OUR PROSPERITY RESTS ON A SOLID FOUNDATIO

FINANCIERS REVIEW THE MARKET CONDITIONS OF 1912 AND EXPRESS CONFIDENCE THAT 1913 WILL BE MARKED BY EVEN BETTER RESULTS

OUTLOOK IS GOOD FOR THE NEW YEAR

Financiers and business men today join in congratulations over general business conditions in 1912. At the same time they take an optimistic view of what 1913 will bring forth. Of course, when the Democratic party secures control of the national government in March there are bound to be changes, which may or may not affect busines. The tariff being the principal issue to attract political attention, will first be brought up at the opening session of the new Congress. While the Democratic national platform pledged the party to establish a tariff for revenue, yet business men are of the opinion that President-elect Wilson will not allow any radical action along that score. Naturally the duty on some exports will be taken off entirely or reduced. But, in the opinion of men prominent in the financial world, there will be nothing done to disturb the rest of the country or in any manner be the basis for a disastrous panic.

Out-of-town and local financiers have contributed to expressions of opinion as to the conditions of 1912, with their views of the outlook for 1913, which are found in The American today. These opinions are unbiased, and no political significance can be attached to them.

By Samuel Posner

Senior Member of the Banking Firm of Posner & Co., New York City.

In speaking of the prospects for business in the year 1913 it is impossible to avoid a feeling of hesitation in making any predictions excepting those based upon the power of events in the immediate past. Nineteen hundred and twelve started as a year for great possibilities, with every known factor of stability in its favor and business prosperity was in a condition to reach the highest possibilities, but for the check it received by the Turko-Balkan War.

While individual ideas always differ regarding the future business outlook, it must be admitted that fundamental conditions in the United States are practically sound and strongly favor betterment. The financiers and business men of the United States, though, are now placed in a trying situation. The change in the administration of national affairs which will occur on March 4 next will be of such a radical character that it will compel business men to be more than usually conservative in preparing their future schedules. While the incoming executive is a man of exceeding culture and high education, his environments in the past have not been of a nature for the attainment of the knowledge required for broad statesmanship necessary to be the executive of a mighty nation of one hundred millions of people.

It is therefore reasonable to suppose that the business interests are apprehensive and want to know what will be accomplished in the extra session of Congress in relation to the revision of the tariff. That is one of the potent reasons making it hard to predict what progress business will make in 1913. As an abundant harvest is the greatest factor for prosperity, the net results of next year's business will depend largely upon the volume of crops garnered. From a strictly commercial point of view, we expect the business results of 1913 to exceed that of all past years. One of the good reasons for these expectations is that the change in dress styles that is expected to be made in costuming and dressing the feminine portion of the population will be a great boom to every line in the dry goods business for the reason that the change will almost triple the requirements for every class of cotton and woolen fabrics.

For the first half of next year we don't believe that business will be affected to any great extent by the contemplated tariff changes and the adaptability of the American business man is such that he will overcome any ordinary or reasonable changes. It is a fallacious idea to think that any reduction in the tariff tax reduces the price to any appreciable extent of imported manufactures. The foreign merchant and manufacturer is shrewd enough to guage his prices and quality according to the tax of the importing country and the only genuine possibility of lowering the cost of commodities and merchandise to the consumer in this country is to admit the products of the soil and all raw material absolutely free and place an adequate tax on luxuries and upon merchandise that comes in competition with home manufactures.

A great and disturbing factor for the ople has been the agitation caused by a called investigation of an alleged money st which was the principal reason in destruction in values for securities ing the month of December of this r. Investors are a very sensitive class people, they embrace a very large and ential part of the community and the s aroused by this uncalled-for investi- n created a stampede in their ranks. he stock market it was a process of unting the attack on man and things the prosperity of the country—in words, an attack upon the backbone he nation. Another thing accountable part of this scare has been brewing ng time and was created by the Inter- e Commerce Commission in their un- ingness to show a spirit of fairness in ting with the railroads for living ght rates.

the people will give this important ter proper thought it will receive their d and deserved support. It is abso- y impossible for a country to grow ake progress in the right direction ut a growing system of railroads, nless these great corporations are a par with all other business and position to acquire funds at a fair f interest so that they may in- their facilities to accommodate the s of a thriving people and reach populate new sections and terri- th the enlarged emigration, there t be the same growth for the n the next 25 years that there has the last generation. In reviewing ation in its entirety and briefly hopefully optimistic that all ad- ctors will be easily overcome if 's crops are large and the rail- what they deserve and all tariff e made upon business principles eds.

By Williams, McConnell & Coleman,

Prominent Wall Street Bankers, of New York City.

year 1913 is probably causing more y in trade and financial circles than ear since the late 90's. A general al change is always considered revo- ry, but it must be recollected that d times change materially. It is at the future may best be judged st, but few will expect the time of Cleveland's adminis-

nothing wrong with this coun- ere are many of its people be educated by practical re- d of promises. It is all wrong bankers and business men en- big busines sshould be constant- suspicion. It is not right that ople will not accept what the understand these subjects say, ey have an idea their motives not honest. And the worst feature that such ideas are not based on wledge and belief, but on vague rs. With these facts and conditions l of us, it is not reasonable to sup- or expect that the men elected to ffices by large majorities will care ensify such feelings, but rather lay them by wise and judicious on.

is no question about the condi- general business. Wages have sed in all lines, steel orders are for six months' delivery, equip- companies are swamped with orders ost all merchants are understocked. ld be absurd to predict this state fairs indefinitely, but there is no why 1913 should not be a banner ess year. The tariff question will e much more alarm than injury, and th that out of the way general busi- ss and the security markets should ad- nce steadily and surely. Supply and mand will always govern commodity d security prices. With uncertainty minated we should have clear sailing. rom an investment point of view the ure is promising. Big speculation is the wane, and the average investor learned that it pays in the long run uy a security with price based on in- sic value and dividend yield, rather one brought to his attention by le promises and violent manipulation quotations.

By Henry Clews

Of the Henry Clews & Co., Bankers, New York City.

The year just closing has been crowned with significant experiences. It has been a year of striking political and social unrest. The whole world is in the melting pot and the United States is doing its part in separating the dross from the finer products of civilization. The striking features in business have been a magnificent harvest, record-breaking foreign trade, unprecedented activity in the iron trade and a further continuation of real estate activity.

Looking forward there is every reason to maintain an undercurrent of confidence. Trade conditions are sound. There is no overexpansion in either industry or credit. Some cause for hesitancy exists, owing to the uncertainties of tariff revision and trust decisions, but these may easily be exaggerated, and any waiting on that account will have to be made up later. Securities have recently undergone a marked shrinkage which fairly discounts all known unfavorable influences.

The present seems particularly advantageous to the shrewd investor, because many securities of undoubted strength can be purchased at prices assuring good returns. It is a time for hopefulness and discrimination. Much will depend upon the policy of the party which has now come into power, and it remains to be seen how far the pledge not to disturb business will be redeemed. The most serious cause of uncertainty is the attitude of both the legislative and the administrative departments of our government toward large corporations. All things considered, the safest policy for business men will be the middle course until the more serious uncertainties begin to disappear.

By S. H. P. Pell & Co.,

Wall Street Bankers, of New York City.

America, unlike the older countries of Europe, has a constantly changing panorama of business affairs. This is due to the fact that our business seeks readjustment necessary every year to meet the constant influx of a million new people arriving on our shores with $30 each in their pockets, creating, as it were, a city with a population of 1,000,000 people, whose net resources are only a shade better than poverty.

But these people quickly become Americanized and acquainted with our institutions, and while it is not easy to absorb these million people and produce the food supply necessary for them, thus far America has been able to cope with the situation without any serious influx of her population back to the farm.

We have, however, about reached that place where our cities are overcrowded and congested, and this added population is creative of socialistic ideas and socialistic tendencies, and unless some added incentive to induce the laboring classes to leave the cities and enter into the production of our food supply takes place America is likely to have strained money conditions at any time our crops are inadequate.

Measured by a comparison with previous crops, the present year is a very full one; but the present year marks practically the capacity of the soil with its present acreage and present labor.

So far as the adjustment of the tariff is concerned, that is purely an adjustment of labor and of bookkeeping. The tariff is nearer a local than a national issue, and its ramifications are so many that only a close student of that question could give its real bearing upon the finances of the country. Whether there is or is not a tariff, the average individual is hardly capable of knowing, except through the publicity given it by the politicians and the newspapers.

As far as the individual cost, with the tariff, as cotrasted with the individual cost, without the tariff, is concerned, it is too small and too insignificant to be considered, except in countries where the price of labor is much lower than in America.

The outlook for money in America for the year 1913 is rather flattering. The political unrest of Europe has caused that country to unload an immense amount of her securities on our market, and Europe, in turn, some day will want her quota of these securities returned to her, in addition to which Europe must also pay us for overplus of crops.

It should not be very long after the turn of the new year until the tide of money sets in from Europe in this direction, and when that occurs money will be reasonably plentiful.

In former years America has floated every 12 months an immense amount of new securities, both railroad and industrial. The tendency of the moment, however—due to recent legislative enactments against public properties and so-called "trusts"—has been to curtail the organization of the usual amount of new companies. Therefore, the dividend distribution following the first of January will for a time result in a plethora of idle funds in the banks.

Barring unexpected political complications, due to the new administration, we can hardly forecast anything except a continuation of prosperity for America. Prosperity, however, is a very sensitive condition, and any unexpected agitation of the recent trend toward socialism might change the aspect materially.

By S. Davies Warfield

President of the Continental Trust Company of Baltimore.

In 1912 the general security market was not good. This I do not think was due so much to the year being one in which a presidential election campaign attracted considerable attention as it was to the feeling abroad. The Balkan situation was responsible for money being tight.

Commercial conditions during the year were all that could be desired. The railroads did more business, the cotton markets were exceptionally good and there was plenty of work for all who desired it.

Now as to 1913 I would not care to make any forecast. I do not think there will be any drastic action taken by Congress or President-elect Wilson in the revision of the tariff."

By Herbert Sheridan

Traffic Manager of the Baltimore Chamber of Commerce.

Prosperity for the United States of America through the coming year seems assured.

Bountiful crops, continued home and foreign trade expansion, cordial foreign relations and tariff changes being made with deliberation support the bright prospects. Greater consideration for others and the general uplift work indicate increased recognition of the enduring line, "Righteousness exalteth a nation."

Increased use of Baltimore funds at home for industrial development and increased efficiency in all that pertains to the important subject of transportation wherein Baltimore figures would increase our local prosperity.

By George S. Dearborn

President of the American-Hawaiian Steamship Co., New York City.

"We expect the Panama Canal to increase our business 80 per cent., and even in anticipation of the canal opening the year 1913 ought to be a memorable one in the United States shipping trade. I prefer, however, to speak of matters that come immediately under my supervision as president of the American-Hawaiian Company. We are now leasing at Bush Terminal, Brooklyn, piers 1,300 feet long by 150 feet and have contracted to lease others 1,300 by 270 feet, thus doubling our facilities at this end. Our two fleets, the Atlantic and the Pacific, comprising 20 ships of an average tonnage of 10,000 and costing $700,000 each, will be increased soon to 26 ships. The opening of the canal to commerce will save about ten days' time between Brooklyn and San Francisco and eight or nine days from points further south upon the Atlantic seaboard and San Francisco.

There are to be sailings every three days, with increasing frequency, until daily sailings are begun between Brooklyn and San Francisco. All of this is sure to have its effect upon the commerce of Atlantic seaboard points and will bring about a closer union of the producers and markets of the Far West and those of the East."

Mr. Dearborn said that in his opinion the exemption of coastwise shipping from the payment of tolls would not be changed. If it were, he said, it would make a difference of 75 cents or $1 a ton to the shippers and would not affect the company except in the volume of its business. The American-Hawaiian Steamship Company is the largest company at present engaged in coastwise trade. It will be the greatest gainer by the opening of the Panama Canal. Yet its president states it as his belief that the beneficial effects of the canal will be felt in every port on the Atlantic seaboard from the Gulf to Cape Cod.

It is true that the opening of the canal will probably ruin the Tehuantepec Railroad, a line 192 miles long, which the American-Hawaiian Company uses to transport its cargoes from Puerto Mexico, on the Gulf side, to Salina Cruz, on the Pacific side of the isthmus. But there will be no use for the road after it has filled its contracts for bringing from the Pacific to the Gulf side a certain number of tons of Hawaiian sugar a year. As the opening of the canal practically revolutionizes coast-to-coast shipping, the year 1913, Mr. Dearborn believes, will witness a revival of activity with an adjustment of plans to fit the new conditions.

By Hudson Clarke

Member of the Firm Clarke Brothers, Bankers, New York City.

This country has such vast resources, such unexampled energy in business, that only war can stay its onward march and, fortunately, there is no war cloud visible upon the horizon. The country can quickly adjust its industrial and financial affairs in conformity with the changes to be made in the tariff schedules. These changes have, in fact, been already discounted.

From his campaign utterances, as well as those made since his election, President Wilson has evidently in mind a purpose to take part in no campaign having for its object the keeping alive of a hostile feeling toward the financial center of the United States.

His recent threat to hand panic-makers was followed by an immediate rise in the prices of railroad and industrial shares, indicating that the men who control millions do not fear him. Whether the volume of currency is sufficient to meet all the demands of legitimate business is a question upon which bankers may be divided in opinion. We seem to have done very well with the supply available in 1912, and while this is a rapidly growing country, we can doubtless get along in 1913 with some necessary amendments to our national banking laws. The talk of the existence of a Money Trust, with its headquarters in Wall Street, is little more than hot air, but the investigation has been more beneficial than otherwise.

When railroad stocks advance to a point where they yield investors less than they now receive upon their investments money will go into industrial enterprises, with a consequent healthy boom in general business. Whether from that cause, or some other, we shall have, I hope, a more prosperous year in 1913 then we usually have in a year of complete change in the political complexion of the administration at Washington.

By John H. Davis

Member of Firm of John H. Davis & Co., Bankers, New York City.

From neither a reduction of the tariff, which will be gradual and moderate, rather than violent and drastic, nor from an agitation by a committee of Congress of the feeling against the business of Wall Street do I expect any disturbance to business in 1913. Personally, though I am a Republican, I have never been in sympathy with the protective tariff idea. The duties should be lowered to a tariff-for-revenue-only basis. The revenues of the government would be ample under such a tariff if there were no padding of the pension rolls. The reduction of the tariff will, I believe, be accomplished by the incoming administration with the least possible effect upon the legitimate business of the nation. The investigation under way by the so-called Pujo committee cannot seriously disturb business, for the reason that the purposes of the investigation are too well known.

Its motive is simply to keep up an agitation to please a very small portion of the population. Its recommendations are not likely to receive much consideration by the House of Representatives. Our weak position with respect to other nations is in our stand with respect to the Hay-Pauncefote Treaty on the Panama Canal tolls. President Taft should have stood upon the integrity of our obligations, and I hope he will be reversed by the Wilson administration upon this point. I did not vote for him and solely because his position on the question of standing by our treaty obligations was wholly wrong. Still, I do not believe we will be permanently committed to our present policy as to the use by other nations of the Panama Canal.

From the standpoint of a banker I regard the business outlook for the coming year as decidedly bright. Underlying conditions are sound. The crops have been of phenomenal size. The railroads are fairly busy, and there is no scare about the certain revision of a tariff that is too high and has been kept too high to enable certain interests to thrive under artificially created conditions.

By Hambleton & Co.

Bankers and Brokers of the City of Baltimore.

The outlook for the coming year, while partly obscured by political uncertainties, appears sufficiently good from the standpoint of the healthy condition of our domestic and foreign trade, as a result of this season's bountiful crops, to justify an optimistic view of the business and investment situation in this country. As the old year draws to a close the high rates for money have tended to check an otherwise advancing tendency in the New York stock market. The demand for money, however, is about top, and the next decisive movement will be toward relaxation, probably about the middle of January. Interest and dividend payments, aggregating some $250,000,000, inevitably cause temporary strain toward the end of the year, but when the situation is relieved of the influence of these operations it is quite probable that comparatively easy rates will prevail.

It is to be borne in mind that Europe is on a high money basis, and the tension there will likely continue until the final settlement of the Balkan problem is reached; hence foreign development will be closely watched during the next few weeks. The world's money markets are so closely interrelated that any development affecting one important center adversely or otherwise is immediately reflected at all leading financial centers With an end to the Balkan difficulties, the foreign financial situation will become distinctly easier, and Europe may be looked to again become a large buyer of American securities.

By J. M. Littig

President of the National Marine Bank.

The past year has been a normal one for the commercial banks, and the outlook for the future is good. It is my opinion that money will ease up and that prosperous times are ahead. The country will shortly begin to feel the benefit from the large and almost unprecedented crops that have been raised in this country during the past year, and I feel that unless some unforeseen catastrophe befalls the country, its course during the next year will be one of progress and prosperity.

By Frederick A. Dolfield

President of the Canton National Bank.

The year just closed has been one of exceptional prosperity. Railroads hauling the maximum tonnage, imports and exports far in excess of last year, trade conditions good, great crops throughout the country have produced the best year the American people have ever had. Add to this the fact that no one, provided he will work, need be unemployed, and you have a foundation for an even better year in 1913. The stock market is no longer a factor in determining our progress, and as time goes on its influence will become even more limited. What does the manufacturer, the farmer, the small tradesman care for the fluctuations of Wall Street?

People have begun to realize that they were given brains with which to think, and they have been using them to advantage. On the other hand, all the thought in the world will not prevent money stringency under our admittedly poor currency system. It is a question of supply and demand. Money is as much a commodity as coal or wheat, although money is susceptible of expansion, through credits, and coal or wheat is not. Should we prove more prosperous in 1913 than in 1912 more money will be used, more money will be in demand, and unless the supply meets the demand we will have a contraction of loans and withdrawal of credits.

If we had a proper currency system trade would expand and business would increase without the periodical set backs its has suffered in the past. Ours is the only nation in the world with such tremendous underlying strength to resist periods of deflation and stagnancy, and for that reason I look forward to 1913 with the assurance that it will be the greatest year in our history, provided we adhere to that trite, but useful maxim, "make haste slowly."

By J. E. Aldred

President of the Consolidated Gas Electric Light and Power Co.

It is hardly necessary to comment on the present condition of business in this country. On all hands we have the evidence of good business and plenty of it. There is, apparently, nothing in sight which should interfere with the continuance of this condition during 1913, provided during that time those in control of our national affairs do nothing radical to interfere with normal conditions.

While it doubtless will be necessary that there be some readjustment of the tariff, if such readjustment is carried out so that the lines affected are subjected to no violent readjustment they will in due course adapt themselves to the changed conditions.

We in this country are inclined to subject our business and political conditions to spasmodic changes, and as a consequence undesirable conditions are too often brought about by the fear of such changes. If in finance, business and politics we would keep before us the old-fashioned saying, 'Keep to the middle of the road,' our progress would be more consistent. Those interested in Baltimore should be gratified at the evidence of the development of a spirit of co-operation among those interested in the upbuilding of the city and its development as a commercial and manufacturing center. The coming year should bring substantial results in this direction.

By Waldo Newcomer

President of the National Exchange Bank of Baltimore.

The year on the whole has been a very satisfactory one. Clearings at the Baltimore Clearing-house have shown a decided increase as the year advanced, which indicated a condition of general prosperity, with an active exchange of money. The outlook for the coming year is bright, if business conditions be not disturbed by apprehensions concerning the revision of the tariff.

By Harry Clark

President of the National Howard Bank.

The past year has been a reasonably successful year. Further than this, I do not care to comment on it. As to the future, that is a thing which will develop itself, and cannot be influenced by any amount of forecasting.

By Charles W. Jordan

Manager of Bond Department of Mackubin, Goodrich & Co.

To invest trust funds in securities which yield a satisfactory income and are readily salable without loss is not an easy task. The highest grade investments, as well as some second and third grade bonds, have declined during the past several years showing a considerable shrinkage. This has been most keenly felt in the highest grade bonds, because many such investments have been disposed of to take on a lower grade but higher income yielding security.

Real estate mortgages, ground rents and other forms of real estate investments show a similar shrinkage. The remark is often made that real estate mortgages do not fluctuate. This is an almost universal error. If a person takes a newly created real estate mortgage he pays the principal sum, and the interest is made according to conditions then prevailing, let us say 5 per cent. At maturity he receives his money back. After having made the investment just stated he is able to buy a similar mortgage paying 6 per cent. per year. He should mark down his first purchase, because if he had to sell it he would not be able to get his money back because he would have to sell on a 6 per cent. basis, and for a five-year loan this means a loss of about $50 on every $1,000 of principal.

A real estate mortgage is liquidated at its face value at maturity and just so is a municipal, railroad, public service or other bond, and one form of investment is not more likely to go wrong than the other. When savings banks or other holders wish to raise money in times of stress they sell bonds, because there is a market for them and prices are made in accordance with conditions then prevailing. If they tried to sell their real estate mortgages at that time they would quickly discover that they do fluctuate, and besides find it difficult to sell at all and only after delay and expense, besides a cash loss, while bonds could in all probability be sold and paid for at once.

Investment in Baltimore by trustees, coming under the order of the court, must be made in securities passed upon by the judge sitting in the Circuit Court or Circuit Court No. 2. From time to time different judges preside, assignments being agreed upon by judges forming the Supreme Bench from their own number. Several years ago a list of securities then existing was used from which investments had to be selected, or, if not upon the list, were passed upon favorably or unfavorably by the judge. If favorably, it was then added to the list. During the panic of 1907-08 a number of securities were stricken therefrom. Later those remaining were carefully gone over and further eliminations made.

A "rule" was adopted containing requirements very similar to those in the New York state law, and securities remaining on the list were made eligible, together with those coming within the "rule." Applications for additions are made from time to time, and after investigation are accepted or rejected by the Supreme Bench. Sometimes a security does not fully measure up to the requirements, but is considered favorably, because it seems safe, and, perhaps is thoroughly so.

However, a considerable amount of work is thereby placed upon the judges and of a nature not in keeping with their general work, and in which they are probably not skilled. They are held in the highest esteem and have the unbounded faith of the community, but this is a study entirely apart from that of the law, for which they are trained and eminently fitted. Some way should be found, therefore, which would simplify this matter, and while fully safeguarding the investment, relieve the judges of the Supreme Bench of the labor entailing the investigation of securities by them.

By W. W. Finley

President of the Southern Railway Company.

The year 1912 was marked by a rising tide of business throughout the United States. So far as can now be foreseen, conditions are favorable for a continuance of prosperity. This is particularly true of the Southeastern States. In the territory south of the Potomac and Ohio Rivers agriculture is essentially progressive, and, allowing for seasonal variations, due to weather conditions, we may expect increased agricultural production from year to year. The erection of new plants and the enlargement of existing establishments is increasing the manufacturing capacity of the Southeast. At present there is an active demand for the products of Southeastern factories, and the outlook for its continuance is favorable.

One of the results of the revival of business has been that in the closing months of 1912 the railways have been handling a record-breaking volume of traffic. In some localities and as respects some classes of traffic their facilities have been fully employed. As the demands for transportation service increase, additional facilities will be provided so far as the resources of the companies will admit. The public is not without responsibility itself in this matter, for the ability of the railways to provide additional facilities will be dependent, in large measure, upon public policies affecting them.

In my opinion, one of the most favorable factors in the present business outlook is the growing understanding of the interrelation of the interests of the railways and of the public served by them, and a more general realization of the fundamental economic truth that adequacy of transportation facilities and efficiency of transportation service are essential to nation-wide prosperity. The result may be expected to be the reflection in governmental policies affecting the railways of a more intelligent public opinion respecting them and under which their credit may be so maintained as to enable them to provide the additional facilities that will be needed as the business of the country continues to expand.

Middendorf, ms & Co.

Firm of Bankers kers in Baltimo

The year just clo been in many respects a very r, considered from a business ial point of view. On the whol r, it has been far better than 191 as the year advanced, there wa decided forward movement in hes of trade and industry.

The market as a s done little more than remain o eel through- out the year. The able feature of 1912 was the rat ed business activity which dev the early summer and which c throughout the rest of the year. n and steel industry was extraor active and prices stiffened from to month. The agricultural in enjoyed a highly prosperous y in conse- quence general trad ghout the country was moderat ve. There was nothing in the of a big business boom, but t hardly to be expected in a pre year and in a presidential year arked the parting of the ways, s k, for the time being. At the en e year we find business still flou in nearly every section of the railroad gross earnings naturall in con- sequence, money a little t the se- curity market wavering, uncertain, the hesitation being due tural un- certainty as to what t to come will bring.

If we could read the right we would all be millionaire man can say with any degree o nty just what a given year will b th. The best anyone can do is t ze care- fully causes and conditi various economic factors with lay and interplay upon business nce and industry, and, arguing ause to effect, approximate the tr nomic trade conditions in a futu od. To our way of thinking it is t to say how 1913 can develop an definite movement either in trade stry or finance until the Democra inistra- tion has given evidence o it has in mind. Whether we bel a high tariff or in a low tariff m ot, but whether we believe in a hig r in a low tariff practically us are willing to admit that any e from one to the other is a con le eco- nomic factor, and one w r the time being, during the proc hange, so to speak, must have a aching effect on our business a ustral structure.

Many of us think that a riff is infinitely better in the lo n and others may hold that a pro tariff in this country is necessar irre- spective of our economic b this direction, we all know it is nuous business changing over from to the other and, unfortunately, 1913 doubt- less witness the change. If the tariff is handled gently, the f what may happen will cause more hesi- tancy and uncertainty.

Now as to Baltimore City.

If one may overlook nation itics, tariff revision, the Balkan vernment suits against the big cerns, the increasing demands on corps by labor and such contingencies, , ac- cording as they are favorable favorable, influence the commercial the whole country and every city, nust, therefore, to some extent, influ commercial conditions in Baltimore, safe to say that the commercial of for this city was never better. Where comparatively few of our citizens appreciate how much intensive opment is going forward here and far- reaching and important this de vent will prove to the future comme history of our city. A review of de- velopment is so encouraging we fore disposed to dwell on it than on ral financial review.

First should be mentioned the con of our manufacturing enterprises, or- nerstones in every city's upbuildi ot only do they show a growth in per commensurate with that in othe at cities of the country, but older ent es are confidently spending millions in- creased facilities and production, the reason is not hard to find, for t y never before offered them as mun- couragement. Laws regulating the tion have been made more favorab ing the past year, the banking pow resources of our institutions for ir accommodation are greater, while r sphere of influence has been great proved by improved transportation ties, through the magnificent new sh of municipal docks, which are open t commerce of the world, and the exte terminal facilities being developed by Western Maryland.

The consolidation of two of largest banks, creating a bank with $25,000,000 resources; the organizatio two new trust companies, with a ca of $1,000,000 each, and one saving ins tion are notable features which will mote the city's business activity.

Not directly connected with the ma facturing or monetary conditions of present, but factors underlying the hea and strength of the entire commercial of the city in the future should be membered—the $20,000,000 being spent the finest sewerage system in the wor the need of which has been felt for thr quarters of a century; the $5,000,000 bei spent for a more adequate and pur water supply, the need of which has be felt for more than 40 years, and t millions being spent for improved street more than 40 miles of streets having bee repaved during 1912.

It is a pleasure to testify that the fo lowing boast, taken from a book publishe by the municipality last summer, is full justified:

"Those charged with the administratio of the city government have given muc thought to the future. What is done i done on a large scale. Every succeeding day finds Baltimore with a co of the f human ca time."

In conc are more work for citizens t

By

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A review the market that while factory as moderate ad to the bank

During th considerable effect of th and it was turbance wo vent a recov ity and depr dustrial and passing. Thus ever, not rea rule that no place during was a market tures, trade desired, but may be accou effect of the country was indifference, to the result

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Will this acti perity continue early months of inclined to doub turers and impo make new comm certainty of a r do not look, however, of inactivity or dep to the present time duction, but I do down in our industrie

If this view of con one, there should be for money from these together with a retur of crop moving funds. easy after the middle

An increasing dema pends upon an easing rate charged for mone dition seems probable of the new year. The prosperous year, as th to lend their funds at But this favorable con set to some extent by charging off depreciati securities held. Bond moderately active, with the speculative stock h rather unsatisfactory public seems to have habit of speculating.

Prices at our local ex and it only needs an eas to start a movement of proved values.

By R. Vinton

Cashier of the Natio Bank of Baltim

The past years has be for the commercial banks. have suffered a reductio owing to the great comme requiring a large amount other factor in the situatio large amount of credit bu many of the large merc Many of these houses ha the year large outstand which they could not colle time when they needed m gently. As a result, inste ing money at the compa rates of interest which p checked against their acc banks, thus reducing the a posits and forcing the bank their loans. In spite of t has been good—better, I sh last year—and certainly bet usual presidential year.

The outlook for the futu ing. Business is proceedin tious way, and although son be affected by the revision little apprehension is felt count. Business interests of seem to have confidence in t tism of Mr. Wilson in reg handling of the tariff situati that nothing radical will be course, Mr. Wilson is pledg duction of the tariff, but busi that whatever revision is m in a sane and scientific mann the greatest precaution will possible extent.

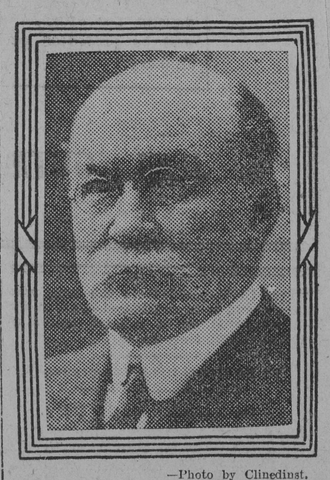
Continued on Seventh

By Col. H. B. Wi

President of the First Nati of Baltimore.

The last year in many re been a successful one. The

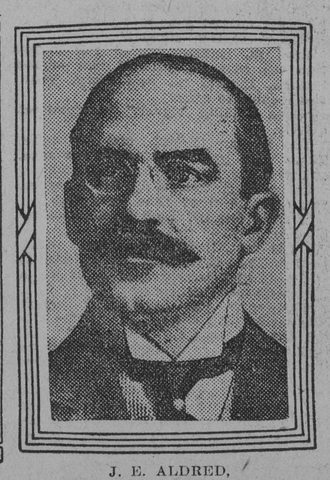
GIVE THEIR VIEWS ON BUSINESS OUTLOOK



—Photo by Clinedinst.

W. W. FINLEY,
President of Southern Railway.

HENRY CLEWS,
The well-known New York banker.



J. E. ALDRED,
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