

THE FARMERS AND MERCHANTS NATIONAL BANK OF BALTIMORE, MD., CHARTER 1337

BY J. FRED MAPLES

As reported in the Baltimore Sun on June 14, 1905 as the bank's charter was extended: "The Farmers and Merchants first became a national bank on June 12, 1865. Its charter was extended 20 years later, or on June 12, 1885, and now the third extension has been granted to run to June 12, 1925. The bank was founded in 1808 and began business on Baltimore Street between Howard and Liberty streets upon a portion of the ground now occupied by the Baltimore Bargain House. Subsequently it bought the lot at the southwest corner of Calvert Street and Bank Lane and erected a banking house, which was occupied until 1849, when the property at the northwest corner of South and Lombard streets was bought and a new banking house erected. In 1888 the business having outgrown the bank's quarters the adjoining warehouses were bought, and the banking house and the two warehouses torn down. Upon this lot was erected the five-story bank and office building, which was destroyed by the fire of February 7, 1904."

Panic of 1884, but expanded nicely in 1905, after the Great Fire of 1904. The aptly named Great Fire raged for two days, and destroyed Baltimore's financial district, including this bank's building. A few days after the fire The Baltimore Sun reported this feel-good story: "The vault of the Farmers and Merchants Bank, at Lombard and South streets, was opened in the morning and its contents, which were unharmed, were removed to a place of safety. President Charles T. Crane secured a lot of securities which contained all the possessions of a widow who had put it there for safe-keeping. Mr. Crane delivered the box to her in person with its contents as safe and untouched as when it was placed in the vault." The bank's five-story building was razed, and a one-story structure was rebuilt in its place. This bank continued successfully for several more years, even expanding its circulation in 1908 and 1909, before being absorbed by the Union Trust Company of Baltimore in 1930.

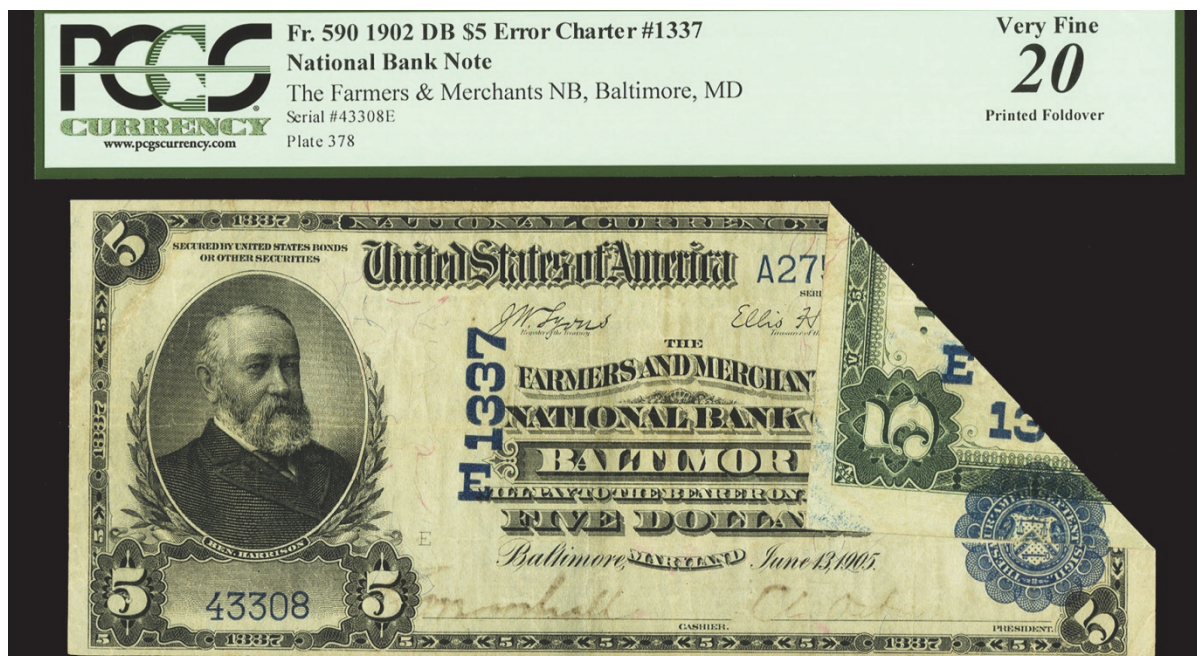


Figure 1: \$5 1902 Date Back. The Farmers and Merchants National Bank of Baltimore, Md. Charter # 1337. This bank issued 54,000 sheets of \$5 1902 Date Backs between 1908 and 1921. This error note was issued to the bank on July 3, 1919, where the stamped signatures of J.E. Marshall and C.G. Osburn were dutifully applied.

The F&M – as it was called -- was one of Baltimore's oldest and most important banks and issued \$9,707,120 in Original Series, 1875 Series, 1882 Series, 1902 Series, and 1929 Series notes, while averaging about \$350,000 in a widely varying circulation. Indeed the bank reduced its circulation significantly in the

Arguably the best surviving note from this bank is this \$5 1902 Date Back, Friedberg # 590, certified by PMG Very Fine 20, with a dramatic printed foldover error. According to the National Bank Note Census, this note is one of just three surviving errors from Maryland – the other two are Double Denominations. This note

was in the famed Albert Grinnell sale of the 1940s, Lot 4409, but was mistakenly attributed to Baltimore, Ohio. Recently this note sold for \$6,600 at the CAA September 2018 auction, Lot 21211. This foldover error was created when the 4-subject sheet was sent for final overprints of the blue seal, charter numbers, and geographical letters. Given the top right corner of the sheet was doubled over, portions of the final overprinting were applied on its back. So this was the top note of the sheet. The mistake wasn't caught by the BEP clerks, or the Comptroller of the Currency Issue Division clerks. Obviously the mistake didn't bother the bank, which applied the stamped signatures and put the note in circulation!

The 1902 Date Back national currency series was created by the Aldrich-Vreeland Act of May 30, 1908, as signed by Theodore Roosevelt, to mitigate the worldwide financial Panic of 1907. Senator Nelson W. Aldrich, a Republican from Rhode Island, was largely responsible for the bill, along with his co-sponsor Rep. Edward Vreeland of New York. The bill provided a mechanism for banks to use securities other than U.S. government bonds to obtain short-term increases in their national bank note circulations. Two types of entities could apply for the additional currency: 1) individual banks, like this one, and 2) groups of at least 10 banks formed into national currency associations. Individual banks applied directly to the Comptroller of the Currency for additional notes to be secured by state or local government bonds, and could receive notes up to 90% of the bonds' market value. The associations were allowed to accept securities from a member bank, and then apply to the Comptroller for additional circulation for that member.

On its left this note features a vignette of Benjamin Harrison, 23rd president of the United States. Harrison was included on the 1902 Series to honor his service given his death in 1901. Harrison was a grandson of President William Henry Harrison, and a great-grandson of Benjamin Harrison V, a signer of the Declaration of Independence. Benjamin Harrison was elected president in 1888, ousting Grover Cleveland, but lost his reelection to Cleveland a tumultuous four years later. Harrison was born on August 20, 1833, in North Bend, Ohio. The Harrisons were among the first families of Virginia, with roots stretching back to Jamestown. Harrison joined the Republican Party shortly after its formation in 1856, campaigning for national candidates and participating in local races. The Civil War interrupted Harrison's political aspirations, and he joined the Union Army as an officer, participating in Sherman's Atlanta Campaign, and rose to the rank of brigadier general. Harrison resumed his political career after the war, and was elected to the United States Senate in 1880, after several unsuccessful

runs for office. Harrison supported the Republican Party positions of generous pensions for veterans and education for free blacks, but broke with his party to oppose the controversial Chinese Exclusion Act of 1882. Harrison ran a front porch campaign, receiving delegations and delivering speeches without traveling far afield. While Harrison won the Electoral College count, his election was fraught with corruption, and he lost the popular vote. Harrison died of pneumonia at his home in Indianapolis, Indiana, on March 13, 1901, at the age of 67, and was interred at the Crown Hill Cemetery there.

As a national bank F&M's first president was Dr. J. Hanson Thomas, and per his Baltimore Sun obituary on July 16, 1881: "In 1838 Dr. Thomas became a director in the Farmers and Merchants' Bank of Baltimore, and in the succeeding year gave up the practice of medicine to assume the duties of president of the institution, which position he held for forty years, until 1879, when ill-health dictated his retirement. In 1865 he was the Whig candidate for the office of comptroller of the state treasury against William Pinkney Whyte, the democratic candidate, who was elected. He served several terms in the city council, and was one of the delegates elected on the state's rights ticket to represent Baltimore city in the extra session of the Maryland Legislature, which met at Frederick, April 26, 1861, having previously exerted himself during the winter as a commissioner in the interest of peace. Along with other members of the Baltimore city delegation to the Frederick legislature, Dr. Thomas was arrested in Baltimore and sent successively to Forts McHenry, Monroe, Warren and Lafayette, undergoing in all about seven months of rigorous imprisonment." Such was the time of Maryland as a border state during the Civil War.

Finally this bank's first cashier was James Sloan Jr., and per his Baltimore Sun obituary on May 14, 1900: "In 1862 Mr. Sloan became cashier of the bank, and was chosen president in 1878 to succeed John Hanson Thomas. The bank greatly increased in importance under his management, and Mr. Sloan quickly became recognized as one of the foremost financiers of the city. He attained this position through the possession of a masterful ability for financial affairs." Sloan's obituary goes on in approval: "Socially he was a genial entertainer and kept in close touch with the important events that transpired throughout the world, as well as with men of prominence in national life. He had accumulated a rich fund of information and was a most effective conversationalist, having definite views on subjects about which he was informed. An interesting phase of his character is his ready recognition of ability, wherever it was found, and his disregard of social distinction which did not have behind it brains and energy."