also true of ladies' hand bags and other leather specialties.

About 50 per cent. of the trunks sold in Baltimore are made locally, the remainder being bought in Newark, N. J., Richmond, Va., and western points. The local trade of the manufacturers is equivalent to about 75 per cent. of their output, the surplus being distributed 15 per cent. in the South and 10 per cent. in the North and West.

All materials entering into the making of trunks, bags and suit cases are purchased in other cities, none of them being made here. Leather comes chiefly from Massachusetts; lumber, which is principally basswood, from Michigan; hardware and locks from Connecticut, Missouri and Wisconsin; tacks and nails from York, Pa.; and sheet and hoop steel from Pittsburgh.

The bags and suit cases made locally constitute a very small fraction of the Baltimore demand, the bulk of those sold coming principally from New York and Philadelphia. The trunk business has shown considerable growth in the past five years.

LUMBER AND MANUFACTURES

BASKETS AND WILLOW WARE

Three firms are engaged in manufacturing splint baskets. This industry is seriously handicapped through the source of supply for raw materials. The braids, hoops, handles, filling, etc., are cut from the log by mill people in New York, Ohio, Indiana, and Michigan, and shipped to Baltimore in mat form to be shaped into baskets. This condition cannot be improved as our hardwood timber is not adapted to the manufacture of baskets. Fortunately, the finished product of those mills cannot be laid down in Baltimore to advantage, as the freight rate acts as a barrier which, when added to their cost of manufacture, places the mills at a disadvantage. Quite an assortment of lunch, willow, fancy fruit, Easter and candy baskets are imported from Europe since they cannot be manufactured locally at a profit.

There are twenty or more concerns and individuals engaged in the manufacture of willow baskets. While the majority of these are made to supply the local demand, about 25 per cent. of the output is shipped to nearby cities. 75 per cent. of the willow used is grown in Maryland, the remainder being imported

from Europe as the nature of the latter is such that it cannot be successfully grown here.

Baskets and willow ware are being successfully jobbed, as the manufacturer enjoys no advantage over the jobber in obtaining raw materials. The industry in the main is merely the assembling of finished parts.

BOXES, BARRELS, ETC.

Baltimore is a favorable location for manufacturing boxes, shooks, and crates. Local concerns are securing practically all the business, with the exception of a limited demand for strictly northern white pine odorless shipping cases, which is taken care of by New England manufacturers. Compared to northern cities, Baltimore manufacturers enjoy a decided advantage in raw material because of the lower freight rates by water from South Atlantic states which are the acknowledged centres for wooden box timber. Furthermore, the cost of labor is somewhat cheaper than in northern cities and the efficiency is quite as high as elsewhere. Local plants are well equipped with modern and labor saving machinery.

About five years ago fibre boxes were introduced in the local market in competition with the wood variety. All wooden box manufacturers are meeting with considerable competition from producers of fibre boxes; especially is this true in the smaller sizes, although the fibre product is in successful use in boxes of 30" x 27" x 35", a container of popular dimensions for many purposes. At the present time there are no establishments in Baltimore manufacturing fibre boxes.

Boxes in shook form are successfully jobbed or handled by commission men. This is true particularly in the canned goods trade, the demand from which is a large item in the local industry. Jobbers supply about 35 per cent. of the boxes used by the packers of oysters, fruits, and vegetables in and around Baltimore. The reasons advanced for this condition, though not entirely convincing, are long custom, longer credits, sales in smaller quantities, and deliveries as required.

Supplies incident to the trade are hemp rope, strap iron, and corrugated fasteners. None of these articles is manufactured in Baltimore.

The business has shown a small but healthy growth over a period of years and the number of manufacturers is on the increase. Sharp practice is not resorted to among local firms and competition is on a fair basis.

CIGAR BOXES—Cigar box manufacturers are adequately equipped to supply the local demand, although 75 per cent. of the boxes used in Baltimore are shipped in, principally from Pennsylvania points. The acknowledged source of supply for raw material (cedar) is Cuba. The logs are shipped to New York and Pennsylvania points, cut into boards, and re-shipped to consuming centres.

The grade of cigar boxes made here ranks among the highest, and competition wherever encountered is on price only. Plants are well equipped with modern machinery. From the standpoint of labor, Baltimore has a decided advantage over other eastern cities.

Cigar boxes are a commodity that cannot be successfully jobbed, as they are a made-to-order specialty and the product of each manufacturer has a certain individuality. Logically it is not a neighborhood industry and the field for expansion is unlimited. This trade purchases its supplies, such as glue, sizing and gold leaf (Schlag gold) from jobbers and outside sources. All are specialties peculiar to the trade and the demand is limited. The lithographed labels used in the trade cannot be procured in Baltimore, as our local concerns are not able to cope with competition from New York firms who specialize in this work.

COOPERAGE—Practically all barrels manufactured locally are for home needs and the combined capacities of the local establishments exceed the share of business which they are able to control, equaling about 75 per cent. of the local consumption. The remainder is furnished by Peoria and Cincinnati firms. This condition has necessitated retrenchment on the part of some firms and the retirement of others.

Slat and truck barrels are being shipped in freely from Norfolk and Eastern Shore points.

TANKS—The spasmodic demand for wooden tanks would not justify any added facilities in this line. The product of the local factory is being shipped throughout the United States, the business here being very limited.

FURNITURE

There are thirty-four concerns engaged in the manufacture of a wide variety of furniture, although most of them specialize on a few articles. Of these, fourteen are absolute manufacturers, taking the lumber in the rough and working it up to the finished product. The others assemble finished parts which are shipped in. There is no metal furniture made here, such as beds, costumers, letter files, etc., and all of the office furniture produced in Baltimore is assembled. Trimmings, such as handles, locks, ornamental pieces, castors, etc., are not made locally. No kitchen cabinets are made here.

About 15 per cent. of the furniture sold at retail in Baltimore is manufactured locally, which constitutes 25 per cent. of the total output; 50 per cent. is marketed in the Southern states; and the remainder sold in New York, Delaware, and Pennsylvania. The hardwood lumber used is largely purchased of local jobbers, although some is procured directly from the mills. In upholstered furniture, the leather comes principally from New Jersey, hair and other stuffing materials from New York City, and hardware from New York, St. Louis and New England points. There is no very common furniture produced here with

the exception of some assembled chairs, most of the product being of medium and strictly high grade quality, especially couches, davenports and upholstered chairs.

There are two concerns who make a specialty of manufacturing dining room extension tables, and three others who make complete sets of dining room furniture. About 50 per cent. of the local demand for this class of furniture is supplied by the home manufacturers, the remainder coming from factories located in Hagerstown, Md., Pennsylvania and North Carolina points, and the West. The home demand is equivalent to about 25 per cent. of the output. A market for the surplus is found in the Middle Atlantic and New England states.

There is a scarcity of really expert help, which has a tendency to limit the production. For some reason the manufacturers are not catering to the local retail trade to nearly the extent that they might with profit.

MILLWORK

There are six large and three small establishments manufacturing millwork. All but one confine their efforts largely to making sash, blinds, doors, door frames, trimmings and mouldings for buildings on specifications. These wares are manufactured in medium and high grade, mostly the latter. The cheap and a large portion of the medium grades come from the West, as far as the states of Washington and Oregon, the great bulk, however, being shipped in from Wisconsin, although some yellow pine and cypress come from the South. Finished sash, blinds, doors, door frames and trim, in medium and cheap grades, can be laid down in Baltimore as cheaply as the local mills can have delivered to them here the rough birch, oak, ash, fir, and yellow pine lumber, but articles in cypress can be made here as cheaply as anywhere. About 80 per cent. of the local product is sold in Baltimore and the remainder in near-by points, our manufacturers securing about one-third of the local business in value of product, but scarcely 10 per cent. in number of pieces turned out. Practically all of the local mills job western and southern millwork. Veneered doors from Oshkosh and Warsaw, Wis., and Pennsylvania points can be laid down in Baltimore cheaper than they can be made here, even in the higher grades.

Three concerns make wooden mantels, two for stock and one to order. The stock mantels are mainly of low grade.

Ninety-five per cent. of the wooden mantels used in Baltimore is supplied by the manufacturers, which is equivalent to about 50 per cent. of their output. The remainder is shipped principally to Middle Atlantic and New England states, a small percentage being shipped South and abroad.

MISCELLANEOUS

The chief industries under this classification are the piano and casket manufacturers. Three concerns are engaged in the making of caskets, burying

cases and outside boxes, although two of them manufacture only on a small scale. About half of the local demand is supplied by the manufacturers and the remainder shipped in from the East and West. The local demand takes one-third of the output, the surplus going to southern states generally. Very few high grade caskets are made here, the bulk of production being medium and low grade. One firm jobs a small quantity of locally made caskets, but the larger portion of the Baltimore production is sold to undertakers direct.

In raw materials, chestnut, oak and poplar come largely from the South and Southwest, rosewood and mahogany from South America, and walnut from all sections of the country. Pine is required to be of the knotless variety and is obtainable only in the northern sections. Textiles, such as silks and satins for linings, and broadcloth and silk plushes for outside coverings, are imported to the extent of 25 per cent. Handles, rails and other hardware are bought in New England and from western points. The business is showing a growth about proportionate to the increase in population.

Varnishes, stains and such materials come from Boston and Ohio points, with some very cheap grades from the South. Glue is procured chiefly from western meat packers.

Two concerns are engaged in manufacturing pianos, their output consisting largely of strictly high grade instruments. The business was established here in 1837 and has shown a gradual healthy growth. 90 per cent of the hardwood lumber used is purchased from Baltimore jobbers. The hardware required is bought largely in New York and Connecticut. Baltimore manufacturers secure an adequate share of the local patronage and, in addition to selling their product throughout the country, export 4 per cent. The labor situation is very favorable, there being an abundant supply of skilled workmen at a reasonable wage.

One firm is engaged in the manufacture of organs, five concerns manufacture picture frame mouldings, five firms make patterns and models, one makes plumbers' wooden supplies and one makes veneer.

PAPER AND PRINTING

BOXES, BAGS, ETC.

The paper box industry is in a flourishing condition, having shown a healthy growth during the past five years, the increase in production having been at the rate of 10 per cent. per annum.

Although the local consumption of paper boxes is sufficient to absorb all that are produced, the manufacturers are getting only 60 per cent. of the patronage. Their most serious handicap is the lack of cardboard mills in this vicinity, which necessitates the supply of cardboard being brought here from considerable distances. The principal sources of supply are New York, Ohio and Pennsylv-

vania. From a study of conditions it appears that none of these places, nor in fact any others, are more advantageously located for the manufacture of cardboard than is Baltimore, in and around which there is plenty of fresh and salt water which is extensively used in soaking the pulp. It is a mistaken idea that raw wood pulp is the principal basis of cardboard. Only 10 per cent. of this product enters into its composition (and this merely to give it the requisite bending qualities) and the remaining 90 per cent. is waste paper pulp, which can best and most cheaply be obtained in large cities.

The labor situation is distinctly favorable and the distribution facilities are all that can be desired.

Paper boxes are extensively jobbed, but the bulk of the product is sold to the consumer direct, with the exception of some few fancy Christmas boxes. A great many of the cardboard mills are also equipped to manufacture boxes, especially of the folding variety, and competition where encountered is largely from these sources.

There is one concern in Baltimore manufacturing paper bags, and one reported as making paper pie plates and kindred articles.

PRINTING AND PUBLISHING

This classification includes establishments doing book and job printing, printing and publishing newspapers and periodicals, lithographing, book-binding and blank book making, and engraving. No separate statistics were compiled for the various branches of this industry, due to the fact that they are so closely allied and consequently overlap in a number of instances.

The printing industry in Baltimore is in a fairly satisfactory condition, though it has not shown the same proportionate growth during the past four years that characterized it during a similar previous period. This condition is accounted for by slack business conditions in all lines and is no more true of this city than of other centres. It is claimed that the printing trade is more easily affected by recessions in business than almost any other industry but is just as quick to recover with increased commercial activity.

Some of the larger Baltimore establishments have suffered from over-equipment, that is, more machinery, particularly presses, than could be kept busy, thus increasing their operating expense beyond a reasonable limit. It is authoritatively stated that a plant with more than ten cylinder capacity cannot be operated profitably in Baltimore, although a number of establishments have exceeded this limit but with unsatisfactory results. These deterrent conditions have been largely remedied.

It has been ascertained that a large portion of the commercial printing done in Baltimore is on out-of-town orders, the bulk of this patronage coming from New York, although the entire country generally is served, particularly the

South. This condition is alleged to be due both to the inability of Baltimore printers to secure adequate prices for their product in this city and the installation of printing plants by no less than twelve large local corporations.

There has been a notable improvement in the average quality of printing done in Baltimore during the past five years. A recent exhaustive investigation and competitive comparison of product developed that the work of our local establishments showed a typographical and general excellence superior on the whole to that of any other large competing centre, comparison having been made with such cities as New York, Chicago and Philadelphia, under the direction of an authority in the trade.

There are eight concerns in Baltimore which print labels of various kinds exclusively, four others doing this kind of work in connection with other printing. Baltimore is said to stand second among the cities of the country in the production of labels. The business has grown at an annual rate of 11 per cent. for the past four years and is in a very prosperous condition. Of the total amount of labels turned out, 85 per cent. are printed and the remainder lithographed.

Baltimore printers fill 90 per cent. of the local demand for the product, which requires 25 per cent. of their output. Altogether 40 per cent. of the local production is taken by canned goods manufacturers here and elsewhere. Labels for bottled beer and soft drinks are extensively made and also a general line for druggists and manufacturers of toilet preparations.

Labor conditions are very favorable, the average scale of wage being practically on a par with Philadelphia but considerably less than the prevailing rates of pay in New England cities.

About 75 per cent. of paper of all descriptions used in this industry is purchased through local jobbers, so far as commercial and general printers are concerned, and the newspaper plants purchase all of their paper stock from mills direct. Most of the local jobbers purchase paper in car-load lots, which enables them to compete successfully with manufacturers. About 90 per cent. of the printers' rollers are purchased from and recoated by local manufacturers. Practically the entire ink supply is purchased out of town.

PRINTERS SUPPLIES

There are three electrotype concerns in Baltimore which manufacture for the trade, and three controlled by private printing plants for the purpose of supplying their needs. About 90 per cent. of the electrotypes used are supplied by the local manufacturers, the remainder coming from Philadelphia and Cincinnati. The former city supplies a very high grade of electrotypes and the latter furnishes very cheap grades. The local demand is equivalent to about 65 per cent. of the output, and the surplus is distributed generally throughout the South and in southern Pennsylvania. Of raw materials, blue stone, copper plates, sulphuric acid and a portion of the electrotype metal are purchased of local manufacturers;

moulding and polishing lead, moulding wax, iron filings, tin foil, nails, soldering fluid and bases—the latter being a composition—are purchased out of town.

Three concerns make printers' rollers and they furnish about 90 per cent. of the consumption, the remainder coming chiefly from New York and Philadelphia. The local demand is equivalent to 90 per cent. of the output, 10 per cent. being marketed in the South. Local machine shops make a considerable number of the roller cores, but a majority are purchased from outside sources.

The principal articles used in the coating material are glue and glycerine, both of which come chiefly from the large western packing houses. Other ingredients are more or less of a secret nature, each roller maker having a formula of his own.

There is one concern manufacturing printers' ink in rather a small way, the output being largely disposed of in this city.

PAPER AND STATIONERY

One concern makes a general line of envelopes on a limited scale and is liberally patronized by the local printers and stationers. The business is growing rapidly and it would appear that there is room for other manufacturers. Nothing else in the line of stationery is made here to any extent.

TEXTILES

AWNINGS, TENTS AND SAILS

Baltimore cannot properly be called much of a centre in the production of awnings, tents, or sails. The nine concerns engaged in the business confine their efforts largely to supplying the local demand, and 95 per cent. of the consumption is furnished by these manufacturers, which is equivalent to 70 per cent. of the output.

The demand for awnings has increased about 40 per cent. in the past five years, while that for tents has remained stationary and the output of sails has fallen off about 50 per cent. Twenty-five years ago, when Baltimore was the home port of one of the largest sailing fleets which traversed the seas, sail making was an extremely large and important industry, but since that time the production has decreased at least 75 per cent. and is still falling off from year to year.

Materials for awnings come almost exclusively from New York selling agencies of New England cotton mills, but nearly all of the rope used is made in this city, as is also the major portion of iron frames and supports. Supplies, such as cotton-duck, rope, and twine used in making sails and tents, are practically all secured from local manufacturers. Spring rollers for awnings are made here, the metal parts being cast, the rollers turned, and springs manufactured by different concerns.

During busy seasons help is scarce in each line except sail making.

COTTON AND BURLAP BAGS

There are four concerns engaged in manufacturing burlap bags in Baltimore, one of them making cotton bags also. The largest of the four imports and jobs burlap, having East India as its principal source of supply, the remainder coming from Scotland.

Ninety-five per cent. of the local consumption of both burlap and cotton bags is furnished by these manufacturers, taking about 30 per cent. of their output; 65 per cent. is sold in the Southern states generally and the remaining 5 per cent. goes to widely scattered points.

About one-half of the material used in the making of cotton bags comes from southern cotton mills and the other half from New England. Twine for sewing is purchased from local manufacturers.

The business is in splendid condition, having shown a 15 per cent. increase in the past four years. A large portion of the burlap bags sold locally is used by the fertilizer manufacturers and there is a good demand for the cotton bags from near-by cement plants.

CARPETS AND RUGS

There are but two concerns making rugs in Baltimore, one producing rag rugs and the other an imitation Oriental article. One of the firms also makes rag, cheap ingrain, and woolen fibre carpets. The industry has never been developed in Baltimore. 30 per cent. of the product is sold locally, most of the remainder finding a market in southern Pennsylvania.

Heretofore all the jute yarns came from mills in New York and Brooklyn, but since the enactment of the recent tariff legislation more than one-third is imported from Scotland. The rags used are by-products of cotton cloth and other mills, and the woolen yarns come from manufacturers in different parts of the country. Paper fibre, a material extensively used in the making of fibre rugs, comes from mills which make a specialty of twisting tissue paper into endless strips.

There are more rugs of the variety known as summer rugs (composed largely of grass and fibre) jobbed in Baltimore than in any other city, and other rugs and carpets are jobbed here on a fairly large scale. Summer rugs are in extensive demand throughout the South and Southwest, because of the higher temperature there and the longer duration of warm weather in those sections. Baltimore jobbers have secured and are holding a large portion of this trade. None of this class of rugs is made south of Philadelphia, though there appears to be no good reason why some of the grades should not be manufactured in Baltimore.

COTTONS AND PRINTS

Located within Baltimore's industrial district are five concerns manufacturing cotton-duck, each of which also makes cotton rope, seine twine, yarn and

lamp wicks. 98 per cent. of the local consumption of these articles is supplied by the local manufacturers, which takes only about 3 per cent. of their output. The outside distribution is approximately as follows: 48 per cent. to ship-builders for awnings, life boat covers, and deck coverings, to manufacturers of harvesting machinery for grain conveyors and to paper mills for dryers, etc.; 35 per cent. to jobbers all over the country; 9 per cent. to the Federal Government; and 5 per cent. exported.

Cotton-duck was originally made for sails exclusively but now only about 1 per cent. of the material is used for this purpose. Jobbers of cotton-duck sell their materials largely to makers of awnings, tents and sails, and to ship chandlers. There are no jobbers of these wares here.

Baltimore produces more genuine cotton-duck—not including the thin coarse product improperly so called—than any other city in the country and many of the brands made here have a world-wide reputation for quality and uniformity, which in some instances have commanded a premium of 5 per cent. The raw material comes largely from the South.

It is very difficult to secure an adequate supply of labor, which is mainly female, in busy seasons.

CLOTHING—MEN AND BOYS

Under this classification are included establishments engaged chiefly in the manufacture of men's and boys' clothing, such as overcoats, suits, trousers, rain-coats, and other clothing specialties.

This is one of the most important industries of Baltimore and has shown a decided expanding tendency during the past five years. The manufacture of clothing, by way of illustration, can be divided into three grades: low, medium and high priced. Local production is largely confined to the medium and high priced lines and as a result this market stands third among the cities in value of output.

Although Baltimore practically controls the southern trade and the trend of the business is therefore naturally to the South, representative manufacturers thoroughly cover all sections of the country, and Baltimore-made clothes are to be found in the stores of the best retailers from Maine to California. A number of manufacturers have inaugurated a campaign of national advertising which is contributing largely to establishing this city as a clothing manufacturing centre. As a matter of fact, clothing is one of the few local products that is extensively advertised, and the results attained by these progressive firms should stimulate other industrial pursuits to follow their example. Because of its intimate knowledge of climatic conditions and the requirements of the southern people, Baltimore stands first and foremost in the manufacture of summer goods' specialties, a feature which at the present time offers the greatest opportunities.

Contract shops are fast being eliminated and there is a marked tendency to confine the manufacturing of clothing to large plants which, as a whole, measure

up to the most modern type and have been used as models by manufacturers in other cities.

No clothing manufacturing centre has so closely studied and provided for the protection of the workmen and sanitary conditions as has Baltimore. As a result of this and of the favorable economic conditions prevailing, a large number of men and women of various nationalities have been attracted here.

OVERALLS AND WORK SHIRTS—These industries are very closely allied in Baltimore, in that, as a rule, both products are made in the same factories. 75 per cent. of the local output is sold to jobbers throughout the country, only two of the factories catering exclusively to the retail trade. Local retailers purchase almost their entire supply of overalls from Baltimore manufacturers, the remainder being procured from Newburgh, N. Y., and Patterson, N. J. Local jobbers are not liberal patrons of home factories, in that they encourage a demand for sub-standard wares in both overalls and work shirts, not produced in Baltimore to any great extent. In the better grades Baltimore manufacturers are getting a fair share of the local jobbers' requirements, which however are extremely small in the aggregate. In work shirts, Baltimore jobbers handle mostly New York lines, because sweatshop labor in that city has enabled the manufacturers there to undersell the local producers in this market.

About 90 per cent. of the material used in overalls and work shirts comes from southern cotton mills and in this respect the local concerns enjoy a certain advantage over their northerly competitors, as New England mills do not specialize on that class of material. Throughout the South the manufacture of overalls and work shirts has of recent years become a neighborhood industry of considerable magnitude.

Findings, such as trimmings and buttons, are purchased out of town, pearl buttons and trimmings coming from New York and metal buttons from New England.

The labor situation is quite favorable, manufacturers having little trouble in securing an adequate supply of experienced help at reasonable wages. The business shows a growing tendency, and 1913 was a very successful year from the manufacturers' standpoint.

MEN'S FURNISHINGS

NECKTIES—Baltimore ranks second among the cities of the country in the manufacture of men's neckwear. Of the twenty concerns engaged in the industry, eighteen specialize and two conduct the business as a side line.

The quality of the output runs from medium to fairly high grade, embracing lines that retail from 25 cents to \$1.50 each, although one concern makes a line that retails at 10 cents. Manufacturers cater principally to local and southern trade, but also sell their wares in the Middle Atlantic states and the Middle West.

Fifty per cent. of the local consumption is supplied by home manufacturers. The jobbers' trade is not solicited to any great extent locally or elsewhere, as the line does not adapt itself to being successfully jobbed.

Ninety per cent. of the materials used are silks and satins, all of which are purchased in New York from importers and manufacturers. The material for wash ties is secured from New England mills.

Experienced help is scarce in busy seasons, and manufacturers are constantly training new female employees.

UNDERWEAR—Baltimore leads the country in the production of men's underwear of nainsook, madras, silk, muslin, and linen. Lisle and cotton mesh undergarments are not made here. Of the ten concerns engaged in the industry, five are manufacturers of underwear exclusively, and an equal number combine its manufacture with that of other closely allied lines, such as pajamas and night shirts. 50 per cent. of the local consumption is supplied by these concerns, in addition to which a small amount is sold to local jobbers.

The product is distributed generally throughout the country, the largest amount proportionately going to the South. There is comparatively little strictly high grade underwear made here, 75 per cent. of the product being medium quality, and 25 per cent. divided between high and low grade. Most of the local output is of light weight.

Cotton goods are secured largely from southern mills and from New York agents of New England mills. Silk and linen are purchased in New York. Buttons, principally pearl, come from western points.

The business has expanded steadily for a number of years, the chief handicap being the labor situation, with the scarcity of expert female help and high wages demanded.

PAJAMAS AND NIGHT SHIRTS—Baltimore ranks high among the cities of the country in the production of pajamas and night shirts. This industry was established in 1881, and at the present time there are five concerns manufacturing this character of men's wear, one of them specializing. All grades are manufactured, the medium grade, however, predominating.

Baltimore retailers are liberal patrons, as are also the jobbers who cater to out-of-town trade. New England mills furnish most of the materials, a small per cent. coming from the South. A portion of the cotton goods is converted from plain into patterned material by the local concerns.

The business is showing a consistent growth. The distribution is country wide, and one or two of the local brands have a national reputation.

It is difficult to secure ample trained female help in the busy seasons.

DRESS SHIRTS—There are fifteen concerns manufacturing men's dress shirts, almost all of them confining their operations to this one line. Manufacturers

supply about 25 per cent. of the local consumption and 10 per cent. of the amount jobbed here. The bulk of the jobbing demand is for lower grades of shirts than are produced in this city. Manufacturers find a market for their product all over the country, although, as is the case generally, they experience considerable difficulty in competing with goods made in Troy, N. Y. Of the total output, 75 per cent. is of a medium grade, the remainder being evenly divided between high and low quality. The greater portion of material used comes from New England and southern mills, purchases from the latter source being on the increase.

The business is expanding at a gratifying rate, but, as in all other lines requiring a preponderance of female help, manufacturers find it difficult to obtain a sufficient amount of experienced help in busy seasons.

SUSPENDERS—Manufacturing suspenders is a business of small proportions in Baltimore. Five concerns are engaged in the industry, two of them specializing. 60 per cent. of the output, which is in cheap and medium grades, is sold to local retailers, and the remainder shipped. No effort is made to supply the jobbing trade for the reason that the local line is not adapted to their requirements. Webs are purchased in New England as is also most of the leather used.

Although the business is just about holding its own, the aspect of it has changed. Ten years ago there were engaged in this industry a considerable number of small concerns, whereas at the present time there are fewer but larger ones, a condition which shows concentration in stronger hands. The labor situation is favorable.

MISCELLANEOUS—One concern does a considerable business in making belts for women and children, but there are no men's belts made here. No hosiery or garters for men are made here.

HATS AND CAPS, EXCEPT STRAW

Of the twelve concerns engaged in the manufacture of hats and caps, seven are of considerable size and the remainder small. 20 per cent. of the production is sold locally, 15 per cent. to retailers and 5 per cent. to jobbers. 90 per cent. of the product sold out of town is shipped to retailers direct, the other 10 per cent. to jobbers. The Southern states are the principal market for these wares, although trade in the Middle West is extensively catered to. The greater portion of the product is medium in quality, one-third being divided equally between low and high grade. Up to a few years ago the demand for cheap caps was very heavy, and half of the production was of a grade retailing at 25 cents, but since that time the quality has been greatly improved.

Manufacturers contend that they could dispose of 15 per cent. more of the product if they could secure ample and competent help, which largely consists of men and boys. The business has shown a growth of about 7 per cent. per

annum for the past five years. The local output of soft and stiff felt hats for men and boys is limited to one concern.

All materials in cloth and trimmings are purchased from New York jobbers, as local jobbers do not handle the kinds required.

LADIES APPAREL

There are ten establishments in Baltimore making children's and misses' dresses exclusively. Four other concerns manufacture them as a side line. This city ranks high in the production of cheap and medium grades, and one firm produces the highest grade of children's dresses in the country. The business has shown a steady increase for the past four years, and the volume of business for 1913 was the largest in the history of the industry.

Of the total output, 15 per cent. is sold locally, divided between 10 per cent. to jobbers and 5 per cent. to retailers, and the remainder is marketed out of town. Of the whole product, 20 per cent. is sold to jobbers and 80 per cent. to retailers.

Seventy-five per cent. of the cloth used comes from New England mills and 25 per cent. from southern mills. Trimmings are bought chiefly in New York and most of the covered buttons, which are but little used, are purchased in this market. Pearl buttons come from different points along the Mississippi River, being made of fresh water shells.

Twenty-four concerns manufacture middy blouses, several of them devoting their entire facilities to this line. Inasmuch, however, as the demand for middy blouses reached its zenith about two years ago, and their sale has since been considerably curtailed, a number of these firms will abandon their manufacture, and in most instances will make ladies' waists instead.

The difficulties which the manufacturers complain of are lack of consideration from local retailers, including department stores; impossibility of getting buyers for large retail merchants elsewhere to make a practice of visiting this market periodically, which necessitates calling on them; and a scarcity of experienced female help in busy seasons. Local contract shops do not work to any extent on children's and misses' dresses.

LADIES UNDERWEAR—Four concerns are engaged in this industry as both manufacturers and jobbers. The product consists of muslin skirts, drawers, corset covers and gowns, and flannelette gowns. No knit underwear is made here, although there is apparently no good reason why it should not be. In the flannelette output, Baltimore stands second among the cities of the country. The muslin underwear trade has shown a rapid and uniformly steady growth during the past four years. The business as a whole is not of much importance considering the size of this city. The output is of medium grade, 90 per cent. of the product being shipped and the remainder taken 7 per cent. by local jobbers and 3 per cent. by retailers.

Most of the muslin comes from New England and southern mills. Trimmings are imported to the extent of 75 per cent., New York jobbers and local lace manufacturers supplying the remainder.

The complaint of manufacturers is the scarcity of female help in busy seasons.

CLOAKS, SUITS AND SKIRTS—There are forty concerns engaged in this industry, but Baltimore does not as yet occupy a very high rank among the cities of the country in the production of this class of wearing apparel. The output is very largely cheap and medium grade garments, the production of the former having increased 20 per cent. and the latter 5 per cent. in the last four years. Local jobbers are extensive purchasers, having taken 45 per cent. of the total output last year. Local retailers purchased 5 per cent. of the production and the remainder was shipped out of town.

Manufacturers complain of the small amount of patronage extended them by Baltimore's retail merchants.

Materials, such as cloth, linings, buttons and trimmings, must of necessity be purchased out of town, which is a serious handicap to the industry. Labor, although plentiful, is strongly organized.

MISCELLANEOUS

One concern makes a very complete and high grade line of men's and women's knit wool sweaters. They cater only to jobbers, local firms taking 15 per cent. of the output. Worsted and wool yarns come from Massachusetts and Pennsylvania, and buttons from Iowa.

There are two concerns which do an extensive business in the manufacture of coat paddings. One of them also makes canvas fronts, being the only one in the country engaged in this line. With the exception of two clothing manufacturers who make their own coat pads, 95 per cent. of the local demand is furnished by these two firms, which is equivalent to 50 per cent. of the combined output, the remainder being distributed among clothing manufacturers in Chicago, Rochester, N. Y. and other centres. No attempt is made to compete for New York business as the demand is filled largely by sweatshops.

Four concerns make window shades, that is, they assemble finished parts. Their output supplies about 90 per cent. of the local consumption, which is equivalent to one-third of the production, the remaining two-thirds going to southern points. Materials are purchased in New York and imported. Spring rollers come from Newark, N. J. Only the retail trade is catered to by the manufacturers.

TOBACCO

The tobacco manufacturing industry is, by itself, classed as one of the principal generic groups of manufacturing industries. As it would be impracticable to differentiate between the distinct branches of tobacco manufacture, and also in order to avoid overlapping, statistics covering all branches of the industry have been compiled under one heading, which includes smoking tobacco, cigars, cigarettes, and snuff.

The factory selling value of cigars has shown very little increase during the past four years, but in the number manufactured the production was the largest in the history of the industry. These conditions were caused by the greater demand for five cent cigars. The number of establishments has shown a considerable decrease during recent years, a condition which is universal and not peculiar to Baltimore, because the small manufacturer is finding it unprofitable to remain in business in view of the competition encountered. There is a decided scarcity of help, which has necessitated the installation of suction tables operated by girls. Keen competition among local manufacturers on well established and advertised brands has raised the quality of the five cent cigars to a higher level than obtains in any other city in the country. Ten years ago the industry employed about two-thirds male help, whereas at the present time women and girls are employed to the extent of 75 per cent. in the larger factories. The tendency of large factories in other cities is to establish branches in small towns, and although the Baltimore manufacturers have not as yet adopted this method, they may be driven to it in view of the saving in overhead charges and cost of labor. The cigar industry in Baltimore is in better condition at the present time than is the case in almost any other large city: all of the factories are running to their average capacity, while in other centres some are shut down entirely and others running only part time.

The trend of the distribution, which up to ten or fifteen years ago was decidedly south, is now westward, many local manufacturers having built up a trade which reaches to the Pacific Coast, while at the same time holding their southern trade. Transportation facilities are all that could be desired. All factories of any size are thoroughly equipped with modern labor saving machinery.

The recent tendency is to place an ever increasing amount of product through jobbers, as it has been found that they can handle the goods in small quantities, along with other products which they sell, cheaper than the manufacturer, and it is the small consignments that make up the volume of the business.

Enough cigar boxes are manufactured here to supply the demand, but the trade purchases its boxes to the extent of 75 per cent. from Pennsylvania manufacturers. All lithographs for boxes and cigar bands are purchased in New York, since there are no producers of this class of color work in Baltimore.

TOOLS AND HARDWARE

BUILDERS HARDWARE

There are two concerns engaged in making sash and elevator weights. It takes 10 per cent. of the output of these manufacturers to supply 95 per cent. of the local consumption, the remaining 90 per cent. being distributed from Maine to Texas. 50 per cent. of these materials is sold to jobbers, 40 per cent. to retailers, and 10 per cent. to builders.

The raw materials consist of scrap iron and tin, and because of the large home supply, local manufacturers have an apparent advantage over competitors located in other cities.

One concern manufactures metal sash and supplies 40 per cent. of the local demand, which is equivalent to 10 per cent. of its output, the remainder being disposed of principally in the South.

Two concerns make metal ceilings on a rather small scale and secure 25 per cent. of the local business, which takes 50 per cent. of their production, the other 50 per cent. being distributed largely to near-by sections.

MISCELLANEOUS

One local concern manufactures copper rivets and burs, soldering coppers, escutcheon pins, nut locking washers, etc., and supplies about 75 per cent. of the local demand, the remainder being shipped from points in the North. This firm has facilities for making cut and wire nails of steel and iron. Two concerns make brass and iron cobblers' nails, tacks, and glaziers' points, and secure a market locally for 10 per cent. of their production, the remaining 90 per cent. being sold one-third in the South and two-thirds over the country generally and exported.

Two concerns are engaged in the manufacture of nuts and bolts.

One firm is engaged in oxidizing nails and it secures a fair share of the local business. One company makes a patented wire nail largely used by roofers and by railroads. Their product is marketed throughout the country, the local sales being comparatively small.

The manufacture of cutlery in Baltimore is carried on by three concerns who make oyster knives, one of whom makes a complete line of paring knives also. A very small fraction of the local demand is supplied by these manufacturers, which is, however, equivalent to 10 per cent. of their output, 90 per cent. going to northern, southern and western points, mostly coast cities. A limited amount of cotton and box hooks is made here and marketed in the South. The steel used comes almost entirely from Sheffield, England. Handles come largely from New York.

VEHICLES

HORSE DRAWN

In the building of horse drawn vehicles Baltimore manufacturers, in common with those of other centres, have seen their business decline to an appreciable extent, but this curtailment has been largely in carriages and pleasure vehicles, which have been almost entirely displaced by automobiles.

Twenty years ago there were twelve large concerns and a considerable number of smaller ones engaged in building carriages, several of them having gained a national reputation on their wares, but today there remain only two, and these have added the construction of automobile bodies to their business.

Fifteen years ago cheap factory-made business or utility wagons shipped in from other cities partially supplanted local hand-made vehicles, but there has been a gradual return of patronage to the home concerns. The decreased demand is largely attributed to the use of motor trucks for utility and hauling purposes, but some of the enterprising Baltimore wagon builders have in a measure anticipated this condition by building motor bodies and equipping their factories for repairing motor vehicles.

Of the materials used, ash lumber, largely employed in the construction of bodies, comes from Tennessee, but hickory and oak, used in building the running gears, are mostly Maryland grown. Local factories purchase their wheels ready made, 60 per cent. coming from home manufacturers. The remaining wheels used are shipped to local manufacturers knocked down from Pennsylvania points.

Tires and other iron parts are usually made at the local plants, with the exception of a few which are dropped forged and can be purchased to better advantage elsewhere. Very few horse drawn vehicles are jobbed here at the present time and they consist mostly of dump carts and farmers' wagons.

The labor situation is not favorable, there being a scarcity of skilled mechanics.

MOTOR AND VEHICLE PARTS

Local manufacturers make wheels and hubs only on the order of wagon builders and jobbers, but they make and carry in stock spokes and rims. Wagon builders secure nearly all of their requirements in finished wheels from Baltimore manufacturers, which take about $33\frac{1}{3}$ per cent. of the production. 10 per cent. of the output is exported. What little jobbing is done in wheels and parts consists largely of locally made products. A large proportion of the finished wheels sold out of the city are shipped to the South, the Middle West, and to northern states. In separate hubs, manufacturers command 90 per cent. of the local trade, and 25 per cent. of the separate spokes and rims. Axles, springs, bolts, tires, fifth-wheels, steps, and angle irons are not made here, but are carried in stock by seven jobbers of this class of wares.

Wagon bodies and running gears are all made by local wagon manufacturers.

MISCELLANEOUS

BRASS AND BRONZE PRODUCTS

Local foundries make stock castings in large quantities and do general job work of every description in brass, bronze, aluminum and special metals, but the complaint is general that they do not receive the requisite local support, a large percentage of the brass work in particular being secured from other sources. One firm extensively manufactures church bells and chimes.

One concern is engaged in the manufacture of brass tubing and is fast becoming an extensive producer of this and other tubing. This manufacturer supplies about 60 per cent. of the local demand for tubing. Gas and electric fixtures are manufactured in Baltimore on a large scale, five firms making them exclusively.

Among plumbers' supplies of brass and bronze, spigots, bibs, faucets, valves, and connections are made here and carried in stock by manufacturers, and are sold largely to plumbers' supply houses. 40 per cent. of the local demand is supplied, which takes 60 per cent. of the production, the remaining 40 per cent. being sold in the North and South. Brass faucets and spigots in cheaper grades are not made here, but come largely from Pittsburgh, Pa. and Bridgeport, Conn., where they are made in very large quantities. High grade spigots are made here and carried in stock by jobbers. Local plumbers' supply houses secure brass articles other than those purchased from Baltimore manufacturers in Pittsburgh, Buffalo and Cleveland.

There are no large foundries south of Baltimore making brass and bronze fittings for the plumbing and other trade, so that our manufacturers enjoy a large patronage from southern territory.

BROOMS AND BRUSHES

There are two large concerns and ten small ones engaged in the manufacture of brooms in Baltimore, three of them making whisks also. Whisks represent about 5 per cent. of the total value of manufactures. 80 per cent. of the local consumption is furnished by the manufacturers, 20 per cent. coming principally from Amsterdam, N. Y. The latter brooms are strictly high grade, the Baltimore concerns making only medium and cheaper varieties. The local trade takes about 38 per cent. of the product; 26 per cent. goes to southern states, an equal amount to New York State and New England, and 10 per cent. is exported. 60 per cent. of the product is jobbed.

Broom corn is shipped from Texas and Oklahoma to New York by water and from there re-shipped to Baltimore, entailing an additional charge of 25 cents per cwt. Manufacturers in Baltimore are therefore seriously handicapped in bidding for northern trade and contend that if direct transportation facilities

were inaugurated, this city could easily become the broom manufacturing centre of the Atlantic Seaboard.

Broom handles are not made here, the largest part of the local supply being secured from Michigan and West Virginia. Broom stitching machines are made in this city and winders are purchased from manufacturers in Philadelphia, New York, and the West.

BRUSHES—Baltimore ranks third among the cities of the country in volume and value of brushes made, five concerns being engaged in the industry. 60 per cent. of the local consumption of the general line of brushes is supplied by the manufacturers, which requires about 7 per cent. of the output. The remainder of the product is distributed 35 per cent. in the South, 35 per cent. throughout the West, and 23 per cent. in the North and East. 75 per cent. of the production is sold through jobbers.

Nearly all the camel's-hair brushes are imported. Horse and scrub brushes are not manufactured in Baltimore outside of the Maryland penitentiary. Paint and varnish brushes of all descriptions and sizes, however, are made here, in addition to a very complete line of whitewash and house or domestic brushes.

Bristles come largely from China, horse-hair from local jobbers, and Tampico grass (used for coarse brushes) from Mexico. Handles are made of maple wood and are bought in West Virginia and Pennsylvania.

The business has shown an annual growth of about 5 per cent. in the past five years.

TIN AND SHEET IRON PRODUCTS

The manufacture of tin cans had its inception here about forty-five years ago, the product being hand-made, but with the introduction of machinery the output increased rapidly to keep pace with the demand. Formerly skilled labor was largely required, but the proportion of this class of help has gradually decreased for the past ten years, until now 50 per cent. of the labor is unskilled. During the last twelve years the business has grown 75 per cent., the greatest increase being noted in the past five years. There are more tin cans made here than in any other city of the country, and although packers of oysters, fruits and vegetables purchase all their tin cans from Baltimore makers, they consume only about 15 per cent. of the production. 50 per cent. is sold within 200 miles of Baltimore and the remainder shipped over the country. Some cans are being exported and the foreign demand shows a gratifying increase from year to year.

Baltimore is the headquarters for the manufacture of bottle stoppers, which are produced here in large quantities. Gas meters are probably made here on a larger scale than in any other city. Two concerns manufacture a complete line of stamped kitchen ware.

Sheet tin is used in very large quantities in the manufacture of the various wares mentioned and practically all of the tin comes from the Pittsburgh district.

There appears to be quite a unanimity of opinion among the independent users of the product that this city would be an ideal location for the establishment of a large tin plate mill.

METAL CORNICE AND ROOFING—Thirty concerns are engaged in the manufacture of metal cornices and roofing, in connection with a general line of sheet iron work. Practically all sky-lights, iron shutters, doors, galvanized eaves troughs, conductor pipe, and elbows sold locally, come from the manufacturers here.

Eighty per cent. of the material used is purchased from local jobbers, and the remainder in Philadelphia and New York. The demand for tin for roofing purposes is again on the increase.

FLAGS, BANNERS AND REGALIA

Three concerns are engaged in the manufacture of banners, buttons and badges, and three in making regalia. In the first group, 50 per cent. of the consumption is supplied by the manufacturers, the remainder coming principally from Newark, N. J., with a small portion from scattered northern cities. The demand is equivalent to about 30 per cent. of the output, 65 per cent. being distributed over the country and 5 per cent. being exported. Banners, especially college, state and municipal pennants, are carried in stock, but buttons and badges are made only to order. Silks are purchased in Patterson, N. J., celluloid is imported, gold trimmings come from France, and brass materials from Connecticut. The local production has shown an increase within the last five years.

Regalia are manufactured to order and local concerns supply practically the entire Baltimore demand.

FUR GOODS

Five concerns are engaged in the manufacture of furs for the retail and jobbers' trade. Ten other firms make furs for their own retail stores and four job raw fur skins. The local manufacturers supply about 5 per cent. of the consumption, which is equivalent to 35 per cent. of their output. The remainder is sold in Maryland, adjacent states, and the South. The five manufacturers referred to supply about 5 per cent. of the consumption, which is equivalent to 5 per cent. of their output. 60 per cent. is sold in the South, and 35 per cent. in Maryland and adjacent states. The ten retailers supply 10 per cent. of the local demand. New York jobbers and manufacturers furnish 85 per cent. of the local consumption.

At the present time there is only one firm in Baltimore jobbing furs exclusively, although up to about five years ago at least ten concerns, mostly wholesale houses, jobbed fur goods on an extensive scale. The reasons advanced for this curtailment are that a great number of southern retailers have discontinued the line owing to climatic conditions, and the present tendency of the manufacturers is to sell direct to the retail trade.

Four concerns job raw fur skins, but as none of them are finished and dressed here, Baltimore fur manufacturers are compelled to purchase the finished skins from New York. Outside of a comparatively few sets made by the manufacturing retailers, there are no high grade furs made here.

Satin used for linings is purchased from Baltimore jobbers to the extent of 25 per cent., the remainder coming from New York.

ICE AND CREAM PRODUCTS

Eight concerns are engaged in the manufacture of ice in and around Baltimore. The demand last year was 275,000 tons, the capacity of the plants collectively being 600,000 tons. The excess capacity is occasioned by the manufacture of ice being distinctly a seasonal business, the bulk of the output being produced and consumed in a period of five and half months' duration. Most of the ice is made from city water, which is properly filtered. Very little ice is shipped out of Baltimore and but little is shipped in. Up to a few years ago, ice was brought in from Maine and other northern points, but one manufacturer has provided ample storage which has discontinued this practice. A uniform price to families has been maintained for many years, but the wholesale price has experienced violent fluctuations, sometimes going to a level that meant disaster for some of the companies. The business has shown an annual growth of 3 per cent. The labor situation is not altogether satisfactory, rates of pay having increased and efficiency decreased.

ICE CREAM—This has become quite an extensive industry, the gross value of the product having doubled in the past four years. Competition is keen among local manufacturers. Most of the product is of a high grade.

Manufacturers have built up an extensive shipping trade to points in Maryland, District of Columbia, Virginia and Delaware. The shipments last year were equivalent to 15 per cent. of the total production.

MATTRESSES AND SPRING BEDS

There are no metal beds of any description manufactured in Baltimore. One concern made them on a small scale several years ago, but did not rebuild following the loss of its factory by fire. Four metal bed concerns of other cities maintain large storehouses and distribute their product, consisting of brass and enameled beds, to local merchants, at the same time taking care of the southern trade. About 85 per cent. of the local demand is supplied from these warehouses, which is equivalent to 60 per cent. of their total sales. No good reason is assigned why metal beds could not be manufactured here, as the business prospers in such localities as Jersey City, N. J., and Rome, N. Y., which are no closer than Baltimore to the source of supply for raw materials.

BED SPRINGS—Seven concerns make various kinds of bed springs in Baltimore and they supply about 85 per cent. of the demand here, the remaining 15

per cent. coming principally from Philadelphia. The local consumption takes 30 per cent. of the output, 50 per cent. goes to the Southern states, and 20 per cent. to Pennsylvania, Virginia, Maryland, and Delaware. Two-thirds of the output is sold to retailers, and one-third to jobbers. The production has increased at least 50 per cent. in the last five years.

Steel for the springs and iron for the frames come from the Pittsburgh district. There appears to be an abundance of skilled labor, which can be had at reasonable wages.

BEDDING—Seven concerns are engaged in the manufacture of mattresses, feather ticks, pillows, and bolsters, five of which make mattresses only. Local firms supply 90 per cent. of the Baltimore consumption in these lines, the remaining 10 per cent. coming from Cincinnati and New York. The local demand is equivalent to 60 per cent. of the production, 25 per cent. going South, and 15 per cent. to Maryland and southern Pennsylvania points. 20 per cent. of the output is sold to jobbers, 80 per cent. going to retailers, principally furniture dealers.

Ticking is bought largely of southern cotton mills. One local establishment making bedding, also prepares hair for mattresses and sells it to local and out-of-town manufacturers. Chicago is a keen competitor for this business and secures about 50 per cent. of the consumption.

Ninety per cent. of the pillows made here are stuffed with feathers, the rest with hair and cotton.

MILLINERY AND LACE GOODS

The manufacture of artificial flowers and feathers, which has been conducted here for twenty years, was at one time an industry of considerable magnitude. It has shown a decrease in volume during the past five years, but this condition is reflected in the industry throughout the country, the demand being generally curtailed. Baltimore manufacturers import half of the material they use as well as a large amount of the partially finished product. All other materials are bought in New York, the latter city having a monopoly of the business.

Millinery is jobbed on an extensive scale in Baltimore, the principal market being the South, although the distribution is general. The manufacturers of trimmings sell the greater portion of their wares west of Pittsburgh, only a small part to local jobbers, and practically none to milliners and retail stores.

Labor conditions are favorable, little difficulty being experienced in securing an adequate supply of help even in the busy seasons.

Embroideries have been made here for the last eighteen years, and the business is showing a steady growth from year to year. About one-third of the output is sold to local jobbers, the other two-thirds being disposed of South and West. All grades and qualities are manufactured, with medium leading. Labor conditions are favorable.

The small amount of lace manufactured locally is of the cheapest quality and barely deserves mention, being made by two local embroidery concerns as a side line.

SHIPBUILDING

With iron gradually displacing wood in the construction of vessels, the building of wooden ships in Baltimore (which thirty years ago was an extremely flourishing industry) has declined to the extent of 75 per cent., due to their construction cost having advanced to within 10 per cent. of that of iron vessels of the same capacities; but, taking into account large iron steamers and other classes of vessels which are being constantly built in the Baltimore Metropolitan District, the money value of ships of all classes built in 1913 was greater than in any previous year in the history of the industry.

At one time Baltimore built more and faster clipper ships than any other port, but at the present time local shipbuilders are confining their work largely to construction of barges, scows, floats, yachts, and tug boats. Repairs to wooden vessels are also diminishing to an appreciable extent yearly, due to the advent of iron bottoms and the consequent gradual elimination of wooden vessels as carriers. The present low freight rates do not justify large maintenance expenditures on wooden sailing vessels, but nevertheless they have to be kept in good seaworthy condition in order to secure insurance and the highest prevailing freight rates. Inasmuch, however, as wooden sailing vessels do not have to pass the crucial Government examination to which wooden steamers are subjected, it is left to the discretion of the owners as to the extent of repairs to be made. Other factors which have lessened the volume of repair work are the decreased number of ships that put into the port of Baltimore, and the consolidation of steamship lines which has brought thirty or forty vessels under one ownership. The headquarters of these lines are largely out of Baltimore and consequently most of the work is diverted to their home ports. Very few of the local yards are equipped for making heavy repairs to iron vessels.

STONE AND MONUMENT WORK

The business done by local manufacturers of these closely allied products is decreasing for reasons which are equally applicable to nearly all other cities. Some years ago marble was practically the only material used for monumental purposes, but at the present time 85 per cent. of this work is of granite. The demand for monumental granite work last year showed an increase over 1912, but the use of granite for building, paving, and curbing purposes has gradually declined. The use of concrete and terra cotta for building purposes and of concrete for paving and curbs has nearly devitalized this end of the granite business. The use of marble for exterior building purposes has also declined to an appreciable extent, but its use in interiors has increased in recent years. Domestic marble is being used more extensively, though a portion of the product for

interior purposes still comes from Italy. Indiana limestone has largely displaced marble in the construction of bases for certain classes of buildings.

Granite in its finished state can be purchased more cheaply at the source of production than the rough slabs can be cut and finished in the local yards. Marble, however, is not finished at the quarries to the extent that granite is, because the demands for variation and individuality require its local fabrication.

UMBRELLAS AND PARASOLS

Baltimore ranks third among the industrial centres of the country in the production of umbrellas and parasols, Lancaster, Pa., being first and New York second.

The local business has shown a satisfactory growth during the past four years, and it is the consensus of opinion among local manufacturers that this city will occupy first place within the next few years. For some years following the inception of the industry here, the patronage came largely from the South, but now the distribution of the product is country wide, no particular section taking a greater proportionate share of the output than another. There are very few cheap umbrellas and parasols made here, medium and high grade wares predominating, which accounts in a measure for the small amount of local jobbing patronage enjoyed by the Baltimore manufacturers.

The frame material is secured from Philadelphia and Newark, N. J., silk from Patterson, N. J. and abroad, and cotton coverings from New England. Handles are bought from manufacturers in New York, Philadelphia and Lancaster, Pa., with the exception of a few of the silver variety, which are manufactured locally. Reports from the trade indicate that the demand for umbrella and cane handles would justify their manufacture here. No canes are made in Baltimore.

No jobbers in Baltimore specialize in umbrellas, parasols, and canes, handling them in conjunction with other wares. In higher grades the business does not lend itself to jobbing, due to the changes in style and the demands of fashion.

The industry being of comparatively recent origin, New York and Philadelphia enjoy the advantage of long established custom of buying these wares in those markets. Baltimore is also laboring under the handicap of scant supply of expert labor. It is asserted that a larger output would result if trained help could be readily secured.

STRAW HATS

For more than a generation Baltimore has led the country in both amount and factory value of product in this industry, and at the present time the quality of hats produced here cannot be surpassed. The business has shown a remarkably healthy growth during recent years.

Manufacturers sell their product freely over the country and also find a

considerable market in Canada. Some years ago the trend of the consumption was South, but it has now become nation-wide. Only a very small percentage of the product is sold under the manufacturers' brands, the tips bearing jobbers' or retailers' names.

During the busy season the supply of skilled labor has not always been adequate, but teaching has been resorted to, with the result that labor conditions are becoming more normal. The withdrawal of one concern has had a tendency to relieve the labor situation, but local concerns are fast absorbing the surplus. About 60 per cent. of the employees are female, of whom 80 per cent. are skilled.

Most of the sweat bands come from Philadelphia, where they are produced to supply the demand of the felt hat industry. Silk bands can be imported at a considerable saving. Cotton net for linings was imported up to a few years ago, but is now being purchased in this country.

The jobbing trade is not extensively catered to because the demand is largely for lower grade hats than are made here.

MISCELLANEOUS

Baltimore ranks first among the cities of the country in the amount of copper smelted and rolled, sending the product to all markets of the world. The local consumption is comparatively small. There are nine coppersmith establishments in this city, four of whom cater to the ship or marine trade, and the remainder to the brewing and distilling interests. 85 per cent. of the local demand is supplied by the above concerns, and 60 per cent. of the copper used is purchased in this market. These concerns make but a very little of the copper tubing, purchasing 40 per cent. of a Baltimore manufacturer.

Three concerns are engaged in the manufacture of chewing gum, two of them making chicle gum. About 10 per cent. of the gum consumed locally is made by home manufacturers, which takes 5 per cent. of their output; 50 per cent. goes to the South, and 45 per cent. is distributed in the territory east of the Mississippi River. The product is disposed of chiefly to jobbers, only 20 per cent. being sold to retailers direct. New York and Chicago are strong competitors for the local business, supplying the remainder of the consumption. Chicle is imported from Mexico. Wrappers, carton containers and shipping boxes are obtained locally.

One concern manufactures clasps and buckles for trousers, steel buttons, and snap fasteners for gloves and pocket books. Practically the entire local demand is supplied by this manufacturer through jobbers, being equal to 5 per cent. of the production. 95 per cent. is disposed of in principal trade centres. Steel and brass used are obtained from the Pittsburgh district and Connecticut, respectively.

Of three concerns manufacturing toys and games, one makes toy horses, another game boards, and the third a line of parlor pool tables and collapsible

kites. 20 per cent. of the product is sold locally, taking care of 15 per cent. of the demand. 80 per cent. of these manufactures is sold throughout the country.

One concern makes soda fountains and fixtures. 60 per cent. of the local consumption is supplied, which is equivalent to two-thirds of the output, the other third being distributed in the eastern section of the country. Chicago, Philadelphia, and Boston firms supply the remainder of the local demand. Marble is purchased of local jobbers and metal parts are all made by the concern itself, which also does its own silver and nickel plating.

VALUE OF MERCHANDISE DISPOSED OF THROUGH RETAIL MERCHANTS
CALENDAR YEAR ENDING DECEMBER 31, 1913

REFERENCE No.	CHARACTER OF ESTABLISHMENT	NUMBER OF STORES	TOTAL SALES	PURCHASES—In Per Cent				ARTICLES BOUGHT IN BALTIMORE	REMARKS
				LOCAL		OUTSIDE			
				Mfg.	Jobbers	Mfg.	Jobbers		
1	Art Stores.....	18	\$ 355,119	3%	1%	75%	21%	Picture frames from manufacturers. Glass from jobbers.	See Page 54
2	Bakeries—Cakes and Crackers.....	412	5,433,528	90%	5%	2%	3%	Buy practically everything here.	See Page 54
3	Boots and Shoes.....	216	5,042,851	5%	24%	58%	13%	Women's and children's shoes from manufacturers. Men's shoes from jobbers.	See Page 54
4	Candy and Confectionery.....	175	2,195,960	60%	23%	17%	----	General line from manufacturers. Box goods from jobbers.	See Page 54
5	China, Glass, Tin, and Wooden Ware.....	8	801,246	16%	28%	40%	16%	Crockery, tin and enameled ware from manufacturers. China and wooden ware from jobbers.	See Page 54
6	Cigar Stores.....	514	5,411,238	30%	65%	4%	1%	Cigars from manufacturers. General line from jobbers.	See Page 54
7	Clothing Stores.....	124	10,588,245	25%	10%	40%	25%	Men's clothing from manufacturers. Boys' clothing from jobbers.	See Page 55
8	Drug Stores.....	347	4,501,222	20%	30%	25%	25%	General lines except specific chemicals from manufacturers and jobbers.	See Page 55
9	Dry Goods and Notions.....	167	9,328,244	1%	9%	60%	30%	Domestic and general line of notions, woolen goods, silks, and linings from jobbers.	See Page 55
10	Feed Stores.....	94	3,760,356	----	60%	----	40%	General lines.	See Page 55
11	Fur Goods.....	10	951,587	2%	----	25%	73%	Cheap fur sets, mainly children's.	See Page 55
12	Furniture Stores.....	89	10,572,075	20%	15%	50%	15%	Mattresses, springs, and upholstered furniture from manufacturers. Brass and enameled beds from jobbers.	See Page 55
13	Gents' Furnishings.....	96	5,420,097	10%	15%	40%	35%	Neckwear and underwear from manufacturers. Hosiery, knit underwear, and collars from jobbers.	See Page 56
14	Grocery Stores.....	1,500	9,211,148	3%	65%	20%	12%	General lines.	See Page 57
15	Hardware.....	92	3,219,456	----	15%	60%	25%	General lines.	See Page 57
16	Hats and Caps.....	48	2,109,081	25%	5%	65%	5%	Straw hats, stiff and soft felt hats, and caps from manufacturers and jobbers.	See Page 58
17	Jewelry and Optical Goods.....	40	4,751,203	1%	6%	78%	15%	Lenses mainly from manufacturers, cheap jewelry from jobbers.	See Page 58
18	Ladies' Apparel.....	51	14,972,798	10%	4%	50%	36%	Cheap and medium priced suits and skirts, waists and muslin underwear.	See Page 58
19	Leather Goods—Saddlery.....	41	681,482	10%	30%	40%	20%	Harness and saddlery from manufacturers. Traveling requisites and fancy articles from jobbers.	See Page 59
20	Lighting Fixtures.....	11	436,236	50%	40%	10%	----	General line from manufacturers. Patented and special articles from jobbers.	See Page 59
21	Machinery and Supplies.....	6	481,258	5%	15%	65%	15%	Bolts, nuts, and belting from manufacturers. Pick-ups and rubber fittings from jobbers.	See Page 59
22	Meat Stores.....	122	17,404,000	47%	53%	----	----	General line of meats and provisions.	See Page 59
23	Millinery and Lace Goods.....	65	5,966,904	1%	15%	70%	14%	Hats and trimmings, flowers and foliage.	See Page 59
24	Paints, Oil, and Glass.....	100	2,680,947	22%	8%	60%	10%	Ready mixed paints, colors in oil, and varnish from manufacturers. Glass, turpentine, and oil from jobbers.	See Page 60
25	Pianos and Musical Instruments.....	17	1,221,453	20%	----	70%	10%	Pianos, guitars, mandolins, and violins from manufacturers.	See Page 60
26	Plumbing Establishments.....	400	2,611,139	15%	72%	10%	3%	Enameled ware and lead traps from manufacturers. General lines from jobbers.	See Page 60
27	Sporting Goods.....	8	955,307	2%	1%	83%	14%	Dog collars and fishing tackle from manufacturers. Tennis shoes and shot from jobbers.	See Page 60
28	Stationery and Books.....	14	745,116	1%	10%	70%	19%	General line office supplies and a little stationery from jobbers.	See Page 61
29	Stoves and Appliances.....	16	541,234	50%	30%	20%	----	Coal and gas ranges and hot air furnaces from manufacturers. Other furnaces from jobbers.	See Page 61
30	Teas, Coffee, and Spices.....	35	4,502,108	2%	35%	40%	23%	Spices from manufacturers. Teas and coffee from jobbers.	See Page 61
31	Wall Paper.....	29	589,234	----	50%	30%	20%	General line.	See Page 61
32	Miscellaneous:								
	Rubber Goods.....	6	581,689	----	50%	45%	5%	Rubber shoes and general line except raincoats from jobbers.	
	Photographic Materials.....	8	241,604	1%	9%	80%	10%	Acetic acid and sulphide of soda from manufacturers. Photo paper and pick-ups from jobbers.	See Page 61
	Oriental Specialties.....	13	534,897	2%	13%	70%	15%	Laces and hand-made art embroideries from manufacturers. Bric-a-brac from jobbers.	
	Total and Average.....	4,892	\$138,800,062	19%	27%	36%	18%		

RETAIL STORES

The retail stores of Baltimore and vicinity were systematically canvassed to ascertain (1) the volume of business transacted in 1913 (provision having been made for enumeration of various wares dealt in), (2) what proportion of this merchandise was purchased locally and out of the city, respectively, either from jobbers or manufacturers, and (3) specific reasons for the future guidance of the wholesale trade as to why more of this business could not be diverted to local channels.

DEPARTMENT STORES—Owners and managers, in their general instructions to buyers of the various departments, have always included a strong recommendation that Baltimore manufacturers be given the preference where no advantage is apparent in purchasing out of the city. In practice, however, many of the buyers do not always heed this suggestion owing to the extenuating circumstances cited below surrounding their employment. Since buyers are not trained here they must of necessity be procured from other cities, principally New York and Philadelphia; as a result they have but a limited knowledge of the local industrial situation, and consequently show a preference to trade in markets with which they are thoroughly familiar.

The apparent attitude assumed by the local manufacturers, that inasmuch as they are located in Baltimore they should receive first consideration, has resulted in a policy which lacks enterprise, initiative, and persistency, so far as soliciting the department store trade is concerned, and is not on a par with the progressive methods of other cities. If Baltimore manufacturers will study the needs of department stores and produce the kind and quality of wares required, they will experience no difficulty in competing with outside manufacturers for a larger share of this patronage.

The following corroborated comments, which form the consensus of opinion of the retail merchants co-operating with the Industrial Survey, are given verbatim without any investigation as to their authenticity, this feature being left solely to the trade affected to affirm or disapprove.

The inference to be drawn, however, from the mass of information secured is that the retail merchants as a class are not reliably informed with respect to, or conversant with, the local industries manufacturing the wares traded in respectively by them, to venture a statement of sufficient weight to merit more than casual consideration.

ART STORES—Local manufacturers secure 25 per cent. of the requirements in frames, largely in cheaper grades. Mat board is procured in Philadelphia and bric-a-brac is mostly imported. Etchings, engravings, oil and water color paintings are not produced in Baltimore to any extent.

BAKERIES—Cake and Crackers—The articles of consumption supplied by outside manufacturers and jobbers consist largely of food products put up in cartons under well-known brands.

BOOTS and SHOES—Shoe stores may be divided into three groups: Exclusive dealers purchasing their wares in the open market; factory-controlled stores handling one particular make of shoes; and shoe departments of large department stores.

The local patronage comes almost entirely from the first group and is mainly in women's shoes of a high grade. Children's and infants' shoes are purchased locally only to the extent of 5 per cent. Department stores as a general rule confine their purchases to ladies' shoes that are nationally advertised.

TRADE COMMENTS:

Outside Manufacturers	{	Offer better terms.
		Carry larger stocks of novelties.
		Carry full lines of merchandise greater part of season, affording retailer an opportunity to fill in.
		Make better goods for same price.
		Style of shoes better.

Baltimore firms canvass the trade. Retail merchants are compelled to buy higher grades in men's and boys' shoes from Boston, as there are no factories here making them. Baltimore jobbers and manufacturers are afraid to carry a little surplus stock over.

CANDY and CONFECTIONERY—Retail stores may be grouped as those having exclusive candy shops (embracing the market stalls) which make practically all the candy they sell; drug and department stores, selling candy largely in boxes; and grocery, cigar, and notion stores selling mainly penny goods.

Seventy-five per cent. of the candy consumed is manufactured here, the remaining 25 per cent. being box goods secured from outside manufacturers who enjoy a national reputation, and some very cheap grades of candy secured principally from New York.

CHINA, GLASS, TIN and WOODEN WARE—Household Specialties—Local manufacturers are securing a fair share of this business, so far as their limited lines will permit.

CIGAR STORES—Local manufacturers and jobbers are getting a large share of this business.

CLOTHING STORES—Local manufacturers secure a fair share of patronage on high and medium grade garments, New York controlling the trade on cheap clothing. In boys' clothing, however, retail merchants purchase only a small amount of their requirements locally, as no variety is made here. Boys' suits and overcoats are bought in New York and Boston in equal quantities, and wash suits are purchased in New York almost exclusively.

TRADE COMMENTS:

Purchase children's clothing in New York because there is only a small amount made in our city.

DRUG STORES—While most of the drug stores are conducted on independent lines, about one-fifth have united for the purpose of purchasing their wares to advantage, and there are several other groups conducted under one management, which in no case includes more than three establishments.

Local manufacturers secure the preference on standard medicinal preparations, and jobbers on toilet articles, chemical and proprietary preparations, patent medicines, and rubber goods.

Candy, cigars, tobacco, soda, and miscellaneous articles, which constitute one-third of the business, are purchased largely of local jobbers and outside manufacturers and jobbers.

DRY GOODS and NOTIONS—Local jobbers secure the principal business of small neighborhood dry goods and notion stores. The more pretentious establishments (other than large department stores) located in the business sections, also buy largely of jobbers, but are periodically solicited by salesmen of New York and Philadelphia jobbers.

FEED STORES—Small retailers show a preference to trade with the local jobbers where no advantage is apparent in purchasing out of the city. Some of the larger retailers, however, purchase their supplies direct in carload lots.

FUR GOODS—

TRADE COMMENTS:

There are no local manufacturers worthy of consideration and if any start they are handicapped by lack of skilled workmen in this locality.

As a rule they are speculators in the skin market and their business is subject to all the vicissitudes of speculative markets in which skins may fluctuate as much as 75 per cent.

Only inferior grades of skins can be bought here from farmers of the South. No mechanics and labor peculiar to this trade are to be had in the city.

FURNITURE STORES—The stock of a typical furniture store may be apportioned as follows: Furniture, upholstered and plain, 60 per cent.; floor coverings and draperies, 30 per cent.; mattresses, springs, and metallic beds, 8 per cent; and crockery and pottery, 2 per cent. Local manufacturers secure one-third of the local patronage on upholstered furniture and 25 per cent. on leather furniture, with a small percentage on plain furniture, collectively equivalent to

10 per cent. of the total requirements; Michigan, Illinois, and New York supply the remainder of consumption of high and medium grades, and North and South Carolina the cheap and low grades. Dealers carry only samples of mattresses and a small stock of springs, Baltimore manufacturers taking care of 90 per cent. of the requirements. No floor coverings or draperies are made here, but are purchased largely from the mills direct or through New York jobbers, local jobbers securing only a small share of this patronage. All refrigerators are shipped in; brass and enameled beds are secured from selling agencies of outside manufacturers.

TRADE COMMENTS:

There should be a larger variety of designs.

Only two or three manufacturers in Baltimore make kind of furniture needed.

Goods shipped in principally of a higher grade and we have no manufacturers making similar wares.

No factories make carpets, lace curtains, or portieres.

No expensive china made here.

Local houses canvass trade thoroughly, but local jobbers handling side lines such as blankets, comforts, spreads, lace curtains, portieres, cheese cloth, etc., seldom ever canvass the furniture trade.

We lack variety of patterns and number of manufacturers.

All out-of-town goods are sold f. o. b. Baltimore.

No manufacturers in this city of any importance.

Local manufacturers make medium and low grades only; must go elsewhere for better grades.

GENTS' FURNISHINGS—The retail stores may be designated as those handling gents' furnishings exclusively, in conjunction with clothing, and neighborhood shops. A typical stock consists of one-third shirts and collars, an equal amount of underwear and hosiery, the remainder of neckwear, gloves, garters, jewelry, robes, handkerchiefs, belts, pajamas, night shirts, canes, umbrellas, etc. Purchases of Baltimore manufacturers consist largely of neckwear and medium grades of summer underwear, and a few cheap shirts.

TRADE COMMENTS:

Outside Manufacturers	<p>Show a larger assortment.</p> <p>Do more advertising.</p> <p>Have more varied lines and better values.</p> <p>Have a new leader which our Baltimore manufacturers do not take advantage of.</p> <p>Have goods not manufactured here, such as shirts and collars.</p> <p>Have a grade of goods not made here.</p> <p>Give better values in shirts and seem to know what we want.</p> <p>Also have larger assortments.</p> <p>Specialize strongly on price.</p>
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In some lines, such as suspenders, we have no first-class manufacturer in the city.

If some of our local houses would be a little more alive and assume the initiative, they would reap a great deal of benefit.

There is very little canvassing among the small retailers.

Jobbers should carry larger stocks.

Local firms don't make any effort to get the business and besides they don't have the goods out-of-town houses have.

Hosiery and knit goods we buy from the mills in large quantities at a lower price.

The Baltimore jobbers seem to canvass the local trade after the New York houses have gotten all the orders.

The local jobbers do not seem to put themselves in competition with New York jobbers.

We have goods ordered from two to three months before the local jobbers canvass us.

GROCERS—With the possible exception of coffee, tea and sugar stores, and a small group of grocery stores conducted under one management Baltimore is free from the chain-store system of dispensing groceries to the consumer.

Twenty-five per cent. of the groceries retailed are purchased through jobbers, of local manufacturers, and consist largely of canned foods.

TRADE COMMENTS:

Local jobbers and manufacturers' agents do not carry sufficiently large stocks to make prompt deliveries.

There is sufficient demand in Baltimore and adjacent territory to warrant the establishment of a condensed milk factory. There is also room for a paper bag factory to make special qualities and sizes of paper bags which the one local concern does not supply.

HARDWARE STORES—The only items made in this city which go to make up a retailer's stock of hardware are sash weights, door hangers, and tacks. Most of the large retailers purchase their supplies from outside manufacturers direct, excepting wire and cut nails, bars, and shapes, which are bought generally from Baltimore jobbers. Small retailers purchase practically everything of local jobbers.

TRADE COMMENTS:

Outside Manufacturers	{	Have the goods.
		Canvass the trade more thoroughly.
		Make better terms.
		Advertise more extensively.
		Have price and variety.

Local people do not canvass trade.

Prefer to deal with Baltimore jobbers but cannot do so exclusively, as they do not carry the stocks.

Local people are too conservative.

Local firms do not give a spot cash buyer a better price than the time man. Should adopt spot cash catalogue system.

Practically no hardware manufactured in Baltimore. Iron bolts, tacks, and a popular make of door hangers sum it up.

Buy from outside manufacturers instead of local jobbers from motives of economy only.

In some cases outside jobbers buy goods of our manufacturers and sell them here cheaper than they are offered locally.

HATS and CAPS—Local manufacturers and jobbers are getting a good share of this business, especially in straw hats. Local purchases of stiff and soft felt hats are necessarily confined to one manufacturer. Manufacturers of caps in medium grades also secure a fair share of the local patronage.

Philadelphia and Connecticut points supply about 85 per cent. of the local requirements of felt hats.

JEWELRY and OPTICAL GOODS—

TRADE COMMENTS:

Manufacturing not developed to a point to command the confidence of the trade.

Baltimore jobbers canvass the trade.

Retail jeweler is compelled to buy from jobbers, as he cannot buy from manufacturers direct.

There is no jewelry manufactured in Baltimore to sell to the retail jeweler except what is sold by manufacturers to consumers direct.

Some years ago several factories which made gold rings and sold them largely in the South and West moved to New York to be nearer to the jewelry centre of the United States.

We do not have any manufacturing jewelers of note.

We do not have a single jewelry manufacturer that can supply the goods the average jeweler sells.

We have one good manufacturer of optical goods and there is room for others.

There is not one manufacturer in Baltimore that produces plain silverware to sell direct to the retail jeweler.

No clocks of any consequence are made in Baltimore.

No exclusive jewelry manufacturer in Baltimore to canvass the jewelry trade.

LADIES APPAREL—

TRADE COMMENTS:

Outside Manufacturers	{	Have larger and better selections and designs.
		Have higher grade at same price.
		Possess snap and style—lacking in Baltimore.
		Offer better terms.

Local firms canvass the trade to a certain degree only, which covers their limited lines.

It seems that our Baltimore manufacturing concerns cater more for cross roads' trade in the Southern states in our line, because competition does not seem to be so keen, and hence they secure better prices than in our city.

Principal amount of goods that we carry cannot be bought in Baltimore. Variety and assortment of styles are scarce here.

They are not alert.

There is no doubt we could buy more goods from local people if we were aware of the merchandise they carry.

LEATHER GOODS and SADDLERY—

TRADE COMMENTS:

Outside Manufacturers	{	Sell harness for less money than Baltimore manufacturers.
		Sell harness of better grade, with considerable saving in price, freight and handling charges added.
		Pay freight charges on trunks, bags, etc.

No pocket books made here.

As to trunks, there are no large factories here.

Do not know why Baltimore manufacturers cannot compete with outside concerns, but they do not.

Do not canvass city trade.

A probable reason why Baltimore jobbers and manufacturers in harness and saddlery do not canvass city trade is that they also sell at retail. The trade have to buy their goods sufficiently low to compete with them.

LIGHTING FIXTURES—Manufacturers maintain retail establishments in which they sell goods of their own manufacture in conjunction with patented articles purchased in other markets.

MACHINERY and SUPPLIES—Many of the jobbers sell also at retail.

MEAT STORES—This classification includes meats and provisions disposed of collectively by retail butchers and local sales reported by manufacturers and jobbers.

MILLINERY and LACE GOODS—The trade may be divided into three classes: Exclusive milliners who handle only high grade wares and import most of their goods; millinery departments of large department stores; and small neighborhood millinery stores. The department stores purchase about 5 per cent. of feathers, flowers, velvets, and ribbons from manufacturers and jobbers here. Neighborhood milliners purchase practically their entire requirements from local jobbers.

TRADE COMMENTS:

Outside Manufacturers	{	Sell cheaper for same grade.
		Have greater variety to choose from.
		Have novelties and new ideas, being ahead of our jobbers, who are too conservative.

New York is better advertised.

Local wholesalers canvass the trade thoroughly.

PAINTS, OILS and GLASS—Paint stores as a rule handle hardware and cutlery either in conjunction or as half of their business. 80 per cent. of the ready mixed paints sold by retail stores is purchased of Baltimore manufacturers. Jobbers secure the requirements of dry colors, varnishes, stains, fillers, turpentine and linseed oil. 50 per cent. of the paint, varnish, and other brushes are purchased of local manufacturers, with a small percentage from local jobbers.

TRADE COMMENTS:

Outside Manufacturers	<div style="display: inline-block; vertical-align: middle; font-size: 3em; line-height: 1;">{</div> <div style="display: inline-block; vertical-align: middle;"> <p>Offer very attractive inducements to merchants. Show courtesy, offer long terms, drum constantly, and have odd goods.</p> <p>Make a specialty of certain preparations and spare no expense in advertising same in all the magazines, flooding the merchants with expensive literature and making live demonstrations to place these preparations before the public, thereby creating a demand for their wares.</p> </div>
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Lack of visitation to the trade on the part of local firms; there seems to be no interest.

They do canvass but they have not got the price.

Products of similar kind are as good here but outsiders manufacture specialties.

They do canvass the trade, except on specialties not made here, which we have to buy direct from the manufacturer.

PIANOS and MUSICAL INSTRUMENTS—The local manufacturers secure a fair share of the local business. The manufacture of musical instruments other than pianos has not been extensively developed in Baltimore.

PLUMBING ESTABLISHMENTS—Steam and hot water furnaces, heaters, and boilers are purchased from selling agencies of outside manufacturers or direct. In other wares local jobbers control the situation.

SPORTING GOODS—Outside manufacturers and jobbers secure the bulk of this business. About 7 per cent. of the local trade is supplied by Baltimore jobbers, who handle this line to a limited extent only in conjunction with other wares. Baltimore manufacturers secure the trade on dog collars, leads, sweaters, harness, baskets and crates, which are admitted to be of as good quality as found in any market.

TRADE COMMENTS:

Baltimore needs an exclusive jobber of sporting goods, as there is ample opportunity to not only supply part of the local demand, which is now taken care of as an entirety by New York jobbers, but secure a portion of the near-by and southern patronage.

STATIONERY and BOOKS—Of the fourteen stationers, two may be termed society stationers. Four of these also handle office furniture of wood, and steel files, on a large scale. Stocks of commercial stationery stores are represented 40 per cent. by files and office furniture, none of which is made in Baltimore; 30 per cent. loose-leaf books and devices, purchased largely in New York; 10 per cent. leather goods and novelties, purchased in New York and Philadelphia; 10 per cent. pencils, pens, fountain pens, inks, mucilage, stationery hardware, and glassware; 10 per cent. paper, envelopes, and miscellaneous articles. Local jobbers enjoy a fair patronage on paper, and the one manufacturer on envelopes. Most of the stationers are equipped to do printing also.

TRADE COMMENTS:

Outside	{	Get the business—expense minimized by quantity.
Manufacturers		Offer better terms.
		Advertise more extensively.

Local firms lack energy and are too conservative. There is no publishing house of any consequence in Baltimore.

STOVES and APPLIANCES—The retail coal stove business has suffered a considerable decline in the last ten years, as a consequence of which the number of stores has been commensurately reduced. This is attributed to the "Latrobe" and other makes of heating stoves (which were in demand some years ago) having been replaced by furnaces handled by plumbers rather than by retail stove dealers, and the substitution of gas for coal ranges in homes.

Retail dealers purchase 50 per cent. of their requirements of local concerns, securing the remainder from New York and Pennsylvania foundries. Through this arrangement they are enabled to carry a larger assortment and in specific cases secure the exclusive agency of outside manufacturers.

TEAS, COFFEE and SPICES—Stores making a specialty of these food products are operated under the chain system. One or two exceptions were noted in the canvass of the trade.

WALL PAPER—

TRADE COMMENTS:

No factory in Baltimore.

Outsiders sell on more advantageous terms than jobbers.

MISCELLANEOUS—Includes stores handling photographic materials, Oriental silks and laces, rubber goods of all descriptions, gloves, etc.

TRADE COMMENTS:

Photographic Materials—Only two manufacturers of complete line in United States. These two firms make four-fifths of the film and photo materials used in the world.

COMMISSION BUSINESS

Commission merchants dealing exclusively in perishable foodstuffs may be commercially distinguished, in order of their importance, as those trading in (1) domestic fruits and produce, (2) butter, eggs and poultry, (3) citrus, deciduous and other fruits, (4) bananas, and (5) game, fish and crabs.

The business done by commission merchants of the first class is an item of considerable magnitude in the commerce of Baltimore. Collectively there are 135 firms and individuals engaged in the wholesale trade whose sales for 1913 totalled \$24,986,112, of which 25 per cent. was sold locally and 75 per cent. shipped to points in Virginia, West Virginia, Pennsylvania, New York, Ohio and Canada. Territory adjacent to Baltimore—which includes the Eastern Shore of Maryland—supplied 60 per cent. of the produce traded in, and Southern states furnished the early season's demand, which was equivalent to 40 per cent. Domestic fruits grown within a narrow radius of Baltimore constituted 75 per cent. of the amount handled, Georgia having furnished the greater portion of the remainder.

Butter, eggs and poultry are dealt in by twenty-eight firms, a number of them specializing in butter and eggs, or in poultry; others also handling cheese in conjunction. The business reported amounts in the aggregate to \$8,551,264, 75 per cent. of the products being disposed of in Baltimore and territory immediately adjacent thereto, the other 25 per cent. being shipped largely to New York City and Philadelphia. The source of supply has a wide range, extending from Chicago to the Atlantic Coast.

Deciduous and citrus fruits from California and the Northwest are extensively dealt in locally, as are also citrus, but not deciduous, fruits from Florida. The following table gives the principal sources of supply and the value of deciduous, citrus and other fruits sold through eleven Baltimore dealers last year:

	Total Sales	Local Sales
California—Deciduous and citrus.....	\$930,000	\$810,000
Florida—Citrus.....	700,000	455,000
Sicily—Lemons.....	550,000	195,000
Havana and Porto Rico—Pineapples.....	225,000	203,000
Jamaica—Cocoanuts.....	300,000	95,000

The range of territory in which these products are marketed includes Maryland, West Virginia, Pennsylvania, and District of Columbia for the first four items; the Middle West and Southern states for the last item.

Particularly noteworthy is the fact that the sale of California fruits in 1913 predominated over the Florida products, which was due to the crops in the latter state having suffered from severe frosts in the early spring.

Baltimore has the reputation of being one of the principal banana importing centres on the Atlantic Seaboard, and the three firms engaged solely in the trade show aggregate sales for 1913 of \$3,412,267, distributed about as follows: 25 per cent. locally, divided between jobbers and retailers; 75 per cent. to points west as far as Chicago, north as far as Canada, and to the states of Virginia and North Carolina.

The introduction of fast freight shipments in refrigerator cars from the Atlantic Seaboard inland has appreciably curtailed the wholesale fish business of Baltimore. The thirty-one firms engaged in the trade report aggregate sales for the year 1913 of \$1,847,989, distribution having been 50 per cent. local and 50 per cent. to points of the Middle West. Crabs represented 20 per cent. of the volume of business done. Diamond-back terrapins, the money value of which heretofore was considerable, have almost entirely disappeared from the waters of the Chesapeake Bay and constituted only 1 per cent. of the total sales. 75 per cent. of the products handled are shipped in by water, and 25 per cent. by rail from points along the Atlantic Coast from Maine to Florida and from the Great Lakes.

Almost every branch of the commission business is showing a uniformly steady and healthy growth from year to year. The number of firms also is increasing with the result that new markets are continually being developed.

THE PORT OF BALTIMORE

No effort was directed toward ascertaining the Exports and Imports through Baltimore, as statistical information of this character is periodically compiled under the supervision of the Government. A semi-official inquiry was likewise inaugurated by the United States Engineer's Office to determine the water-borne traffic of the Chesapeake Bay, the result of which is also a matter of public record.

However, it is not amiss in this connection to mention the activities of the Baltimore Chamber of Commerce as relating specifically to the industrial development of Baltimore. Ninety-five per cent of the grain, hay and other agricultural products exported, consumed locally, and distributed in the territory adjacent to Baltimore, is purchased of and through members of the Chamber of Commerce. The interests represented in the Chamber of Commerce likewise practically uphold the regular sailings of the several ocean lines from Baltimore and in addition, are responsible for bringing here a large fleet of tramp steamers, thus not only noticeably increasing our foreign commerce, but resulting in annual disbursements of ocean lines for labor, fuel and supplies conservatively estimated at about \$1,000,000.

The following comparative tabulation displays the activities of the Chamber of Commerce for the calendar years 1911, 1912 and 1913:

RECEIPTS OF GRAIN FOR THE FOLLOWING YEARS.

Years	Wheat bus.	Corn bus.	Oats bus.	Rye bus.	Barley bus.	Malt bus.	Clover and Timothy Seed bus.	Total bus.
1913----	28,469,370	21,308,087	5,791,129	1,580,657	150,572	800,525	-----	58,100,340
1912----	12,488,385	13,197,593	17,481,271	579,588	197,867	678,989	66,408	44,600,201
1911----	11,088,586	14,482,742	3,170,477	666,258	30,487	636,221	41,728	30,116,499

EXPORTS OF GRAIN FOR THE FOLLOWING YEARS.

Years	Wheat bus.	Corn bus.	Oats bus.	Rye bus.	Barley bus.	Clover and Timothy Seed bus.	Total bus.
1913-----	26,040,161	18,275,542	1,726,514	686,801	128,863	-----	46,857,881
1912-----	9,793,459	9,773,379	14,034,282	-----	176,201	7,058	33,784,379
1911-----	8,980,841	11,382,548	2,206	-----	-----	2,797	20,358,392

While in specific items considerable fluctuation is noted, the total bushels of all agricultural products dealt in show a gratifying increase, a condition which

is attributed solely to the methods in vogue as regards weighing and inspection. These departments have been established many years and they have the entire confidence of the western grain shipper as well as the foreign buyer. The employees hold their positions through merit, some of them having attained a continuous service of upwards of thirty years, which insures to the western shipper and foreign buyer equitable inspection and absolutely correct weights.

The export business of the Chamber of Commerce in 1913 yielded \$40,000,000 of foreign exchange.

HOUSING OF LABOR

Particularly noteworthy in connection with the local industrial situation is the building and loan association feature, which has materially assisted deserving workmen and laborers to acquire their own homes on a plan that does not subject them to undue hardship. That advantage is being taken of the opportunity thus afforded is evidenced by the large number of purchase money mortgages of this character which are daily placed on record. Baltimore supports 450 building and loan associations, some of which are conducted on strictly mutual plans and are frequently referred to as "the poor man's friend."

The extensive development of this building and loan association plan has resulted in making Baltimore a city of homes largely owned by their occupants, a feature which is especially pronounced here, more so than in any other city in the country. Of the 135,000 pieces of improved real estate in Baltimore, 90,000 are dwelling houses, 60 per cent. of the tenants of which own their homes outright or are paying for them through building associations—a situation peculiar to Baltimore and which far exceeds the average that obtains in other cities.

The two-story brick house with marble steps characterizes recent construction, and the demand for this class of homes continues uniformly strong. The prices range from \$1,250 to \$2,000, subject to a redeemable ground rent. The usual cash payment exacted by the seller is from \$100 to \$250 and the building association arranges for the remainder, to be repaid in weekly or monthly installments extending over a period of about seven or eight years. Cases are on record, however, where industrious workmen whose habits and environment were ascertained to be above reproach, were able to take title to a home on a payment of \$25.00 cash, the subsequent weekly installments being based on the principal of the mortgage. These installments are so arranged as to provide simultaneously for partial liquidation of principal and payment of ground rent, insurance, taxes, water rent, and in specific cases maintenance repairs.

The average building association loan is \$800 and the number of loans made by each association about 40 per annum, a total of 18,000 transactions, representing a monetary consideration of \$14,400,000. The combined assets of these associations are \$48,000,000.

From a review of the domestic and economic conditions prevailing in Baltimore, the conclusion to be drawn is that the possibility for labor troubles is far removed, and that strikes are not likely to occur in a city where a majority of its wage earners have obligated themselves to pay stipulated amounts weekly on homes in which they already own a large equity, as default in these payments would necessarily subject them to added distress, inconvenience and financial loss.

TAXATION

AND ITS RELATION TO INDUSTRIAL DEVELOPMENT

It has often been questioned, and with apparent propriety, whether entirely too much stress has not been laid on the element of taxation in the exploitation by communities of advantages and inducements to attract manufacturing enterprises.

Paramount and of more vital importance are the factors of: RAW MATERIAL—proximity to and abundance of; TRANSPORTATION—rail and water; MARKET—competition encountered and centre of distribution; LABOR—availability, character of, environment, social, domestic and economic conditions of the community; CAPITAL REQUIREMENTS—banking facilities, cost of site, building regulations, fire protection and insurance rates, cost of power and fuel. In view of these important features, taxes are a secondary consideration, especially the taxes on tools, implements and machinery, which are relatively small compared with the amount of capital invested and the volume of business transacted. In purely mercantile enterprises, the item of taxes assumes greater importance.

As a concrete example of the insignificance from a successful manufacturers' standpoint of tax exemption on tools, implements and machinery, for sake of illustration, a corporation with a capital stock of \$100,000, fully paid in, is considered. The plant is erected and equipped for manufacture. Tools, implements and machinery represent \$40,000 of the aggregate cost, and on their depreciated value will be levied a state and city tax of approximately \$750.00. A prosperous corporation will not consider this an item of great importance in its manufacturing costs, nor could an otherwise unsuccessful corporation continue to exist solely on the elimination of this particular taxation feature. However, to meet the popular clamor of business interests, a number of cities and states have exempted tools, implements and machinery of manufacturers from taxation, and Maryland by a recent act of legislature has been placed in their category.

Sites are not donated nor plants exempted from taxation for stated periods by acts of municipalities or state governments, but an equivalent result is accomplished in specific cases through private interests assuming this burden, seeking thereby to overcome other unfavorable features which must of necessity be offset to make the proposition of location appear attractive. Baltimore business men have not in the past and are not now required to resort to such extreme measures to attract industries.

In order that a clear and concise construction may be had of the Tax Laws of Maryland, the Survey has arranged to have the subject thoughtfully and exhaustively treated in subsequent pages.

TAXATION IN MARYLAND

WITH A DISCUSSION OF THE CHANGES MADE IN 1914

ALLAN C. GIRDWOOD

Secretary of the State Tax Commission of Maryland

Probably no state within recent years has made as great advance in tax legislation as has Maryland at the session of its legislature of 1914.

The policy of enacting laws heretofore has been one of patchwork legislation rather than the creation of a well ordered system, with the result that our tax laws have been in a rather chaotic condition regarding substantive provisions as well as administrative rules. It is owing to the investigation and report of a special commission on the revision of the taxation system (appointed by Governor Goldsborough under the provisions of an act passed at the previous session) composed of a few of the leading citizens of the state, who were engaged in different activities, and who unselfishly devoted their energies to the study, that much of the remedial legislation is due.

Maryland has resorted for years to the imposition of a direct property tax for state purposes, which has varied from 1.6 mills (or 16 cents on \$100) to $3.2\frac{1}{3}$ mills. "The State Tax," however, until the beginning of the extensive movement of good roads, has always been levied for the special purposes of school maintenance and the payment of interest and sinking fund charges on state loans.

The rate as compared with that in many states was low, and the base on which it was levied was small.

In 1890 the assessed valuation of real and personal property for state purposes was \$482,184,824; in 1910 this had been increased to \$836,665,067. The per capita assessment in 1890 was \$462.74, and in 1910 it was \$646.35. Of the change in assessed valuation between these periods Baltimore City alone added \$235,585,434, while in the rest of the state the increase was \$118,894,809.

The general governmental expenses of Maryland are paid from taxes derived from indirect sources. The largest return from indirect sources is the tax on the gross receipts of public service corporations, which amounts approximately to one-sixth of the total revenue used for the expenses of the government, other than interest and sinking fund requirements. Another large source of indirect revenue return arises from the collateral inheritance tax, which is levied at the rate of 5 per cent. on all estates over \$500. There is no direct inheritance tax

in Maryland, an effort to pass such an act being defeated in the last legislature. Still another source of considerable state revenue is license charges which assume many forms and are applied in various ways. Traders' licenses yield a considerable amount. These are based on the amount of stock in trade of persons or corporations at the principal season of the year, the rates varying from \$6 on \$500 (or less) of stock to \$150 on \$40,000 (or over). There has been some agitation against the traders' license on the plea that it has outlived its usefulness and that the levy works a hardship against Maryland merchants in competition with merchants of adjoining communities where there is no such charge. The charge is small and it is doubtful if any particular harm results. It must be borne in mind in this connection that the personal property of the merchant is also subject to assessment. Book accounts, however, are exempt.

The assessment of real and personal property throughout the state, other than that located in Baltimore, has heretofore been regulated more or less by the legislature. There has been no systematic re-valuation of property nor central agency to supervise the re-assessments. General re-assessments have been brought about only by special acts passed at irregular intervals and then only after conditions had become intolerable. That the legislature has not been awake to the wisdom of a regular, periodical and frequent re-adjustment will appear from the statement that in the last one hundred years there have been but five general re-assessments throughout the state. Between these re-assessments the local governing bodies in the counties, though vested with the general power to change assessments, have failed to exercise this power. Such changes as have been made consist only of the addition of new improvements and of some newly acquired personal property. On the other hand the power to reduce assessments has been liberally exercised.

The unit of local government in Maryland is the board of county commissioners. In some counties the incorporated towns, all of which have special charters, have an elaborate system of local self-government with the power to re-assess the property within their limits, for municipal purposes only. This has given rise to the objectionable system of dual assessments.

Until 1878 the shares of domestic corporations were assessed locally and it was only after the establishment of the office of State Tax Commissioner in that year that the shares of such corporations were made subject to assessment by a central agency, upon which assessment the local taxes were levied against the holders of the shares at the respective localities of their residence. The corporation was required to pay these taxes for the shareholders. The powers of the State Tax Commissioner remained practically the same from that date, and the duties of the office in respect to the general assessment and equalization of other property in the state were merely of a perfunctory character.

The creation of the present State Tax Commission by Chapter 841 of the Acts of 1914, following the example of a large number of progressive states, gives

Maryland the opportunity to improve the administration of its tax laws. It will also give to the legislature the benefit of expert advice, from time to time, as to changes needed in the tax laws.

The subject of taxation is now receiving more attention than ever before. This has been brought about by the demand everywhere for greater facilities and improvements in such departments as roads, sanitation, health, and for the regulation of public service corporations. All these activities require increased expenditures of the public funds.

Professor Charles J. Bullock of Harvard University has written an article on the alarming aspect of the increase in the tax rate of the City of New York, which is applicable to similar tendencies in other communities. This writer finds no relief which the future can offer.

The act creating the State Tax Commission of Maryland vests in the Commission, besides all the functions heretofore exercised by the State Tax Commissioner, a general supervisory power over local assessments of real and personal property throughout the state. It is far-reaching in the administrative functions which it confers upon the Commission, which includes also co-operation with other state officers. A close observation demonstrates that many of the ills of government in Maryland are attributable to a lack of co-operation among the different departments. As long as a low state tax rate prevailed, taxation was a less serious problem, but with increased and increasing appropriations, this problem has become more or less acute. The hope of a proper adjustment of the public burdens now lies in the State Tax Commission.

The principal tax provisions of Maryland are contained in Article 81 of the Code of Public Civil Laws. It would be impossible to set forth in an article of reasonable length, all the features of our system, the changes which have been or should be made, and the details of recent legislation. Only the principal changes, therefore, are referred to.

Up to 1914 all domestic corporations (except steam railroad companies) were assessed on their shares. The tax on the net assessed value of the shares was imposed for state purposes at the regular state rate, and for local purposes at the varying local rates prevailing at the residences of the shareholders. Foreign corporations (in addition to being required to pay a registration fee to the Secretary of State) are subject to an annual franchise tax of \$25 for every \$50,000 of capital employed in the state up to \$500,000, and with graduated rates beyond that amount. They are also required to pay a tax on their tangible property within the state in the same manner as applies to individuals.

At the last session of the legislature an act was passed (Chapter 324) under which the shares of domestic "ordinary business corporations" are exempted from taxation, and such corporations are to be assessed by the State Tax Commission directly on their taxable assets. This is a reform for which the business interests of the state have been striving for several years, but it is to be regretted that

county domination of the legislature was able to insert in the act a provision under which the local tax on the personal property of such corporations is not to be paid to the locality where the property is situated and receives protection, but is to be divided among the communities where the shareholders reside, in the proportion of their holdings.

Besides this tax on personal property, domestic business corporations are required to pay annually a franchise tax in an amount of \$10 on the outstanding capital stock, provided the capital does not exceed \$5,000. Where such stock is over \$5,000, an additional tax of \$1 for every \$1,000 up to \$50,000 of capital is imposed; and for each additional \$50,000 the rate is \$25 up to \$500,000. Over \$500,000 and up to \$5,000,000 the rate is \$250 for each \$1,000,000; and in excess of \$5,000,000 it is \$100 for each additional \$1,000,000.

Ordinary business corporations are defined in the act as follows:

"All corporations having a capital stock, shall, for the purpose of this Act, be ordinary business corporations, and are hereby so defined, except railroad companies whose roads are worked by steam, electric or other power, street and passenger railways, steamship and steamboat companies, and all other common carriers, telegraph, cable, telephone, express, transportation, parlor car, sleeping car, and oil pipe companies, turnpike companies, bridge companies and sewerage disposal companies, safe deposit and trust companies, guarantee and fidelity companies, insurance companies of all kinds, electric light, electric construction, heating, refrigerating, water and gas companies, building or homestead associations, State, national and savings banks, or savings or moneyed institutions."

All other corporations heretofore subject to the tax on shares of capital stock are therefore still subject to such tax, the assessable value of their shares being computed by the State Tax Commission from reports filed with the Commission or from any other information obtainable.

The City of Baltimore, also Anne Arundel and Harford Counties, as well as several incorporated cities in other counties, have for years, under local laws, exempted certain property of manufacturing plants from local taxation. The exemption covered tools, machinery, manufacturing implements and engines belonging to individuals and corporations, used in the manufacture of articles of commerce; but there was no exemption from state taxation. In case of domestic corporations, the exemption allowed was only a pro rata exemption, because only the shares taxable in the locality where the plant was located, received the allowance; thus for instance, in the case of a domestic corporation located in Baltimore City, with 1,000 shares, of which 250 are held by residents of Baltimore City and 750 by residents of Baltimore County, there would be no credit on the Baltimore County shares, while the Baltimore City shares would receive a pro rata credit amounting to one-fourth of the assessed value of the machinery, etc.

This complicated arrangement has not been generally understood and has quite naturally given rise to misunderstandings.

Chapter 528 of the Acts of 1914 was passed with the object of exempting

the machinery, etc., of manufacturers (including foreign corporations) from the state tax in all cases where it was exempted from the local tax. The act, moreover, empowers all the counties to pass resolutions conferring such exemption. In the case of domestic corporations, the scheme of the act was to allow a deduction of exempted plant (*i. e.*, machinery, implements, etc.) in the same manner as real estate is deducted, that is to say, both for state and local purposes, and against all the shares without reference to the residences of the shareholders. While under a later act (Chapter 324) a radical change is made in the method of taxing business corporations, that is, by substituting a tax on assets for the tax on shares, the entire exemption of manufacturing machinery for state as well as local purposes is preserved in all cases where the machinery has been exempted by law or ordinance from county or municipal taxation.

It was urged upon the legislature, in advocacy of these exemptions, that the values created by manufacturing enterprises are of greater consequence than the actual values of the manufacturing plants themselves.

Before discussing other changes made in the laws by the General Assembly of 1914, it may not be amiss to refer briefly to existing laws concerning the taxation of other corporations in Maryland.

Certain enumerated classes of corporations pay a gross receipts tax at rates which are specially fixed for each class and in some cases are graduated. Computation of the tax is made by the State Tax Commission from reports filed by the corporations. Railroads, either domestic or foreign, pay a franchise tax on their business in Maryland varying from $1\frac{1}{4}$ per cent. on the first one thousand dollars per mile of gross earnings (or on the total earnings if they are less than one thousand dollars per mile) to $2\frac{1}{2}$ per cent. on that part of the earnings which is in excess of two thousand dollars per mile. Other classes taxable on gross receipts include express, transportation, parlor car, sleeping car, safe deposit, guarantee, fidelity, title insurance, telegraph, cable, telephone, gas and electric light companies. The tax also applies to *foreign* phosphate, guano and fertilizer companies.

The shares of domestic railroad companies are exempt from taxation while their real and personal property is taxable for local purposes as if owned by an individual, but it is exempt from the direct State tax.

Savings banks pay an annual franchise tax of 25 cents on every hundred dollars of deposits. Insurance companies, fire, life, marine and inland, pay a tax on premiums.

The shares of banks (state and national) were heretofore assessed like other corporations and local taxes levied thereon according to the varying local rates prevailing where the respective shareholders resided. Profiting by the examples of Pennsylvania, New York, Connecticut and other states where low, fixed rates are in effect, the legislature of Maryland amended the law so as to impose a uniform local rate of 1 per cent. No change was made in the credits allowed.

The additional state tax was also retained. The selection of Richmond as a Reserve City was the leading inducement for favorable action, after several years of futile effort.

Another change in the law that deserves special mention is the act exempting the obligations of Maryland counties, towns and cities from all taxation. The new policy is in line with that of other progressive states and also with the general policy of the United States government in exempting from the income tax the interest on state and municipal bonds.

Interest-paying obligations of corporations and dividend-paying shares of foreign corporations have, since 1896, been subject to a fixed local rate of 30 cents per \$100 of assessed value, in addition to the regular state tax rate, which has fluctuated between 16 cents and 31 cents. The aggregate tax rate has therefore ranged from 46 cents to 61 cents (the rate for 1914). Recognizing that the peculiar characteristics of these forms of intangible property made it desirable that the rate should not only be stable, but should not be at such a figure as would encourage wholesale evasion or discourage the investment of funds in taxable securities, the legislature of 1914 (Chapter 411) amended the law so as to provide a maximum rate of 15 cents for state purposes, leaving the local rate at 30 cents. The aggregate rate therefore will be 45 cents, or $4\frac{1}{2}$ mills on the dollar for 1915 and thereafter. Although the original security tax act of 1896 produced an enormous increase in state's revenue (and also in the local revenues of such cities and counties as made proper efforts to apply the law) even greater results are looked for under the new law.

Maryland, although not the first state to pass an act putting a low rate on intangibles, is the state in which the greatest success has been achieved in uncovering this intangible personal property. Even an imperfect law capably and vigorously administered brings better results than a better law, poorly administered. The credit for Maryland's fame throughout the country in connection with the security tax must be awarded to the Appeal Tax Court of Baltimore City which achieved extraordinary results. In Baltimore County also, by the application of improved methods of administration, there has recently been a very large increase in the basis, most of it due to the efforts of a single assessor.

Another change of this year provides for the exemption of household furniture to the extent of \$500. Since 1910 there has been in Baltimore City and Baltimore County an exemption of \$300 on furniture, provided the total value of the furniture did not exceed \$300 and that the owner did not possess any other property, real or personal. This act was unfair and gave little relief. The new act applies to all persons and in all sections of the state.

An act to which little attention was paid is Chapter 390, which proposes an amendment to Article 15 of the Declaration of Rights so as to permit the classification of property for taxation. Under judicial interpretation certain statutory classifications have been sustained. Under the proposed Constitu-

tional Amendment, if adopted, there could be a further classification by which land could be made subject to one rate of taxation and improvements subject to another rate. Under the amendment authority may be given by the legislature to the local governing bodies to provide for the exemption of a portion of improvements from taxation.

Although having only an indirect bearing upon taxation, allusion should be made in closing this memorandum to the act establishing the serial plan in the issuance of state loans. The departure from the sinking fund plan may be regarded as a notable advance step, which has already borne fruit in the favorable terms upon which the recent sale of a large block of state bonds was made.

BALTIMORE'S GEOGRAPHICAL ADVANTAGES

The accompanying maps vividly illustrate the pre-eminence of Baltimore as the logical centre of distribution for the South in comparison with designated cities to the North and West. The particular section of the South to which Baltimore has the advantage of lower freight rates by reason of proximity, can with propriety be termed "tributary territory." This tributary territory should be systematically canvassed and every effort put forth individually and collectively by the merchants and manufacturers to control the trade therein located. If competition is encountered in this field from cities that labor under the disadvantage of freight rates, it is because the competitor has equalized the freight by absorbing the difference, thereby appreciably curtailing his margin of profit, or he has made quality subservient to price.

An exhaustive inquiry, intelligently conducted, should develop the basis of this competition, whereupon the proper remedy can be administered either through employing tactics identical with those of the competitor in the one case or instituting an educational campaign to apprise the trade of the intricacies peculiar to the business which has made this competition possible on an unfair basis.

The present competitive situation as respects Baltimore City presents a condition which must also be given immediate consideration and a solution arrived at to comprehend how the outside competitors, manufacturing at no less cost and producing goods of no greater value than Baltimore manufacturers, can directly control the bulk of the retail business in this city.

Freight rate advantage is a highly coveted adjunct to the industrial life of a community, as it spells stability for its commercial development. The question of discrimination has been raised repeatedly by other cities affected and investigations instituted with a view of compelling the readjustment of Baltimore's differential freight rates, but these attempts have uniformly been frustrated by the railroads and trade organizations through the intelligent exploitation of Baltimore's relative geographical location and consequent justification of prevailing differentials.

A careful study should be made of the question of territorial rights with a view of determining what competitive centres are going beyond their logical bounds in competing with Baltimore, and the fundamental reasons ascertained for the existence of this condition, to the end that action may be taken in the nature of a reciprocal campaign to counteract the influence of this competition.

Retaliation should take the form of encroachment on the competitors' sphere to the extent that they have invaded Baltimore's tributary territory. This will have a tendency to put them on the defensive rather than encourage a continuance of conditions that are improper and reflect on the energy and integrity of our people. As soon as this contingency is met and the situation reversed it will result in an increased demand on the labor market with consequent general benefit to the community.

The eleven tables of rates displayed in conjunction with maps on subsequent pages were compiled under the supervision of the Traffic Bureau of the Baltimore Chamber of Commerce. They present the freight rate situation existing as of October 1st, 1914, and form the basis for the respective divisions of territory noted.



NEW YORK COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

TO \ FROM	BALTIMORE						NEW YORK					
	Classes						Classes					
	1	2	3	4	5	6	1	2	3	4	5	6
Buffalo.....N. Y.	39	33	28	19	16	13	39	33	28	19	16	13
Rochester.....N. Y.	35	30	25	18	15	13	35	30	25	18	15	13
Syracuse.....N. Y.	35	30	25	18	15	13	35	30	25	18	15	13
Scranton.....Pa.	35	30	23	17	15	12	35	30	23	17	15	12
Wilkes Barre.....Pa.	35	30	23	17	15	12	35	30	23	17	15	12
Williamsport.....Pa.	35	30	23	17	15	12	35	30	23	17	15	12
Reading.....Pa.	27	22	18	13½	11½	10	30	25	21	15	13	11
Philadelphia.....Pa.	23	20	18	12	10	9	22	18	15	12	10½	9½
Atlantic City.....N. J.	30	27	25	19	17	16	34	28	23	19	15	14
Ocean City.....N. J.	30	27	25	19	17	16	36	30	23	20	18	16
In Baltimore Territory												
Harrisburg.....Pa.	27	22	18	13	11½	10	33	28	22	17	15	12
Altoona.....Pa.	36	30	26	17	14	11	44	38	29	20	17	14
Pittsburgh.....Pa.	37	31	27	18	15	12	45	39	30	21	18	15
Columbus.....O.	51	43	36	24	20	17	59	51	39	27	23	20
Indianapolis.....Ind.	62	52	44	30	25	20	70	60	47	33	28	23
St. Louis.....Mo.	80	68	56	38	32	26	88	76	59	41	35	29
Richmond.....Va.	26	22	18	16	13	10	32	27	23	20	15	12
Charleston.....S. C.	54	44	34	26	22	17	57	47	37	29	24	19
Savannah.....Ga.	*57	47	37	29	24	19	†57	47	37	29	24	19
Jacksonville.....Fla.	*67	57	47	33	26	20	†67	57	47	33	26	20
Demopolis.....Ala.	99	87	76	62	53	43	106	93	81	67	57	46
Jackson.....Miss.	98	87	79	72	62	57	106	95	82	75	65	60

*Rates Covered by marine insurance.

†Rates not covered by marine insurance.



PHILADELPHIA COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

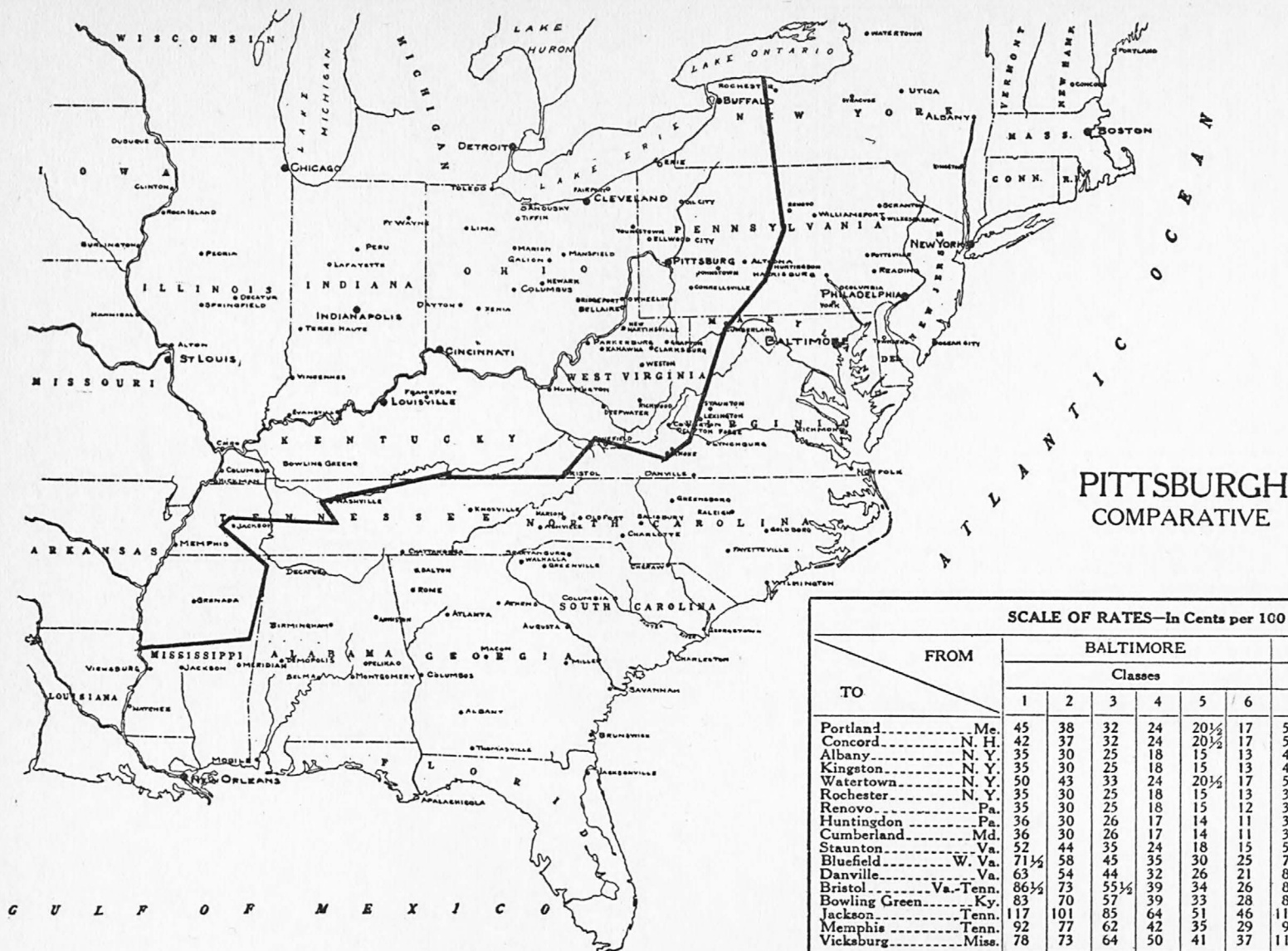
FROM TO	BALTIMORE						PHILADELPHIA					
	Classes						Classes					
	1	2	3	4	5	6	1	2	3	4	5	6
Buffalo.....N. Y.	39	33	28	19	16	13	39	33	28	19	16	13
Rochester.....N. Y.	35	30	25	18	15	13	35	30	25	18	15	13
Watertown.....N. Y.	50	43	33	24	20½	17	50	43	33	24	20½	17
Ogdensburg.....N. Y.	50	43	33	24	20½	17	50	43	33	24	20½	17
Burlington.....Vt.	52	45	35	24	20½	17	50	43	33	24	20½	17
Utica.....N. Y.	35	30	25	18	15	13	35	30	25	18	15	13
Syracuse.....N. Y.	35	30	25	18	15	13	35	30	25	18	15	13
Albany.....N. Y.	35	30	25	18	15	13	35	30	25	18	15	13
Kingston.....N. Y.	35	30	25	18	15	13	35	30	25	18	15	12
Scranton.....Pa.	35	30	23	17	15	12	35	30	23	17	15	12
Wilkes-Barre.....Pa.	35	30	23	17	15	12	35	30	23	17	15	12
Pottsville.....Pa.	27	22	18	13½	11½	10	27	22	18	13½	11½	10
Columbia.....Pa.	27	22	18	12	11	10	27	22	18	13	11½	10
Iron Hill.....Md.	27	22	18	14	9	8	27	22	18	14	9	8
Townsend.....Del.	27	22	17	15	12	11	27	22	17	15	12	11
In Baltimore Territory												
Harrisburg.....Pa.	27	22	18	13	11½	10	27	22	18	13½	11½	10
Altoona.....Pa.	36	30	26	17	14	11	38	32	27	18	15	12
Pittsburgh.....Pa.	37	31	27	18	15	12	39	33	28	19	16	13
Cincinnati.....O.	57	49	41	27	23	19	59	51	42	28	24	20
Indianapolis.....Ind.	62	52	44	30	25	20	64	54	45	31	26	21
Chicago.....Ill.	67	57	47	32	27	22	69	59	48	33	28	23
Norfolk.....Va.	26	22	18	16	13	10	30	25	21	18	14	11
Bristol.....Va.-Tenn.	86½	73	55½	39	34	26	91½	78	60½	42	37	28
Columbia.....S. C.	70	57	48	37	32	23	75	62	50	42	35	25
Atlanta.....Ga.	98	87	78	63	52	41	105	93	83	68	56	44
Meridian.....Miss.	89	78	72	62	51	42	96	84	75	65	54	45
Selma.....Ala.	89	79	70	57	49	39	96	85	75	62	53	42



BUFFALO COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

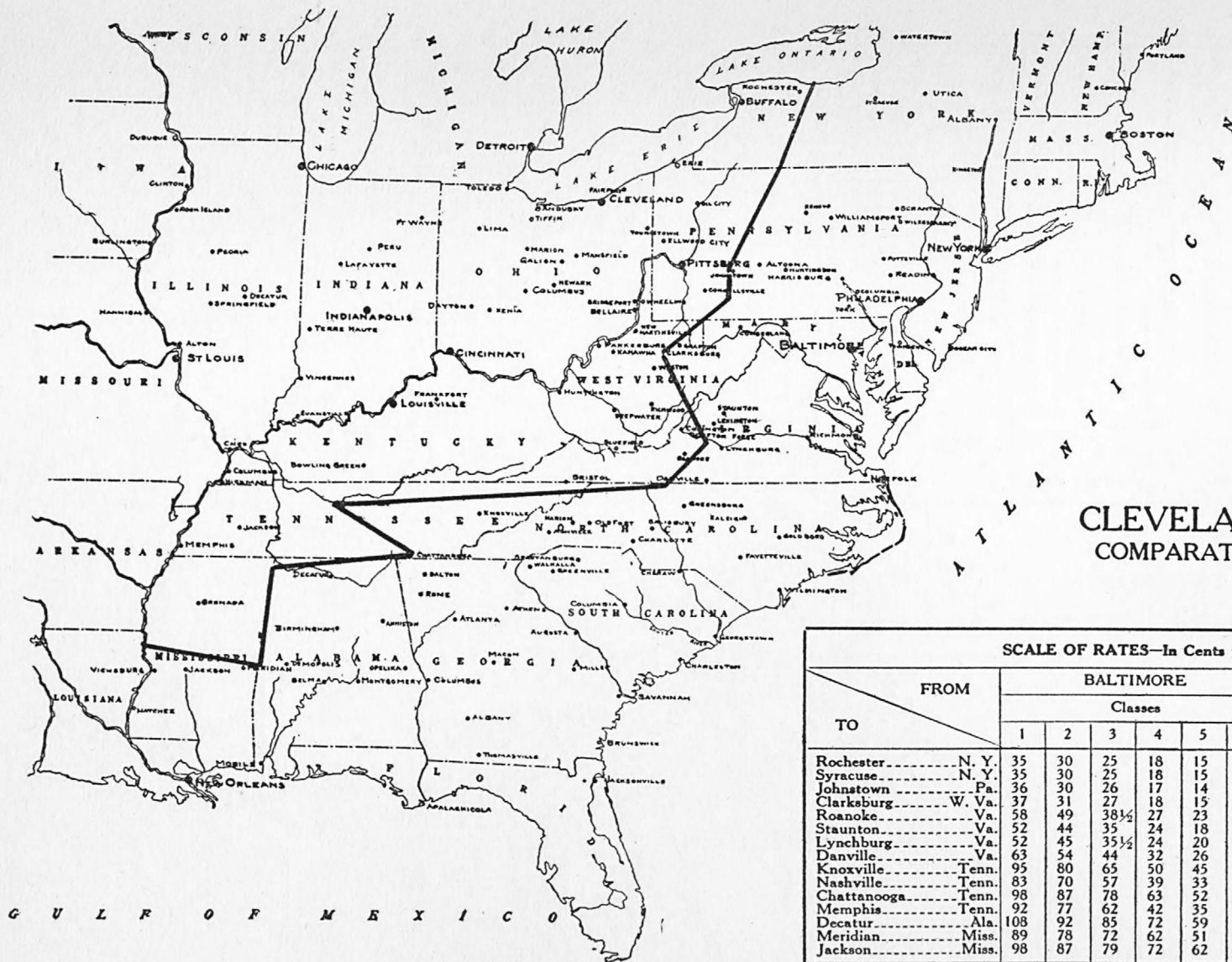
TO \ FROM	BALTIMORE						BUFFALO					
	Classes						Classes					
	1	2	3	4	5	6	1	2	3	4	5	6
Portland.....Me.	45	38	32	24	20½	17	45	38	32	24	18½	15
Concord.....N. H.	42	37	32	24	20½	17	44	38	30½	23	18½	15
Albany.....N. Y.	35	30	25	18	15	13	34	29	24	17	14	11
Kingston.....N. Y.	35	30	25	18	15	13	39	33	28	19	16	13
Scranton.....Pa.	35	30	23	17	15	12	39	33	28	19	16	13
Williamsport.....Pa.	35	30	23	17	15	12	35	30	23	16	14	12
Johnstown.....Pa.	36	30	26	17	14	11	39	33	28	19	16	13
Connellsville.....Pa.	37	31	27	18	15	12	38	32½	25	16½	13½	12
Kanawha.....W. Va.	45	38	32	22	18	15	44	38	29	20	17	14
Clarksburg.....W. Va.	37	31	27	18	15	12	44	38	29	20	17	14
Roanoke.....Va.	58	49	38½	27	23	19	59	50	41	28	24	19
Bristol.....Va.-Tenn.	86½	73	55½	39	34	26	86½	73	55½	39	34	26
Knoxville.....Tenn.	95	80	65	50	45	37	115	98	81	64	55	44
Bowling Green.....Ky.	83	70	57	39	33	28	83	72	58	44	36	30
Memphis.....Tenn.	92	77	62	42	35	29	91	70	59	46	39	33
In Baltimore Territory												
Harrisburg.....Pa.	27	22	18	13	11½	10	39	33	28	19	16	13
Altoona.....Pa.	36	30	26	17	14	11	39	33	28	19	16	13
New York.....N. Y.	34	29	23	18	15	12	39	33	28	19	16	13
Atlanta.....Ga.	98	87	78	63	52	41	128	116	96	74	61	53
Vicksburg.....Miss.	78	73	64	50	41	37	116	95	79	61	49	43
Mobile.....Ala.	75	65	54	44	38	33	116	95	79	61	49	43



PITTSBURGH COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

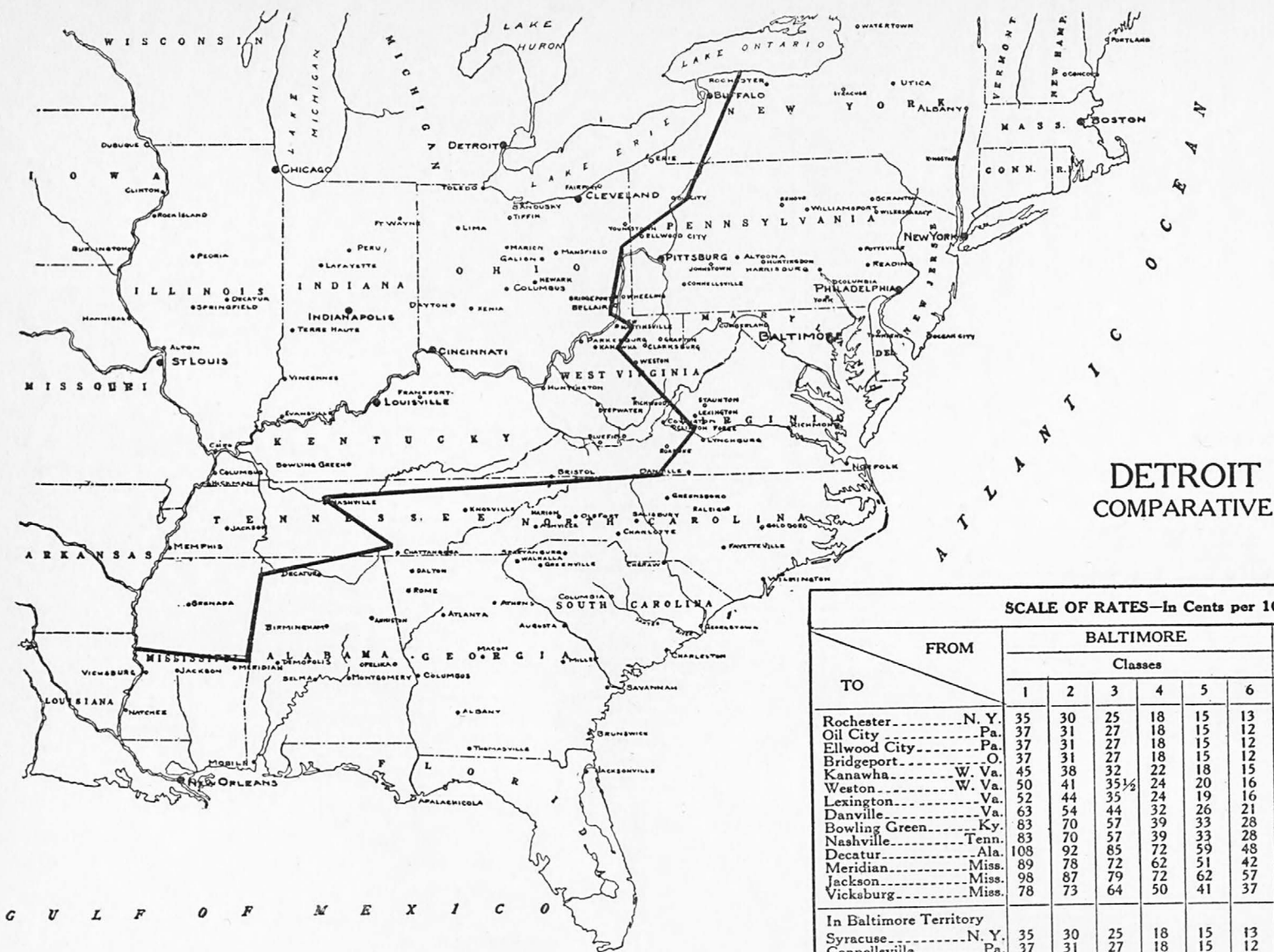
FROM TO	BALTIMORE						PITTSBURGH					
	Classes						Classes					
	1	2	3	4	5	6	1	2	3	4	5	6
Portland.....Me.	45	38	32	24	20½	17	50	43	33	24	20½	17
Concord.....N. H.	42	37	32	24	20½	17	50	43	33	24	20½	17
Albany.....N. Y.	35	30	25	18	15	13	45	39	30	21	18	15
Kingston.....N. Y.	35	30	25	18	15	13	45	39	30	21	18	15
Watertown.....N. Y.	50	43	33	24	20½	17	50	43	33	24	20½	17
Rochester.....N. Y.	35	30	25	18	15	13	36	31	23	15	13	11
Renovo.....Pa.	35	30	25	18	15	12	37	31	25	17½	15	12
Huntingdon.....Pa.	36	30	26	17	14	11	36	30	25	17	14	11
Cumberland.....Md.	36	30	26	17	14	11	36	30	23	16	14	11
Staunton.....Va.	52	44	35	24	18	15	54½	47	35½	24	20	16
Bluefield.....W. Va.	71½	58	45	35	30	25	79	68	53	35	29	22
Danville.....Va.	63	54	44	32	26	21	82	67	56	41	35	26
Bristol.....Va.-Tenn.	86½	73	55½	39	34	26	86½	73	55½	39	34	26
Bowling Green.....Ky.	83	70	57	39	33	28	83	72	58	44	36	30
Jackson.....Tenn.	117	101	85	64	51	46	117½	101½	82	64	51½	47½
Memphis.....Tenn.	92	77	62	42	35	29	91	70	59	46	39	33
Vicksburg.....Miss.	78	73	64	50	41	37	116	95	79	61	49	43
In Baltimore Territory												
New York.....N. Y.	34	29	23	18	15	12	45	39	30	21	18	15
Norfolk.....Va.	26	22	18	16	13	10	54½	47	35½	24	20	16
Raleigh.....N. C.	78	67	55	43	37	28	107	90	75	55	47	36
Atlanta.....Ga.	98	87	78	63	52	41	126	115	95	73	60	52
Birmingham.....Ala.	107	92	83	70	57	46	124	108	88	68	58	45
New Orleans.....La.	70	60	50	40	35	30	116	95	79	61	49	43



CLEVELAND COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

TO	FROM	BALTIMORE						CLEVELAND					
		Classes						Classes					
		1	2	3	4	5	6	1	2	3	4	5	6
Rochester	N. Y.	35	30	25	18	15	13	33½	29	22½	15½	13½	11
Syracuse	N. Y.	35	30	25	18	15	13	39	34	26½	18½	16	13
Johnstown	Pa.	36	30	26	17	14	11	37½	32	26	18	14	11½
Clarksburg	W. Va.	37	31	27	18	15	12	37	31	27	18	15	12
Roanoke	Va.	58	49	38½	27	23	19	54½	47	35½	24	20	16
Staunton	Va.	52	44	35	24	18	15	54½	47	35½	24	20	16
Lynchburg	Va.	52	45	35½	24	20	16	54½	47	35½	24	20	16
Danville	Va.	63	54	44	32	26	21	90½	75	58½	42	36	27
Knoxville	Tenn.	95	80	65	50	45	37	113	97	80	62	53	40
Nashville	Tenn.	83	70	57	39	33	28	81	70	55½	42	34	28
Chattanooga	Tenn.	98	87	78	63	52	41	107	92	76	59	51	39
Memphis	Tenn.	92	77	62	42	35	29	91	70	59	46	39	33
Decatur	Ala.	108	92	85	72	59	48	122	106	85½	66	56	43
Meridian	Miss.	89	78	72	62	51	42	138½	120½	96	77	63½	54½
Jackson	Miss.	98	87	79	72	62	57	138½	120½	96	77	63½	54½
In Baltimore Territory													
Utica	N. Y.	35	30	25	18	15	13	44	38	29½	20½	18	14½
Altoona	Pa.	36	30	26	17	14	11	39	34	26½	18½	16	13
Cumberland	Md.	36	30	26	17	14	11	39	34	26½	18½	16	13
Richmond	Va.	26	22	18	16	13	10	54½	47	35½	24	20	16
Charlotte	N. C.	85	74	61	49	42	32	111½	97	75½	56	47	37
Macon	Ga.	95	85	76	61	51	40	138½	126	99½	76	63	56
Demopolis	Ala.	99	87	76	62	53	43	146	128	105½	84	69	56
Vicksburg	Miss.	78	73	64	50	41	37	116	95	79	61	49	43



DETROIT COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

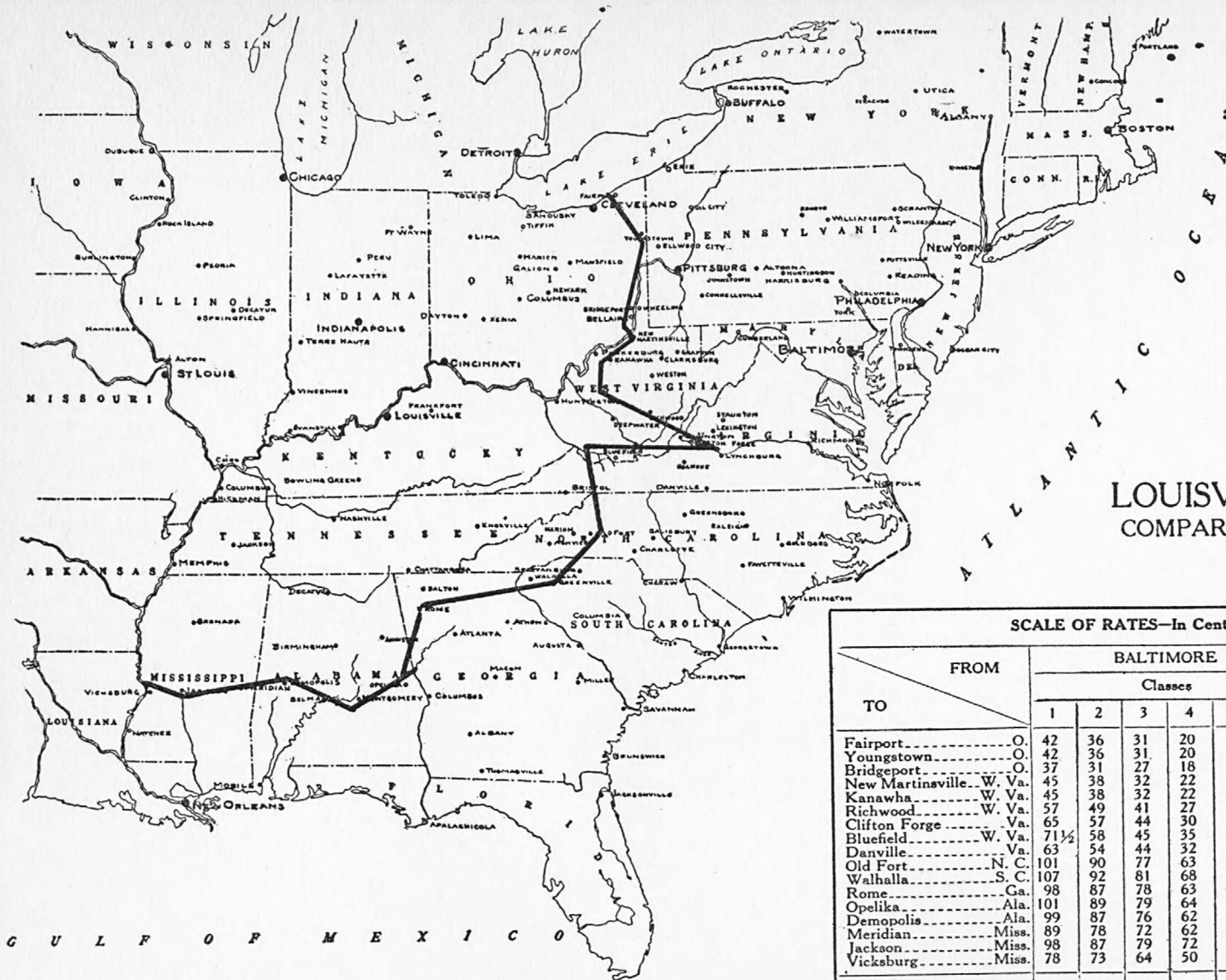
TO	FROM	BALTIMORE						DETROIT					
		Classes						Classes					
		1	2	3	4	5	6	1	2	3	4	5	6
Rochester.....	N. Y.	35	30	25	18	15	13	40	34½	26½	18½	16	13½
Oil City.....	Pa.	37	31	27	18	15	12	36	31	23	16	13	10
Ellwood City.....	Pa.	37	31	27	18	15	12	41	35	26	18	15	12
Bridgeport.....	O.	37	31	27	18	15	12	41	35	26	18	15	12
Kanawha.....	W. Va.	45	38	32	22	18	15	46	39	29	20	17	14
Weston.....	W. Va.	50	41	35½	24	20	16	51	43	32	23	19	15
Lexington.....	Va.	52	44	35	24	19	16	55½	47½	36	24½	20½	16½
Danville.....	Va.	63	54	44	32	26	21	91½	75½	59	42½	36½	27½
Bowling Green.....	Ky.	83	70	57	39	33	28	81	69½	55½	42	34	28
Nashville.....	Tenn.	83	70	57	39	33	28	81	69½	55½	42	34	28
Decatur.....	Ala.	108	92	85	72	59	48	122	105½	85½	66	56	43
Meridian.....	Miss.	89	78	72	62	51	42	133½	116½	93	74	61½	52½
Jackson.....	Miss.	98	87	79	72	62	57	133½	116½	93	74	61½	52½
Vicksburg.....	Miss.	78	73	64	50	41	37	116	95	79	61	49	43
In Baltimore Territory													
Syracuse.....	N. Y.	35	30	25	18	15	13	44½	38½	29½	21	18	15
Connellsville.....	Pa.	37	31	27	18	15	12	46	39	29	20	17	14
Clarksburg.....	W. Va.	37	31	27	18	15	12	46	39	29	20	17	14
Staunton.....	Va.	52	44	35	24	18	15	55½	47½	36	24½	20½	16½
Raleigh.....	N. C.	78	67	55	43	37	28	105½	90½	70	50½	42½	33½
Chattanooga.....	Tenn.	98	87	78	63	52	41	108½	93	77½	60½	52	40
Atlanta.....	Ga.	98	87	78	63	52	41	136½	120	102½	79½	66	52
Mobile.....	Ala.	75	65	54	44	38	33	116	95	79	61	49	43



CINCINNATI COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

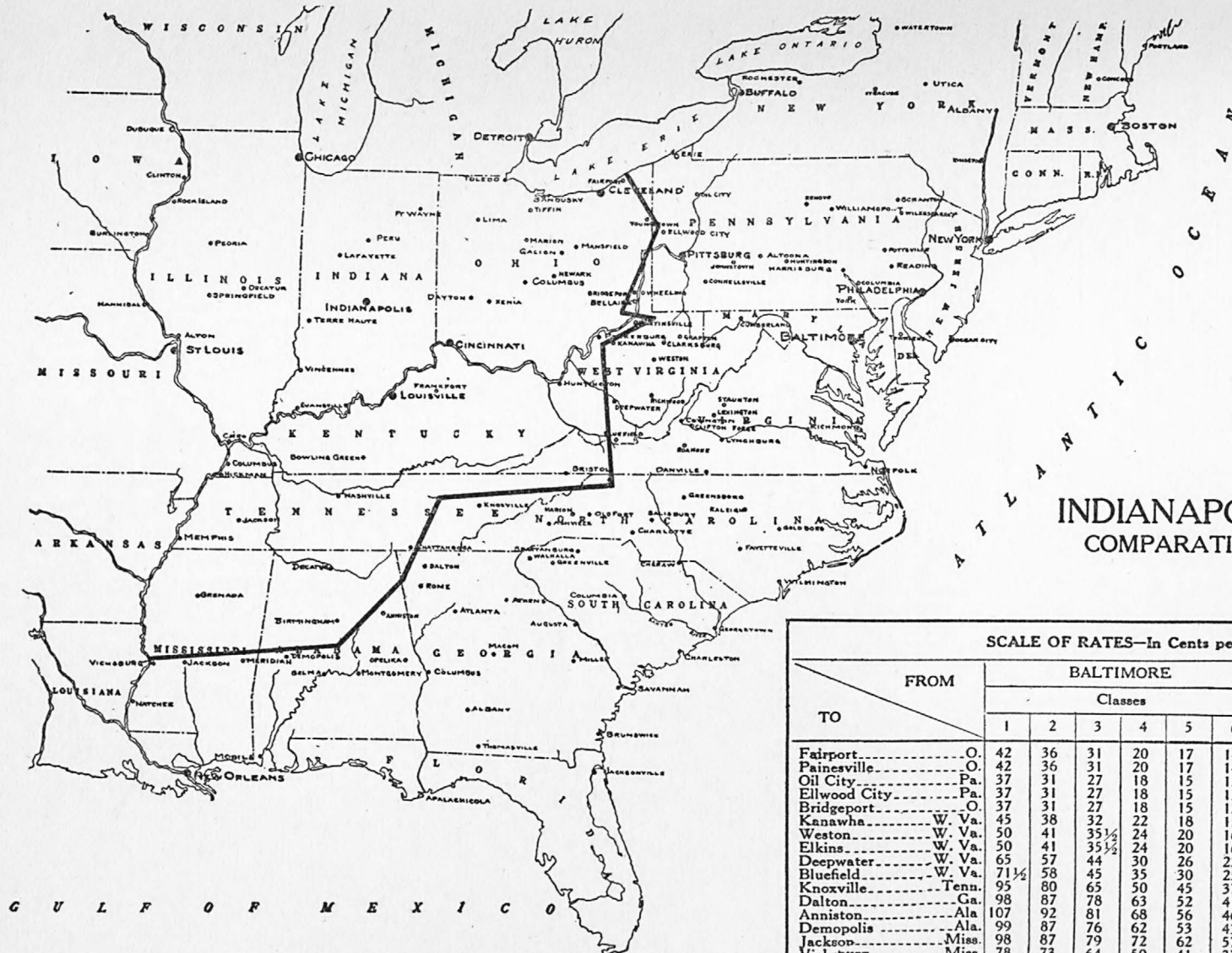
FROM TO	BALTIMORE						CINCINNATI					
	Classes						Classes					
	1	2	3	4	5	6	1	2	3	4	5	6
Buffalo.....N. Y.	39	33	28	19	16	13	42	36	27	18½	15½	13
Erie.....Pa.	37	31	27	18	15	12	42	36	27	18½	15½	13
Ellwood City.....Pa.	37	31	27	18	15	12	41	35	26	18	15	12
Bridgeport.....O.	37	31	27	18	15	12	38½	33	24½	16½	14	11
Bellaire.....O.	37	31	27	18	15	12	38½	33	24½	16½	14	11
Kanawha.....W. Va.	45	38	32	22	18	15	46	39	29	20	17	14
Weston.....W. Va.	50	41	35½	24	20	16	52	45	35	24½	21	17
Lexington.....Va.	52	44	35	24	19	16	62	53½	40½	27½	23	18½
Clifton Forge.....Va.	65	57	44	30	26	22	62	53½	40½	27½	23	18½
Roanoke.....Va.	58	49	38½	27	23	19	62	53½	40½	27½	23	18½
Old Fort.....N. C.	101	90	77	63	52	44	101	90	77	60	50	41
Walhalla.....S. C.	107	92	81	68	56	46	105	94	84	68	56	44
Columbia.....S. C.	70	57	48	37	32	23	105	94	84	68	56	44
Rome.....Ga.	98	87	78	63	52	41	98	87	78	63	52	41
Opelika.....Ala.	101	89	79	64	53	42	113	100	91	73	61	49
Demopolis.....Ala.	99	87	76	62	53	43	113	101	92	73	60	49
Jackson.....Miss.	98	87	79	72	62	57	106	92	78	66	55	48
Vicksburg.....Miss.	78	73	64	50	41	37	98	83	73	54	44	39
In Baltimore Territory												
Rochester.....N. Y.	35	30	25	18	15	13	48	42	32	22½	19	16
Pittsburgh.....Pa.	37	31	27	18	15	12	41	35	26	18	15	12
Cumberland.....Md.	36	30	26	17	14	11	52	45	35	24½	21	17
Lynchburg.....Va.	52	45	35½	24	20	16	62	53½	40½	27½	23	18½
Wilmington.....N. C.	50	40	34	28	24	18	82	68	53	41	32	25
Thomasville.....Ga.	98	87	78	63	52	41	143	124	110	90	74	59
Mobile.....Ala.	75	65	54	44	38	33	98	83	73	54	44	39
New Orleans.....La.	70	60	50	40	35	30	98	83	73	54	44	39



LOUISVILLE COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds.

FROM TO	BALTIMORE						LOUISVILLE					
	Classes						Classes					
	1	2	3	4	5	6	1	2	3	4	5	6
Fairport.....O.	42	36	31	20	17	14	45	39	30	21	18	15
Youngstown.....O.	42	36	31	20	17	14	45	39	30	21	18	15
Bridgeport.....O.	37	31	27	18	15	12	45	39	30	21	18	15
New Martinsville..W. Va.	45	38	32	22	18	15	45	39	30	21	18	15
Kanawha.....W. Va.	45	38	32	22	18	15	50	43	33	23	20	17
Richwood.....W. Va.	57	49	41	27	23	19	60	52	40	28	24	20
Clifton Forge.....Va.	65	57	44	30	26	22	62	53½	40½	27½	23	18½
Bluefield.....W. Va.	71½	58	45	35	30	25	84	72	55	39	33	27
Danville.....Va.	63	54	44	32	26	21	68	56	45	33	28	21
Old Fort.....N. C.	101	90	77	63	52	44	101	90	77	60	50	41
Walhalla.....S. C.	107	92	81	68	56	46	105	94	84	68	56	44
Rome.....Ga.	98	87	78	63	52	41	98	87	78	63	52	41
Opelika.....Ala.	101	89	79	64	53	42	103	90	81	65	54	43
Demopolis.....Ala.	99	87	76	62	53	43	103	91	78	65	53	43
Meridian.....Miss.	89	78	72	62	51	42	98	84	70	59	49	43
Jackson.....Miss.	98	87	79	72	62	57	98	84	70	59	49	43
Vicksburg.....Miss.	78	73	64	50	41	37	90	75	65	50	40	35
In Baltimore Territory	39	33	28	19	16	13	45	39	30	21	18	15
Buffalo.....N. Y.	36	30	26	17	14	11	55	47	36	26	22	18
Johnstown.....Pa.	36	30	26	17	14	11	60	52	40	28	24	20
Cumberland.....Md.	36	30	26	17	14	11	60	52	40	28	24	20
Cheraw.....S. C.	90	79	66	54	45	34	98	85	70	53	45	36
Charleston.....S. C.	54	44	34	26	22	17	87	74	70	66	55	44
Augusta.....Ga.	89	75	65	53	43	34	103	90	81	65	54	43
Savannah.....Ga.	57	47	37	29	24	19	87	74	70	66	55	44
Jacksonville.....Fla.	67	57	47	33	26	20	87	74	70	66	55	44
Natchez.....Miss.	78	73	64	50	41	37	90	75	65	50	40	35
New Orleans.....La.	70	60	50	40	35	30	90	75	65	50	40	35



INDIANAPOLIS COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

FROM TO	BALTIMORE						INDIANAPOLIS					
	Classes						Classes					
	1	2	3	4	5	6	1	2	3	4	5	6
Fairport.....O.	42	36	31	20	17	14	42	36	27	18½	15½	13
Painesville.....O.	42	36	31	20	17	14	42	36	27	18½	15½	13
Oil City.....Pa.	37	31	27	18	15	12	44	37½	28½	19½	17	14
Ellwood City.....Pa.	37	31	27	18	15	12	44	37½	28½	19½	17	14
Bridgeport.....O.	37	31	27	18	15	12	43	36½	27½	19	16½	13½
Kanawha.....W. Va.	45	38	32	22	18	15	48	40½	30½	21	18½	15½
Weston.....W. Va.	50	41	35½	24	20	16	55½	48½	37	26	22½	18½
Elkins.....W. Va.	50	41	35½	24	20	16	55½	48½	37	26	22½	18½
Deepwater.....W. Va.	65	57	44	30	26	22	66½	57½	43½	29½	25	20
Bluefield.....W. Va.	71½	58	45	35	30	25	78½	67½	51½	36½	31	25
Knoxville.....Tenn.	95	80	65	50	45	37	98	84½	74½	58	48½	37
Dalton.....Ga.	98	87	78	63	52	41	119	103½	92½	74	60½	48
Anniaton.....Ala.	107	92	81	68	56	46	120	106½	95½	74	60½	48
Demopolis.....Ala.	99	87	76	62	53	43	125	110½	95½	76	61½	50
Jackson.....Miss.	98	87	79	72	62	57	112	95	79	66	55	48
Vicksburg.....Miss.	78	73	64	50	41	37	98	83	73	54	44	39
In Baltimore Territory												
Erie.....Pa.	37	31	27	18	15	12	44	37½	28½	19½	17	14
Johnstown.....Pa.	36	30	26	17	14	11	53	44½	33½	24	20½	16½
Clarksburg.....W. Va.	37	31	27	18	15	12	48	40½	30½	21	18½	15½
Danville.....Va.	63	54	44	32	26	21	90	75½	62½	44	36½	28
Fayetteville.....N. C.	85	74	61	49	39	26	111	97½	79½	58	47½	37
Greenville.....S. C.	107	92	81	68	56	46	127	113½	101½	79	64½	51
Rome.....Ga.	98	87	78	63	52	41	120	106½	95½	74	60½	48
Selma.....Ala.	89	79	70	57	49	39	120	106½	95½	73	58½	48
New Orleans.....La.	70	60	50	40	35	30	98	83	73	54	44	39



CHICAGO COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

FROM TO	BALTIMORE						CHICAGO					
	Classes						Classes					
	1	2	3	4	5	6	1	2	3	4	5	6
Fairport.....O.	42	36	31	20	17	14	44	37½	28½	19	16½	13½
Youngstown.....O.	42	36	31	20	17	14	44	37½	28½	19	16½	13½
Bridgeport.....O.	37	31	27	18	15	12	45	39	30	21	18	15
Parkersburg.....W. Va.	45	38	32	22	18	15	45	39	30	21	18	15
Bluefield.....W. Va.	71½	58	45	35	30	25	84	72	55	39	33	27
Bristol.....Va.-Tenn.	86½	73	55½	39	34	26	84	72	55	39	33	27
Knoxville.....Tenn.	95	80	65	50	45	37	111	95	79	62	53	40
Chattanooga.....Tenn.	98	87	78	63	52	41	105	90	75	59	51	39
Decatur.....Ala.	108	92	85	72	59	48	114	99	80	62	53	40
Birmingham.....Ala.	107	92	83	70	57	46	114	99	80	62	53	40
Demopolis.....Ala.	99	87	76	62	53	43	138	121	100	80	66	53
Meridian.....Miss.	89	78	72	62	51	42	118	99	80	67	56	49
Vicksburg.....Miss.	78	73	64	50	41	37	110	90	75	58	47	41
In Baltimore Territory												
Pittsburgh.....Pa.	37	31	27	18	15	12	45	39	30	21	18	15
Buffalo.....N. Y.	39	33	28	19	16	13	45	39	30	21	18	15
Raleigh.....N. C.	78	67	55	43	37	28	117	101	78	56	47	37
Columbia.....S. C.	70	57	48	37	32	23	140	124	106	83	69	54
Atlanta.....Ga.	98	87	78	63	52	41	133	117	100	78	65	51
Mobile.....Ala.	75	65	54	44	38	33	110	90	75	58	47	41
New Orleans.....La.	70	60	50	40	35	30	110	90	75	58	47	41



ST. LOUIS COMPARATIVE

SCALE OF RATES—In Cents per 100 Pounds

TO	FROM	BALTIMORE						ST. LOUIS					
		Classes						Classes					
		1	2	3	4	5	6	1	2	3	4	5	6
Sandusky.....O.	51	43	36	24	20	17	52½	45	33½	23½	19½	16	16
Tiffin.....O.	51	43	36	24	20	17	52½	45	33½	23½	19½	16	16
Newark.....O.	49	41	35	24	20	16	52½	45	33½	23½	19½	16	16
Parkersburg.....W. Va.	45	38	32	22	18	15	56½	49	37½	26½	22½	18½	18½
Richwood.....W. Va.	57	49	41	27	23	19	70	61	47	33	28	23	23
Bluefield.....W. Va.	71½	58	45	35	30	25	96½	83	63½	45	38	31	31
Bristol.....Va.-Tenn.	73	55½	39	34	26	26	96½	83	63½	45	38	31	31
Knoxville.....Tenn.	95	80	65	50	45	37	109	94	79	62	53	40	40
Dalton.....Ga.	98	87	78	63	52	41	120	103	92	75	62	49	49
Anniston.....Ala.	107	92	81	68	56	46	121	106	95	75	62	49	49
Montgomery.....Ala.	101	89	79	64	53	42	121	106	95	74	60	49	49
Demopolis.....Ala.	99	87	76	62	53	43	126	110	99	77	63	51	51
Meridian.....Miss.	89	78	72	62	51	42	98	84	70	59	49	43	43
Jackson.....Miss.	98	87	79	72	62	57	98	84	70	59	49	43	43
Vicksburg.....Miss.	78	73	64	50	41	37	90	75	65	50	40	35	35
In Baltimore Territory													
Buffalo.....N. Y.	39	33	28	19	16	13	56½	49	37½	26½	22½	18½	18½
Cleveland.....O.	45	38	33	22	18	15	52½	45	33½	23½	19½	16	16
Pittsburgh.....Pa.	37	31	27	18	15	12	56½	49	37½	26½	22½	18½	18½
Raleigh.....N. C.	78	67	55	43	37	28	115	100	78	56	47	37	37
Augusta.....Ga.	89	75	65	53	43	34	126	109	98	77	64	51	51
Selma.....Ala.	89	79	70	57	49	39	121	106	95	74	60	49	49
New Orleans.....La.	70	60	50	40	35	30	90	75	65	50	40	35	35

