

12

THIRTEENTH ANNUAL REPORT

TO THE

FEDERAL RESERVE BOARD

BY THE

FEDERAL RESERVE AGENT

FEDERAL RESERVE BANK
SAN FRANCISCO



FOR THE

YEAR ENDED DECEMBER 31, 1927

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FOR THE

YEAR ENDED DECEMBER 31, 1927

DIRECTORS AND OFFICERS OF THE FEDERAL RESERVE BANK OF SAN FRANCISCO

January 1, 1928

		DIRECTORS				Term Expires Dec. 31
Class	Group					
A	1	C. K. McINTOSH, San Francisco, California	-	-	-	1928
		President, Bank of California, N. A.				
A	2	THOMAS H. RAMSAY, Red Bluff, California	-	-	-	1929
		President, Pacific National Agricultural Credit Corpora- tion, San Francisco, California.				
A	3	*HOWARD WHIPPLE, Turlock, California	-	-	-	1930
		President, First National Bank.				
B	1	A. B. C. DOHRMANN, San Francisco, California	-	-	-	1929
		President, Dohrmann Commercial Company.				
B	2	WILLIAM T. SESNON, San Francisco and Soquel, California	-			1930
		Agriculturist.				
B	3	E. H. COX, San Francisco and Madera, California	-	-	-	1928
		Vice-President and General Manager, Madera Sugar Pine Company, Madera, California.				
C		ISAAC B. NEWTON, Los Angeles, California	-	-	-	1929
		Chairman of the Board.				
C		WALTON N. MOORE, San Francisco, California	-	-	-	1930
		Deputy Chairman, Chairman of the Board, Walton N. Moore Dry Goods Co., Inc.				
C		WM. SPROULE, San Francisco, California	-	-	-	1928
		President, Southern Pacific Company.				

MEMBER FEDERAL ADVISORY COUNCIL

F. L. LIPMAN, representing District No. 12
President, Wells Fargo Bank and Union Trust Co.
San Francisco, California

OFFICERS

ISAAC B. NEWTON,
Chairman of the Board and
Federal Reserve Agent

S. G. SARGENT,
Assistant Federal Reserve Agent
and Chief Examiner

ALLAN SPROUL,
Assistant Federal Reserve Agent
and Secretary

F. H. HOLMAN, General Auditor
R. T. HARDY, Auditor

JNO. U. CALKINS,
Governor

WM. A. DAY,
Deputy Governor

IRA CLERK,
Deputy Governor

W. N. AMBROSE, Cashier
CHESTER D. PHILLIPS, Assistant Cashier
C. E. EARHART, Assistant Cashier
H. N. MANGELS, Assistant Cashier
E. C. MAILLIARD, Assistant Cashier
F. C. BOLD, Assistant Cashier
J. M. OSMER, Assistant Cashier

*On February 16, 1928, Mr. Whipple resigned from the Board of Directors. A successor for his unexpired term will be elected by the member banks of Group Three.

DIRECTORS AND OFFICERS OF BRANCHES

January 1, 1928

SPOKANE BRANCH

Directors	Term Expires Dec. 31	Officers
G. I. TOEVS, * Chairman	1929	D. L. DAVIS, Managing Director
PETER MCGREGOR*	1928	J. M. LEISNER, Assistant Manager
R. L. RUTTER†	1928	EVAN BERG, Assistant Cashier
C. E. MCBROOM†	1929	
D. L. DAVIS†	1928	

SEATTLE BRANCH

CHAS. H. CLARKE, * Chairman	1929	C. R. SHAW, Managing Director
HENRY A. RHODES*	1928	B. A. RUSSELL, Assistant Manager
M. F. BACKUS†	1928	G. W. RELF, Assistant Cashier
M. A. ARNOLD†	1929	
C. R. SHAW†	1928	

PORTLAND BRANCH

NATHAN STRAUSS, * Chairman	1929	R. B. WEST, Managing Director
EDWARD C. PEASE*	1928	S. A. MAC EACHRON, Assistant Manager
JOHN F. DALY†	1928	J. P. BLANCHARD, Assistant Cashier
J. C. AINSWORTH†	1929	
R. B. WEST†	1928	

SALT LAKE CITY BRANCH

LAFAYETTE HANCHETT, * Chairman	1929	W. L. PARTNER, Managing Director
F. J. HAGENBARTH*	1928	H. M. CRAFT, Assistant Manager
L. H. FARNSWORTH†	1928	W. M. SMOOT, Assistant Cashier
CHAS. H. BARTON†	1929	L. W. DALBY, Assistant Cashier
W. L. PARTNER†	1928	

LOS ANGELES BRANCH

W. L. VALENTINE, * Chairman	1929	W. M. HALE, Managing Director
J. B. ALEXANDER*	1928	M. McRITCHIE, Assistant Manager
HENRY M. ROBINSON†	1928	A. J. DUMM, Assistant Cashier
J. F. SARTORI†	1929	L. C. MEYER, Assistant Cashier
W. M. HALE	1928	

*Appointed by Federal Reserve Board. †Appointed by Federal Reserve Bank.

LETTER OF TRANSMITTAL

Federal Reserve Bank,
San Francisco, California,
February 15, 1928.

SIRS:

I have the honor to submit the following report concerning conditions in the Twelfth Federal Reserve District and the operations of the Federal Reserve Bank of San Francisco, for the year ended December 31, 1927.

Yours respectfully,

A handwritten signature in cursive script, reading "Isaac B. Newton".

Chairman of the Board
and Federal Reserve Agent.

Federal Reserve Board,
Washington, D. C.

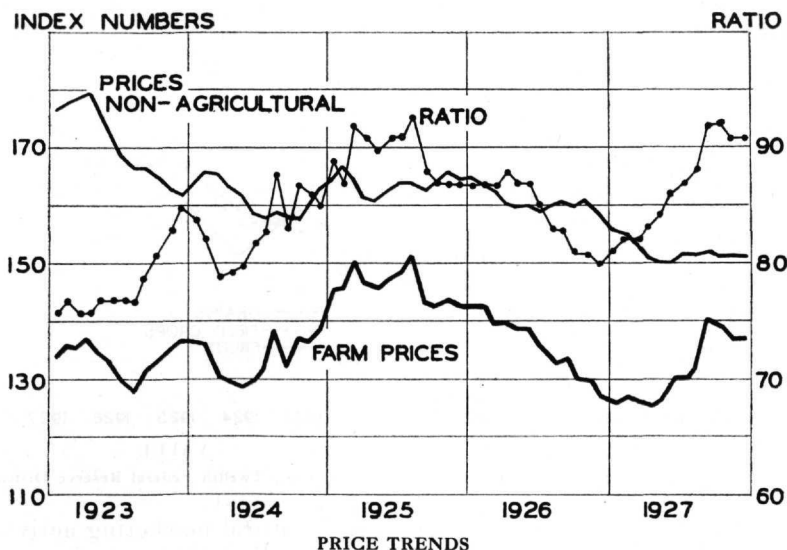
ECONOMIC REVIEW OF THE YEAR 1927 IN THE TWELFTH FEDERAL RESERVE DISTRICT

Business in the Twelfth Federal Reserve District proceeded at a slightly slower pace during 1927 than in either 1926 or 1925. Industrial production early showed signs of receding from the high levels of the two preceding years, and some curtailment of operations was evident from the second quarter of 1927 onward. No corresponding recession occurred in distribution and trade, but it is doubtful whether the increase in trade for 1927 was as large as has generally occurred in recent years. Agricultural production during 1927 is estimated to have been above the average of recent years, and improvement in the economic position of the industry is believed to have accompanied favorable changes in price levels of agricultural and non-agricultural commodities during the year. The available supply of credit has at all times been ample for the district's needs.

Agriculture

As a result of favorable physical conditions, agricultural production during 1927 was larger in the aggregate than in 1926 and above the average of recent years. The unit value of farm products during major crop moving periods also was generally higher in 1927 than in 1926, and this combination of abundant yields and higher prices indicates that gross farm income growing out of the year's agricultural operations was larger than in the previous season.

Of the year's developments in agriculture, perhaps none was more important in its economic aspects, than the readjustment which took place in the relative price levels of agricultural and non-agricultural commodities. The extent of the readjustment is indicated by the



Prices, Non-Agricultural Commodities—Index of United States Bureau of Labor Statistics (1910-1914 prices=100). Farm Prices—Index of prices of 30 farm products prepared by United States Department of Agriculture (1909-1914 prices=100). Ratio—Ratio between the above index numbers, indicating general trends in purchasing power of farm products.

movement of an index of the farmer's purchasing power, computed by dividing the United States Department of Agriculture's index number of farm products prices at the farm (August, 1909-July, 1914 prices=100) by the Bureau of Labor Statistics' index of wholesale prices of non-agricultural commodities (1910-1914 prices=100). Using average figures for the last six months of each year (months during which farmers sell the bulk of their products) this purchasing power index stood at 90.5 for 1927, 82.1 for 1926, 88.5 for 1925, 85.4 for 1924. Although not all of the important crops of this district are represented in the index, and although some crops are included which are not of great importance here, its major movements may reasonably be assumed to reflect district as well as national conditions.

Index numbers prepared by this bank to show the trend of production and value of the principal crops of the district, together with the United States Department of Agriculture's index of purchasing power of farm products, are presented in the following table:

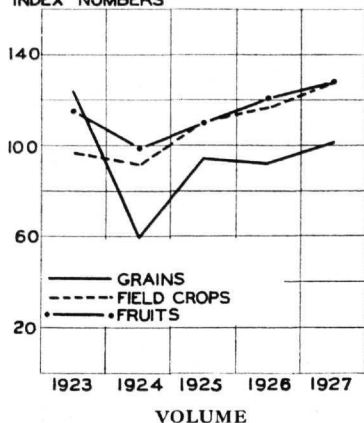
Agricultural Production
Twelfth Federal Reserve District
(1919-1923 Average=100)

	1927		1926		1925	
	Volume	Value	Volume	Value	Volume	Value
Grains (wheat, barley, oats).....	101.8	110.6	92.7	82.8	94.5	95.9
Field crops (beans, cotton, potatoes, rice, sugar beets).....	127.7	92.0	116.7	94.1	110.3	114.0
Fruits (apples, peaches, pears, prunes, raisins, grapes, oranges)	127.9*	113.2*	120.9	106.4	109.4	108.7
Purchasing power of farm products† (United States)	87		85		89	

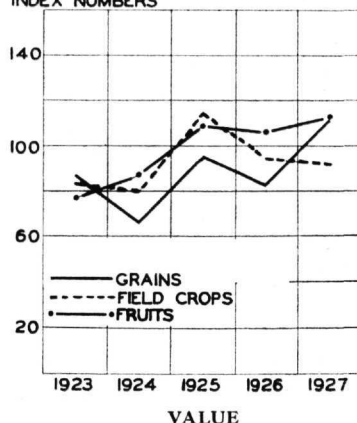
*Subject to revision.

†Ratio of farm prices (August, 1909-July, 1914 prices=100) to wholesale prices of non-agricultural commodities (1910-1914 prices=100).

INDEX NUMBERS



INDEX NUMBERS



Volume and Value of Production of Fifteen Principal Crops in the Twelfth Federal Reserve District.

The available statistical record of agricultural marketing activity during 1927 and the two preceding years reflects the increases and decreases in agricultural production which occurred during that period.

The major item in the record volume (90,110 carloads) of fresh deciduous fruits shipped from California, as shown in the table below, was 80,709 carloads of grapes. This unusually large movement was well distributed throughout a short marketing season and net financial returns to table and juice grape growers averaged slightly higher than in 1926 or other recent years.

Agricultural Marketing Activity

Twelfth Federal Reserve District

Exports	1927	1926	1925
Wheat (bu.)			
(Portland and Puget Sound)	45,168,107	40,968,880	9,135,126
Barley (bu.)			
(San Francisco)	11,504,975	9,479,497	11,210,523
Carlot Shipments			
Apples (Twelfth District)	42,190	51,962	45,503
Oranges (California)	57,163	50,030	37,637
Lemons (California)	13,437	13,610	11,753
Deciduous Fruits* (California)	90,110	78,022	81,465
Livestock Receipts at Eight Markets in Twelfth Federal Reserve District			
Cattle and Calves	1,267,185	1,310,129	1,328,256
Hogs	2,146,659	2,093,616	2,286,434
Sheep	3,510,826	3,403,892	3,294,603

*Excluding apples.

Note: All figures are for the calendar year, except those for oranges and lemons, which are for the 12 months period beginning November 1st of the preceding year.

Continued improvement in the economic condition of cattle and sheep raisers has been a noteworthy feature of the general agricultural situation in this district during 1927. Attractive market prices, particularly for cattle, induced livestock men to finish and sell an unusually large proportion of their marketable stock, and fewer unfinished animals were sent to feedlots for fattening during the winter months of 1927 than was the case in 1926. The reported smaller volume of these so-called "feeder" operations may also be the result of a continuing tendency in the livestock industry to build up breeding herds, a tendency particularly noticeable among sheep raisers. Prices of wool at shearing time were lower in 1927 than in 1926. The year witnessed a change in the trend of wool prices, however, the downward movement which began early in 1925 giving way to an upward movement in the summer of 1927.

Livestock on Farms and Ranges

Twelfth Federal Reserve District

Jan. 1st	Milch Cows	Other Cattle	Sheep	Hogs
1928	1,405,000	3,738,000	13,621,000	1,641,000
1927	1,397,000†	3,908,000†	13,217,000†	1,465,000†
1926	1,388,000	4,158,000	12,545,000	1,235,000
1925	1,390,000	4,551,000	12,179,000	1,386,000
1924	1,535,000	4,652,000	12,130,000	1,859,000
1923	1,467,000	4,712,000	11,938,000	1,778,000

†Revised.

The generally satisfactory outcome of the agricultural year was marred only by the marketing difficulties of certain groups of producers, notably some of the deciduous fruit growers of California, Oregon, and Washington. Rapid increases in yield, particularly of

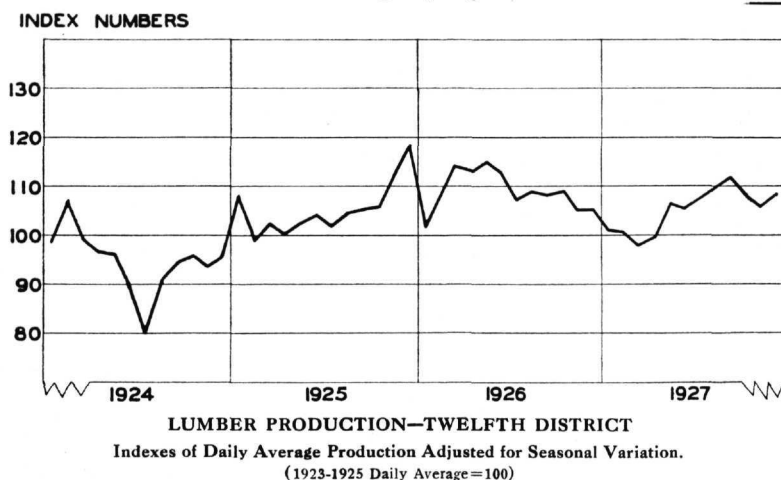
prunes, raisins, and canning peaches, during recent years have presented serious marketing problems which are not yet satisfactorily solved.

Industry

Workers on payrolls of industrial concerns in the Twelfth Federal Reserve District averaged fewer in number and total wage payments were smaller during 1927 than during 1926, an indication that industry generally was not so active in the later as in the earlier year. The principal decreases were recorded in the building, lumbering, mining, and food packing industries.

During the first quarter of 1927 there was a seasonal expansion in productive activity and volume of **employment** was greater than in the corresponding period of 1926. During the second quarter of the year some curtailment of operations was reported and this curtailment persisted to the year-end. Volume of employment in the latter part of the year was below the levels of 1926. Unemployment resulting from the slower pace of industry was aggravated by an unusually large winter influx of workers from other parts of the country.

Particular difficulty has been experienced during 1927 in securing satisfactory statistical data concerning the lumber industry. Estimates made by this bank indicate that output of **lumber** in the Twelfth Federal Reserve District was smaller during 1927 than during 1926. Efforts to keep production within the limits of apparent demand at a price level profitable to producers, met with fair success during the early part of 1927, but during the summer and autumn months output tended to exceed shipments and orders received. This bank's estimates of changes in daily average production of lumber during the months of 1924, 1925, 1926, and 1927, are presented in index number form in the accompanying chart.



Value of **building** permits issued in 20 principal cities of the district during 1927 was smaller than in any year since 1922. A part of the decrease in value of building permits, as compared with earlier years, may be accounted for by declines in building costs, but, even though allowance be made for this factor, it is apparent that building was less active during 1927 than during the preceding four years.

A tabular statement of value of building permits issued in principal cities of the Twelfth Federal Reserve District and of construction costs in the United States during recent years follows:

Building Activity

Twelfth Federal Reserve District

Year	Value	—Value of Permits Issued*—	Index	—Construction Costs†—
		Percentage Change from Previous Year		Percentage Change from Previous Year
1927	\$331,821,393	— 8.2	189	— 2.6
1926	361,387,378	—14.3	194	0.5
1925	421,594,906	7.5	193	1.0
1924	392,182,245	— 6.6	191	— 1.5
1923	419,726,721	35.1	194	11.5
1922	310,676,178	48.7	174	— 0.3

*Twenty cities.

†Source: Federal Reserve Bank of New York. Annual averages of construction costs, including materials and wages, for the United States. 1913 costs=100.

The mining industry was slightly less active during 1927 than during 1926. Of the principal metals (gold, silver, copper, lead, and zinc) mined in the district, lead was the only one to show increased production over the year period. Prices of these metals have, on the average, been lower during 1927 than during 1926. In the fourth quarter of 1927, the market for silver and copper improved, however, and their December prices were higher than in the same month of 1926.

Mineral Production

Twelfth Federal Reserve District*

	Gold (oz.)	Silver† (oz.)	Copper† (lbs.)	Lead† (lbs.)	Zinc† (tons)
1927	1,154,572 (53.0)	41,402 (69.7)	1,102,766 (66.1)	631,892 (49.0)	82,646 (11.5)
1926	1,200,484 (51.4)	43,039§ (68.6)	1,119,041§ (64.9)	626,528§ (45.9)	96,518§ (12.5)
1925	1,284,331 (53.2)	46,338 (70.0)	1,092,434 (65.1)	620,586 (45.3)	48,544 (6.8)
1924	1,305,273 (51.6)	44,914 (68.7)	1,050,238 (65.4)	530,263 (44.4)	23,643 (3.7)
1923	1,374,201 (54.9)	48,652 (66.3)	942,979 (63.8)	492,735 (45.0)	28,237 (4.6)

*Including all of Arizona, the five southeastern counties of which are in the Eleventh Federal Reserve District. †000 omitted. ‡Not including Arizona, Oregon and Washington. §Revised.

Figures in parentheses indicate percentage of Twelfth District production to that of United States.

Production of Portland cement in Pacific Coast states has increased steadily during recent years. During 1927, the output was greater than in any year of record.

Portland Cement

California, Oregon, and Washington

	California (barrels in thousands)	Oregon and Washington (barrels in thousands)	Twelfth District (barrels in thousands)
1927	14,105	3,508	17,613
1926	13,842	3,197	17,039
1925	13,098	3,868*	16,966*
1924	11,615	2,983*	14,598*
1923	11,002	3,105*	14,107*

*Includes figures for Montana.

<http://fraser.stlouisfed.org/>

Federal Reserve Bank of St. Louis

During 1927, production of **petroleum** in California slightly exceeded production in 1924, 1925, and 1926, and was larger than in any other year, excepting the peak year of 1923. Output of refined oils was greater than in any other year of record. Consumption of crude oil was well maintained, exceeding output, so that stored stocks at the close of 1927 (113,281,630 barrels) were 5.2 per cent smaller than at the beginning of the year. Prices for petroleum and petroleum products were generally lower during 1927 than during 1926.

Petroleum California

	Total (barrels)	Production		Stored Stocks at End of Year (barrels)	Producing Oil Wells Completed	Average Active Producing Wells
		Per Cent California to United States	Daily Average (barrels)			
1927	230,751,000	25.8	632,196	113,281,630	901	11,278
1926	224,117,000	29.2	614,019	119,542,556	913	11,288
1925	230,147,000	30.4	630,541	127,194,894	948	11,393
1924	230,064,000	32.1	728,590	97,829,374	1,238	10,903
1923	263,729,000	35.9	722,545	89,274,244	980	8,928
1922	139,671,000	24.8	382,660	†	837	9,410
1921	114,709,000	23.8	314,271	†	704	9,425
1920	105,668,000	23.3	288,710	†	572	9,299
1919	101,564,000	26.7	278,258	†	559	†
1918	97,532,000	27.4	267,211	†	586	†

†Comparable figures not available.

Source: American Petroleum Institute.

More **flour** was produced in this district during 1927 than in any other year since 1923. Output, as reported by 14 large milling companies producing more than half of the district's total grindings, was 41 per cent larger than in 1926. The increase was a reflection not only of the larger supplies of wheat available in the Pacific Northwest, but also of an improved market demand, for millers' stocks of flour were but 12 per cent larger in volume at the close of the year than at its beginning. The actual amount of this increase in stocks was less than one per cent of total annual production, indicating that consumption or disappearance of flour approximated production during the year. Both flour and wheat prices averaged lower during 1927 than in 1926, and the extent of their declines was about equal to the drop of 5 per cent in the general wholesale price level.

Flour Milling

Twelfth Federal Reserve District

	Flour Production*		Stocks at Close of Year	
	Total (barrels)	Monthly Average (barrels)	Flour (barrels)	Wheat (bushels)
1927.....	6,010,249†	500,481	442,236	3,939,150
1926.....	4,961,319	413,443	396,431	2,955,219
1925.....	4,674,316	389,526	412,192	4,022,593
1924.....	5,907,329	492,277	548,550	2,927,762
1923.....	6,779,155	564,930	569,430	3,901,986
1922.....	5,944,977	495,415	521,501	4,337,362
1921.....	5,652,981	471,082	472,693	2,129,600

*14 mills reporting.

†Figures for one mill partially estimated.

The pack of **canned foods** in the Twelfth District, including canned fruits, vegetables, and fish, although smaller during 1927 than during 1926, was above the average of recent years. Canned fruit pack-

ers entered the year 1927 with heavy stocks of the record 1926 pack still on hand. By means of energetic sales campaigns and substantial price reductions these stocks were disposed of, but the difficulty experienced in marketing them bred curtailment of production in 1927. The Pacific Coast canned salmon pack is estimated to have been smaller in 1927 than in any year since 1921, the size of the pack being largely a reflection of the restricted catch of fish in coast waters during the past year.

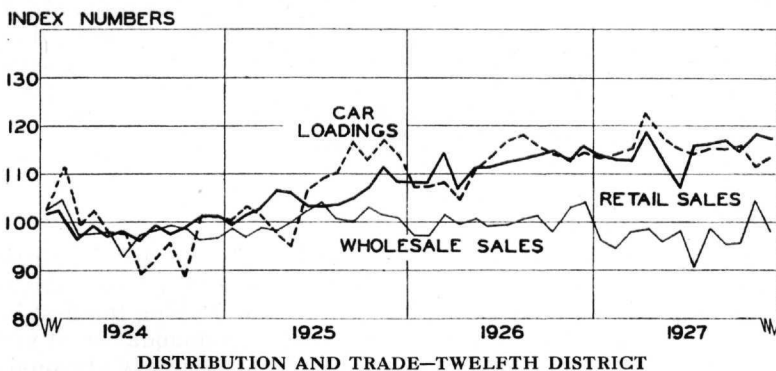
Canned Fruits and Vegetables

Combined Pack California, Oregon, Washington, and Idaho

	Fruits (cases)	Vegetables (cases)	Totals (cases)
1927.....	21,657,577	9,569,828	31,227,405
1926.....	27,477,963	10,429,516	37,907,479
1925.....	20,323,719	9,620,842	29,944,561
1924.....	14,631,939	7,795,642	22,427,581
1923.....	15,260,727	8,430,680	23,691,407
1922.....	18,900,917	7,509,829	26,410,746
1921.....	11,211,292	2,815,556	14,026,848

Distribution and Trade

The total volume of trade transacted in the district during 1927 probably exceeded that of 1926. Railway **carloadings** of merchandise and miscellaneous freight, an indication of the volume of goods moving through distributive channels, were larger than in 1926 as was the dollar value of **sales at retail**. Value of **sales at wholesale** and value of **imports and exports**, on the contrary, were smaller than in the previous year. Relative decreases in these dollar value figures were not so great, however, as were declines in prices of the principal commodities passing through wholesale and foreign trade channels, and it is estimated that the physical volume of such distribution was larger during 1927 than during 1926.



Indexes adjusted for seasonal variation. 1923-1925 average=100. Daily average figures of department store sales and railway carloadings of merchandise and miscellaneous freight. Monthly figures of sales at wholesale.

Trade was active at relatively high levels during the first six months of 1927. During the third quarter of the year, there was some contraction in carloadings and in sales at wholesale, a reflection, no doubt, of curtailment of industrial operations. During both the second and third quarters of the year jobbers reported greater difficulty in making collections on outstanding accounts than during the

same period of 1926. Toward the year's close, as reports of satisfactory harvesting returns were verified, wholesale trade activity increased and collection conditions improved. The decline in carloadings extended into the last quarter of the year, however, and during November and December, 1927, district loadings were smaller than in the corresponding months of 1926. The general trend of sales at retail was upward throughout the year. The rate of stock turnover of reporting retail stores amounted to 2.99 for 1927, a figure approximately the same as that computed for 1926 (2.96).

Distribution and Trade Twelfth Federal Reserve District

	Index Numbers			
	(1923-1925 annual average=100)			
	1927	1926	1925	1924
Carloadings, Total	112	113	108	97
Carloadings, Merchandise and Miscellaneous.....	115	112	108	98
Imports*	114	118	104	100
Exports	124	127	102	108
Sales at Wholesale	97	100	101	98
Sales at Retail	115	112	105	99
Stocks, Retail	108	101	102	103
Stock Turnover, Retail†	2.99	2.96	2.71	2.55

*Excluding silk. †Actual turnover (times per year) at 27 department stores.

Instalment sales were larger in amount during 1927 than during 1926. Instalment accounts outstanding at reporting stores increased more than 10 per cent during the later year, whereas total sales of these stores increased only three per cent. Collections on instalment accounts were generally slower than in 1926, particularly during the last half of the year. Collections on regular charge accounts at retail were maintained during 1927, at or above the level of 1926.

Sales of new **automobiles** in the district were considerably smaller in number during 1927 than during 1926. The decrease, which was particularly marked during the last half of 1927, was probably due in large part to the discontinuance of production and partial discontinuance of distribution of Ford cars during the last eight months of the year. The decline in sales of new automobiles also may have reflected some reduction in consumer purchasing power and a tendency toward redistribution of expenditures from total annual income.

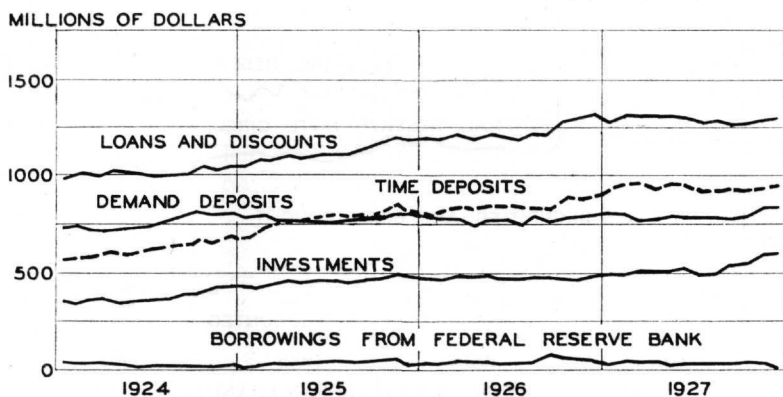
Banking and Credit

Changes in banking and credit conditions in the district during the year 1927 reflected, with considerable accuracy, seasonal and other changes in the general business situation. During the first half of the year, fluctuations in demand for credit accommodation at member banks and at the Federal Reserve Bank were largely seasonal in character. During the second half of the year the changing credit situation reflected a moderate recession in industry and in some lines of trade, as well as the usual seasonal influences. It was during this period of declining business activity that the rediscount rate of the Federal Reserve Bank of San Francisco was reduced from 4 to 3½ per cent, the lower rate becoming effective on September 10, 1927. The 4 per cent rate had been in effect since November 23, 1925.

Following a seasonal decline at the beginning of the year, total loans of reporting member banks of the district increased somewhat,

apparently reflecting the increased demand for credit to meet the requirements of more active trade and industry in the spring. Investments also increased during the period, and the growth in total loans and investments was accompanied by a temporary increase in the volume of member bank borrowing at the Federal Reserve Bank.

The second quarter of the year 1927 witnessed a seasonal decline in the demand for credit which continued during the summer months, reflecting curtailment of industrial and trade activity and delay in harvesting the district's crops. Loans of member banks in leading cities declined throughout most of the period and, except for a temporary increase during June, investments also declined while deposits remained at a relatively high level. Thus with available funds abundant in relation to the demand for credit, member banks were enabled to reduce the volume of their borrowing at the Federal Reserve Bank, and in September daily average holdings of discounted bills at the Federal Reserve Bank of San Francisco, at \$35,597,000, were smaller than at any time since February, 1926.



REPORTING MEMBER BANKS—TWELFTH DISTRICT

Demand Deposits, Time Deposits, Loans and Discounts, Investments, and Borrowings from Federal Reserve Bank

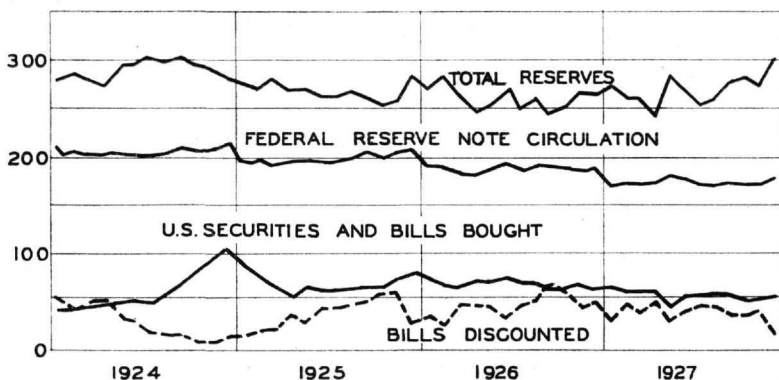
(as of the last Wednesday of each month)

During the early autumn and in closing months of the year member banks in leading cities added considerable amounts to their investment holdings; in late September and in October while the bulk of the district's crops was being marketed there was also a temporary growth in the loans of these banks which reached a seasonal peak of \$1,291,000,000 on October 11th. For the first time since 1921, and contrary to the experience of most previous years, the high point of the autumn borrowing at member banks in leading cities was below that of the previous spring (\$1,317,000,000 on March 9, 1927). Increase in loans and investments was accompanied by continued growth in the volume of deposits at member banks. The seasonal increase in the demand for credit incident to the movement of the district's crops resulted in a temporary increase in the demand for member bank accommodation at the Reserve Bank. Discounts at the Federal Reserve Bank of San Francisco increased from \$30,000,000 to more than \$59,000,000 (the high point of the year) during the crop moving period. The latter figure, reached on October 11, 1927,

was \$9,000,000 (13.6 per cent) smaller and came two weeks later than the 1926 autumn peak (\$68,694,000 on September 29, 1926).

With the passing of the peak of the agricultural marketing season in late October and early November, reporting member bank loans again declined and discounts at the Federal Reserve Bank of San Francisco were again reduced. Toward the close of the year, the incidence of demand for credit tended to shift from industry and agriculture to trade, and loans at reporting member banks increased to a seasonal holiday peak of \$1,306,000,000 on December 21, 1927. Heavier borrowing at the Reserve Bank during this period reflected chiefly the usual Christmas holiday demand for currency, and also the increase in the reserve requirements of member banks. From mid-December to the end of the year seasonal liquidation reduced the volume of loans at member banks and of member bank discounts at the Reserve Bank.

MILLIONS OF DOLLARS



FEDERAL RESERVE BANK OF SAN FRANCISCO

Total Reserves, Federal Reserve Note Circulation, Investments (U. S. Securities and Bills Bought), and Bills Discounted
(as of the last Wednesday of each month)

At no time during the year was there any lack of credit for agriculture, commerce and industry, and the amount of Federal reserve funds in use was at all times relatively small.

OPERATIONS OF THE FEDERAL RESERVE BANK OF SAN FRANCISCO DURING 1927

In the field of internal organization and operation, the thirteenth year of the Federal Reserve Bank of San Francisco differed little from those which immediately preceded it. A substantial gain in total volume of operations was recorded, but only moderate use was made of the bank's facilities having to do with grant of credit. Earnings of the bank, while smaller than in 1926, were sufficient to pay all expenses and the legally prescribed dividend, and to provide for an increase in surplus approximating half a million dollars. Some measure of the principal operations of the bank during the past three years is afforded by the figures in the table on page 26.

Although similar figures are not available for all of the thirteen years since the organization of the Federal Reserve Bank of San Francisco, an idea of the growth in size and importance of its operations may be gained from the following comparisons of items taken from condition statements of the bank on corresponding dates in 1915 and 1927:

Resources	November 30, 1927	November 30 1915
Gold Reserves	\$264,157,000	\$17,730,000
Bills Discounted	41,254,000	687,000
Bills Bought	7,622,000	521,000
Securities	45,797,000	2,136,000
All Other Resources	58,622,000	4,607,000
 Total Resources	 \$417,452,000	 \$25,681,000
Liabilities	November 30, 1927	November 30, 1915
Federal Reserve Notes in Circulation.....	\$169,180,000	\$ 4,370,000
Member Bank Deposits	175,432,000	17,327,000
Capital Paid in	9,302,000	3,941,000
Surplus	16,121,000
All Other Liabilities	47,417,000	43,000
 Total Liabilities	 \$417,452,000	 \$25,681,000

Statement of Condition

A comparative statement of condition of the Federal Reserve Bank of San Francisco as of December 31, 1927, and December 31, 1926, is presented below, with such explanatory remarks as will aid in its interpretation. Changes over the year period have been relatively unimportant and it is not necessary to call attention here to the movement of particular items. It should be pointed out, however, that the figures shown for reserves and for bills discounted at the year-end, and particularly as of December 31, 1927, are misleading to the extent that they represent a purely temporary movement of these items. Some member banks, for traditional reasons, prefer not to appear as debtors of the Federal Reserve Bank in their annual published statements of condition, and these banks liquidate their borrowings for a few days at the year-end. Some reference should also be made to the decline shown in holdings of acceptances bought in the open market over the year period. During the later months of 1927 a considerable volume of acceptances was purchased in the

San Francisco market for the account of other Federal reserve banks, so that the decline in the San Francisco Reserve Bank's holdings does not represent a corresponding decline in Pacific Coast acceptance offerings.

Statement of Condition—Federal Reserve Bank of San Francisco

RESOURCES		Dec. 31, 1927	Dec. 31, 1926
Cash Reserves held by this bank against its deposits and note circulation:			
Gold and Gold Certificates in vault.....	\$	29,363,981.92	\$ 39,942,315.21
Gold in the Gold Settlement Fund lodged with the Treasurer of the United States for the purpose of settling current transactions between Federal Reserve Districts.....		55,318,623.69	29,760,448.59
Gold Held by the Federal Reserve Agent as part of the collateral deposited by the bank when it obtains Federal Reserve notes. This gold is lodged in his name partly in the vaults of the bank and partly with the Treasurer of the United States...		226,184,995.00	185,587,365.00
Gold Redemption Fund in the hands of the Treasurer of the United States to be used to redeem such Federal Reserve notes as are presented to the Treasurer for redemption		1,874,596.23	2,959,626.62
Legal Tender Notes, Silver, and Silver Certificates in vaults of the bank (available as reserve against deposits only).....		6,942,838.00	6,620,311.00
<i>Total Cash Reserves</i>		\$319,685,034.84	\$264,870,066.42
Loans and Investments			
Loans to Member Banks:			
Secured by obligations of the United States	\$	985,200.00	\$ 7,632,100.00
By the discount of commercial or agricultural paper or acceptances.....		4,234,629.79	26,567,262.97
Acceptances bought in the open market....		13,842,131.91	31,374,221.26
United States Government bonds, notes, etc.		46,075,350.00	40,667,200.00
<i>Total Loans and Investments</i> (or Earning Assets)		\$ 65,137,311.70	\$106,240,784.23
Uncollected Items			
Checks and Other Items Not Yet Collected...	\$	41,483,934.81	\$ 45,766,738.37
Miscellaneous Resources			
Bank Premises	\$	3,373,761.51	\$ 3,397,325.49
Non-Reserve Cash , consisting largely of National Bank notes and minor coin.....		4,456,751.99	3,760,840.65
All Other Miscellaneous Resources		834,339.51	1,191,642.67
<i>Total Miscellaneous Resources</i>	\$	8,664,853.01	\$ 8,349,808.81
TOTAL RESOURCES		\$434,971,134.36	\$425,227,397.83

LIABILITIES

Currency in Circulation

Federal Reserve Notes in actual circulation, payable on demand. These notes are secured in full by gold and discounted and purchased paper

Dec. 31, 1927	Dec. 31, 1926
\$176,399,835.00	\$187,109,150.00

Deposits

Reserve Deposits maintained by member banks as legal reserves against the deposits of their customers

\$189,268,430.42	\$163,332,389.62
------------------	------------------

United States Government Deposits

1,704,276.87	532,150.54
--------------	------------

Other Deposits, including foreign deposits, deposits of non-member clearing banks, etc.

5,000,925.27	7,797,104.69
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<i>Total Deposits</i>	\$195,973,632.56	\$171,661,644.85
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Deferred Availability Items

Deferred Items, composed mostly of uncollected checks on banks in all parts of the country

\$ 36,598,114.02	\$ 41,511,112.79
------------------	------------------

Miscellaneous Liabilities

Reserves and All Other Miscellaneous Liabilities

\$ 68,116.51	\$ 168,615.77
--------------	---------------

Capital and Surplus

Capital Paid In, equal to 3 per cent of the capital and surplus of member banks

\$ 9,302,150.00	\$ 8,655,950.00
-----------------	-----------------

Surplus as permitted by law

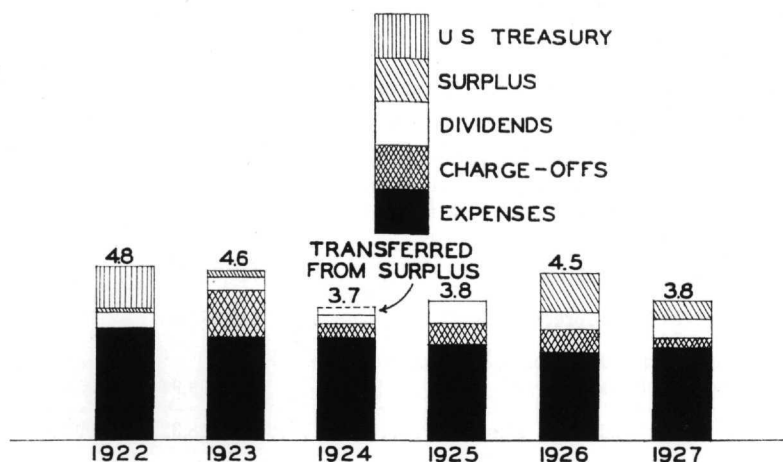
16,629,286.27	16,120,924.42
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<i>Total Capital and Surplus</i>	\$ 25,931,436.27	\$ 24,776,874.42
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TOTAL LIABILITIES	\$434,971,134.36	\$425,227,397.83
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Earnings and Expenses

Average holdings of all classes of earning assets at the Federal Reserve Bank of San Francisco were smaller during 1927 than during 1926 and rates of discount averaged lower in the later than in



EARNINGS AND EXPENSES

Amount and Distribution of Earnings of the Federal Reserve Bank of San Francisco
(in millions of dollars)

Charge-offs represent chiefly depreciation allowances on bank premises, reserve for probable losses, and cost of furniture and equipment purchased.

the earlier year. As a result, gross earnings of the bank at \$3,853,442 for the year 1927 were \$701,000 or 15.4 per cent below the figure for 1926. Current expenses were approximately the same in 1927 as in 1926 despite a general increase in total volume of business transacted. Deductions from gross earnings, other than for current expenses declined during 1927 as compared with 1926, a large decrease in the amount set aside as reserve for probable losses more than offsetting moderate increases in reserves for depreciation of bank premises and in the furniture and equipment account. These latter increases were the result of the occupancy of the new Salt Lake City branch building early in 1927, while the decline in the amount allotted to reserve for probable losses reflects the clearing up of a difficult banking situation which had its inception in 1919, 1920, and 1921.

The principal sources of earnings of the Federal Reserve Bank of San Francisco during 1927 and 1926, with an enumeration of the major classifications of operating expenses and a statement of distribution of net income, are presented in the following table:

INCOME AND DISBURSEMENTS

Earnings	1927	1926
On Loans to Banks and Paper Discounted for Them	\$1,676,695.99	\$1,867,134.26
On Acceptances Purchased	630,905.95	896,498.22
On United States Government Obligations Owned	1,395,670.89	1,586,101.39
Other Earnings	150,168.90	205,126.16
<i>Total Earnings</i>	<u>\$3,853,441.73</u>	<u>\$4,554,860.03</u>
Deductions from Earnings		
For Current Bank Operation	\$2,249,151.70	\$2,232,925.71
For Assessments for Federal Reserve Board Expenses	54,788.66	49,630.19
For Federal Reserve Currency , mainly the cost of printing new notes to replace worn notes in circulation, and to replenish the stock unissued and on hand	157,006.58	136,829.77
For Furniture and Equipment	144,047.76	99,429.80
For Reserves for Depreciation	140,953.68	125,753.78
For Reserves for Probable Losses on advances to member banks	52,069.94	354,291.53
<i>Total Deductions from Earnings</i>	<u>\$2,798,018.32</u>	<u>\$2,998,860.78</u>
NET INCOME available for dividends, additions to surplus, and payment to the United States Government	<u>\$1,055,423.41</u>	<u>\$1,555,999.25</u>

INCOME AND DISBURSEMENTS—Continued

	1927	1926
Distribution of Net Income		
In Dividends Paid to Member Banks , at the rate of 6 per cent on paid-in capital.....	\$ 547,061.56	\$ 506,067.94
In Additions to Surplus —The bank is permitted by law to accumulate out of net earnings, after payment of dividends, a surplus amounting to 100 per cent of the subscribed capital; and after such surplus has been accumulated to pay into surplus each year 10 per cent of the net income remaining after paying dividends	508,361.85	1,049,931.31
In Payment to the United States Government , as a franchise tax representing the entire net income of the bank after paying dividends and making additions to surplus (as above). No balance remained for such payments in 1926 and 1927	—0—	—0—
TOTAL NET INCOME DISTRIBUTED	\$1,055,423.41	\$1,555,999.25

Federal Reserve Note Issues

A marked change in the proportions of the two kinds of collateral held as security against outstanding Federal reserve notes (partly held by the Federal Reserve Bank and partly in actual circulation) is the most striking feature of the comparative statement of note accounts of the Federal Reserve Agent at San Francisco as of December 31, 1927 and 1926. The amount of gold pledged as collateral for the issuance of Federal reserve notes increased from \$185,587,365 to \$226,184,995 over the year period while the amount of eligible paper* pledged for the same purpose declined from \$65,445,264 to \$17,612,559. This movement is the result of the same temporary influence (see page 15) which caused reserves of the Federal Reserve Bank to increase and its holdings of discounted bills to decline at the close of 1927. The figures serve, nevertheless, to call attention to the relatively large gold cover behind Federal reserve notes during recent years. The following table shows the principal items of the Federal Reserve Agent's note accounts as of December 31, 1927 and 1926.

Federal Reserve Agent's Note Account

	1927	1926
Federal reserve notes received from Comptroller of the Currency—Net figure as of December 31.....	\$296,828,995	\$284,891,365
Federal reserve notes on hand—December 31.....	62,100,000	53,300,000
Federal reserve notes issued and outstanding—December 31	\$234,728,995	\$231,591,365
Collateral pledged by Federal Reserve Bank against outstanding Federal reserve notes—December 31:		
Gold and gold certificates	\$226,184,995	\$185,587,365
Eligible paper	17,612,559	65,445,264
Total collateral	\$243,797,554	\$251,032,629

*Notes, drafts, bills of exchange, or acceptances acquired by discount under the provisions of Section 13 of the Federal Reserve Act, or bills of exchange, endorsed by a member bank, or banker's acceptances purchased under the provisions of Section 14 of that Act.

Member Bank and Public Relations

The official staff of the Federal Reserve Bank of San Francisco has continued to conduct such member bank and public relations work as is deemed necessary and desirable. In 1927, as in previous years, many of the member banks and not a few non-member banks of the district were visited by one or more of the bank's officers. Frequent response was made to requests for speakers on the Federal Reserve System, and miscellaneous other activities which furthered the public relations of the bank were encouraged.

Movement of membership was dominated during 1927, as in other recent years, by the spread of branch banking in California. Con-

Changes in Bank Membership During the Year 1927

(By Class of Bank)

	Member Banks			Resources (in thousands)
	National	State	Total	
Active member banks—December 31, 1926	568	153	721	\$3,664,339
Additions to Membership:				
Organizations of National banks.....	10	...	10	4,580
Conversion of non-member banks to National banks	3	...	3	1,806
Admission of State banks.....	...	3	3	12,579
Resumption following suspension	1	...	1	708
Conversion within the System.....	2*	...	2*	(461,977)†
Succession between member banks of same class	1*	...	1*	(1,935)†
TOTAL ADDITIONS	17	3	20	\$19,593
Losses to Membership:				
Merger between member banks:				
Intraclass	35‡	6	41	(\$219,002)†
Interclass	2	6	8	(242,519)†
Voluntary liquidations	1	...	1	86
Suspension or insolvency	8	7	15	7,678
Absorption of member by non-member banks	12	1	13	12,768
Conversion of member to non-member banks	1	1	12,012
Withdrawal of State banks.....	...	1	1	1,906
Conversion within the System.....	...	2*	2*	(461,977)†
Succession between member banks of same class	1*	...	1*	(1,935)†
TOTAL LOSSES	59	24	83	\$34,450
Net Change	-42	-21	-63	—\$14,857
Active member banks—December 31, 1927	526	132	658	\$3,937,939¶

*Changes not affecting total number of banks.

†Changes not affecting total resources of member banks.

‡Includes 26 banks which were absorbed by non-member banks and subsequently absorbed by a member State bank which converted into a National bank.

¶Shows a gain of \$273,600,000 during 1927. Gain of \$288,457,000 due to increases in resources of member banks in system throughout year, partially offset by loss of \$14,857,000 shown in table due to changes in bank membership.

tinued absorption of so called unit member banks by large branch banking systems in that state resulted in a decline in the total number of member banks in the district from 721 on December 31, 1926, to 658 on December 31, 1927. This movement has been in progress, in approximately its present dimensions, since the close of 1921 when 837 national and State banks held stock in the Federal Reserve Bank of San Francisco.

Loss in numerical strength under these circumstances has no significance insofar as the resources of member banks, or the proportion of those resources to the total banking resources of the district, are concerned. During 1927 total resources of all member banks increased from \$3,664,339,000 to \$3,937,939,000, a gain of \$273,600,000, or 7.5 per cent.

Legislative changes in the laws relating to the establishment and maintenance of branches of national and state member banks focussed attention on the branch banking situation in California during the early part of 1927. Amendment of that section of the Federal Reserve Act relating to branches of State member banks and of those sections of the revised statutes of the United States relating to branches of national banks was effected February 25, 1927, and matters which had previously been subject to administrative interpretation and regulation by the Federal Reserve Board and the

Branch Banks in California

Date	Number of Banks	Number of Branches	Total Resources
Dec. 31, 1926:			
State Banks—Member	16	355	\$1,551,747,457
Non-Member	58	230	755,959,950
Total number of State banks having branches	74	585	\$2,307,707,407
*Total number of National banks having branches	16	85	449,361,819
Total	90	670	\$2,757,069,226
Dec. 31, 1927:			
State Banks—†Member	8	174	\$ 859,438,000
Non-Member	47	186	666,191,000
Total number of State banks having branches	55	360	\$1,525,629,000
*Total number of National banks having branches	13	448	1,432,916,000
Total	68	808	\$2,958,545,000

*Includes Bank of California, N. A., San Francisco, California, with branches at Portland, Oregon, and Seattle and Tacoma, Washington.

†Includes one foreign branch of the American Trust Company, San Francisco, California.

Comptroller of the Currency became subject to law. The amended paragraph of the Federal Reserve Act (paragraph two, Section nine) now reads as follows:

“Any such State bank which, at the date of the approval of this Act, has established and is operating a branch or branches in conformity with the State law, may retain and operate the same while remaining or upon becoming a stockholder of such Federal reserve bank; but no such State bank may retain or acquire stock in a Federal reserve bank except upon relinquishment of any branch or branches established after the date of the approval of this Act beyond the limits of the city, town, or village in which the parent bank is situated.”

Immediately prior to the effective date of this amendment to the Act there was, for obvious reasons, a rapid increase in the establishment of additional branches of both member and non-member State banks. The branches then established by member State banks were qualified for retention within the Federal Reserve System. Similarly, many of the non-member State bank branches then established could later be brought into the System either directly, the parent bank obtaining membership, or indirectly by consolidation of the parent bank with a national bank, under the permissive features of the amended statutes governing branches of national banks.

The last ten months of 1927 brought a further but less rapid development of branch banking in California, principally on the part of non-member State bank interests. On December 31, 1927, total resources of branch bank systems in California were approximately 74 per cent of total resources of all banks in the State.

In order to establish a more intimate knowledge of the condition of member banks, the Federal Reserve Bank of San Francisco planned and carried out a heavier program of bank examination work in 1927 than in immediately preceding years. To care for the increased volume of work and to facilitate credit investigations of the large branch banking systems, three examiners were added to the bank's staff early in the year. Twenty-two independent credit investigations were made of national and State member banks as compared with three in 1926, and 97 credit investigations were carried on simultaneously with examinations made by national and State bank examiners, as compared with 87 in 1926. A tabular summary of examinations and credit investigations made by the Federal Reserve Bank of San Francisco during the year 1927 follows:

Member Bank Examinations

Independent examinations (for admission)	4
Examinations made concurrently with National and State Banking Departments	0
Independent credit investigations:	
State banks	16
National banks	6
Concurrent credit investigations:	
With State examiners	95
With National examiners	2
TOTAL NUMBER OF EXAMINATIONS AND INVESTIGATIONS MADE	123

The two largest branch banking systems in California were converted from State to national banks during 1927 with a consequent shift in the examination burden from the State Banking Department to the office of the National Bank Examiner for the district. Examiners and other employees of the Federal Reserve Bank of San Francisco were loaned to the national authorities to assist in the examination of these banks, with their 317 branches and, continuing previous practice, assistance was given the State Banking Department in examining a large State member bank with 94 branches.

The following quotation concerning the research and statistical work of the bank, taken from the Annual Report for the year 1926, will again serve to describe that phase of the bank's activities. "The Monthly Review of Business Conditions, prepared under the direction of the Chairman of the Board and Federal Reserve Agent at San Francisco was published throughout the year and distributed without charge to approximately 9,000 banks and interested individuals. The Division of Analysis and Research of the Federal Reserve Agent's office, which is currently engaged in the study of business and credit conditions, has distributed such of its findings as are of a public nature, both through the medium of the Monthly Review and by means of special reports and correspondence. In addition it has maintained files of statistical material, relating to the Twelfth Federal Reserve District and to the United States, which are becoming an increasingly important source of public information."

Bank Organization and Personnel

On December 31, 1927, the terms of three directors of the Federal Reserve Bank of San Francisco, Howard Whipple of Class A, William T. Sesnon of Class B, and Walton N. Moore of Class C, expired. Mr. Whipple, President of the First National Bank of Turlock, California, was re-elected as Class A director by the member banks of Group Three (those having a combined capital and surplus of less than \$125,000) for a term of three years ending December 31, 1930.* Mr. Sesnon, agriculturist of San Francisco and Soquel, California, was re-elected by the banks of Group Two (those having a combined capital and surplus not exceeding \$599,999 and not less than \$125,000) for a similar three-year term as director of Class B. The Federal Reserve Board reappointed Mr. Moore of San Francisco, California, a Class C director for a term of three years ending December 31, 1930, and redesignated him Deputy Chairman of the Board for the year 1928.

Isaac B. Newton of Los Angeles, a Class C director, whose term expires December 31, 1929, was likewise redesignated Chairman of the Board and Federal Reserve Agent for the year 1928.

To represent the Twelfth Federal Reserve District on the Federal Advisory Council during the year 1927, the Board of Directors chose Henry S. McKee, President of Barker Brothers, Inc., Los Angeles,

*On February 16, 1928, Mr. Whipple resigned from the Board of Directors. A successor for his unexpired term will be elected by the member banks of Group Three.

California, he having served in that capacity during the two preceding years and it being the custom to elect such representatives for three successive terms.†

In the appointment of directors of branches of the Federal Reserve Bank of San Francisco, it was decided during 1927 to revert to the practice of the years prior to 1925, namely, to have only five directors at each branch instead of, as in the past three years, having seven. To effect this reduction, no new appointments to the directorates of the five branches of the bank were made at the close of 1927, and nine directors who had served the three-year terms for which they were appointed, retired from office. (A tenth vacancy in the branch directorates had been in existence since January, 1927.) Otherwise the personnel and general organization of the branch boards of directors was unchanged.

The following changes in the official staff of the bank took place during 1927:

Resignations:

June 30—R. B. Motherwell, Managing Director, Los Angeles Branch, resigned to accept position as Vice President, Wells Fargo Bank and Union Trust Company.

December 31—L. C. Pontious, Deputy Governor, Head Office, resigned to accept position as Vice President, Anglo & London Paris National Bank, San Francisco.

December 31—A. C. Agnew, Counsel, Head Office, resigned to return to private practice. Mr. Agnew has been retained as counsel by the bank.

Appointments:

June 1—L. W. Dalby, Chief Clerk of Salt Lake City Branch, was appointed Assistant Cashier, Salt Lake City Branch.

July 1—W. M. Hale, Assistant Cashier, Head Office, was transferred to Los Angeles Branch as Managing Director of the branch.

July 1—J. M. Osmer, formerly Auditor, Head Office, was appointed Assistant Cashier, Head Office.

July 1—R. T. Hardy, formerly Chief Accountant, Head Office, was appointed Auditor, Head Office.

Effective January 1, 1928—G. W. Relf, formerly accountant at Seattle Branch was appointed Assistant Cashier, Seattle Branch.

†On January 5, 1928, F. L. Lipman, President of the Wells Fargo Bank and Union Trust Company of San Francisco was elected to serve as the representative of the Twelfth Federal Reserve District on the Federal Advisory Council during the year 1928.

Following is a comparative summary of the number of officers and employees in the principal departments of the bank, with corresponding aggregate annual salaries paid on January 1, 1927, and January 1, 1928. (Figures are for Head Office and branches combined.)

Personnel and Salaries

	Number		Annual Salaries	
	Jan. 1, 1928	Jan. 1, 1927	Jan. 1, 1928	Jan. 1, 1927
OFFICERS	31	32	\$ 241,000	\$ 243,600
EMPLOYEES BY DEPARTMENTS:				
Banking Department	758	747	1,177,417	1,150,385
Federal Reserve Agent's Department	29	25	77,180	60,180
Auditing Department	7	8	15,180	17,340
Fiscal Agency Department	16	21	29,580	37,260
TOTAL	841	833	\$1,536,757	\$1,508,765
FISCAL AGENCY DEPARTMENT EMPLOYEES (whose salaries are reimbursed by the Treasury Department)	2	2	4,260	4,080
OTHER EMPLOYEES (whose salaries are reimbursed to the bank, including building employees in space rented to tenants)	25	23	27,923	25,735
GRAND TOTALS	868	858	\$1,568,940	\$1,538,580
TEMPORARY EMPLOYEES (not included in above)	1	8	1,500	9,660

NOTE

Detailed statistical tables pertaining to the Twelfth Federal Reserve District and the Federal Reserve Bank of San Francisco will appear in the Annual Report of the Federal Reserve Board. Copies of the Board's report may be obtained, when published, from the Federal Reserve Board at Washington, D. C.

PRINCIPAL OPERATIONS

FEDERAL RESERVE BANK OF SAN FRANCISCO

The following table presents in comparative form for the past three years the volume of the principal operations of the bank, which are of such character that they can be expressed in quantitative terms.

	1927	1926	1925
Supplying Currency and Coin			
Currency Received and Counted:			
Individual notes counted.....	124,442,000	111,583,000	98,574,000
Dollar amount received and counted.....	\$927,786,000	\$881,019,000	\$782,218,000
Coin Received and Counted, a service previously performed largely by the Subtreasury, but now entirely in the hands of the Federal Reserve Bank:			
Number of coins handled in receiving and counting.....	109,252,000	79,311,000	54,425,000
Dollar amount received and counted.....	\$46,482,000	\$42,428,000	\$31,063,000
Making Loans and Investments			
Bills Discounted for Member Banks, either discounted customers' paper or advances against notes of member banks secured by collateral in the form of United States government securities or commercial or agricultural paper:			
Number of bills discounted.....	21,044	28,264	30,136
Dollar amount*.....	\$2,949,165,000	\$2,418,031,000	\$2,152,987,000†
Bills Purchased for the Account of this Bank:			
Number.....	29,601	31,567	26,983
Dollar amount.....	\$343,586,000	\$321,122,000	\$280,994,000
Collecting Checks, Drafts, Notes, and Coupons			
Checks handled for collection for banks in all parts of the country:			
Number of items.....	77,395,000	74,822,000	73,062,000
Dollar amount.....	\$14,310,906,000	\$15,627,527,000	\$15,002,811,000
Collection Items handled, including drafts, notes, and coupons:			
Number of items.....	2,850,000	3,002,000	3,350,000
Dollar amount.....	\$369,624,000	\$344,932,000	\$302,151,000
Supplementary Services			
United States Government Securities issued, redeemed, or exchanged, including government bonds, notes, and certificates of indebtedness:			
Number of items.....	362,000	345,000	613,000
Dollar amount.....	\$560,781,000	\$218,985,000	\$260,294,000‡
Funds Transferred by Telegraph to and from all parts of the country for the Treasury Department and for member banks:			
Number of transfers.....	145,000	140,000	128,000
Dollar amount.....	\$14,998,311,000	\$12,268,428,000	\$10,672,119,000

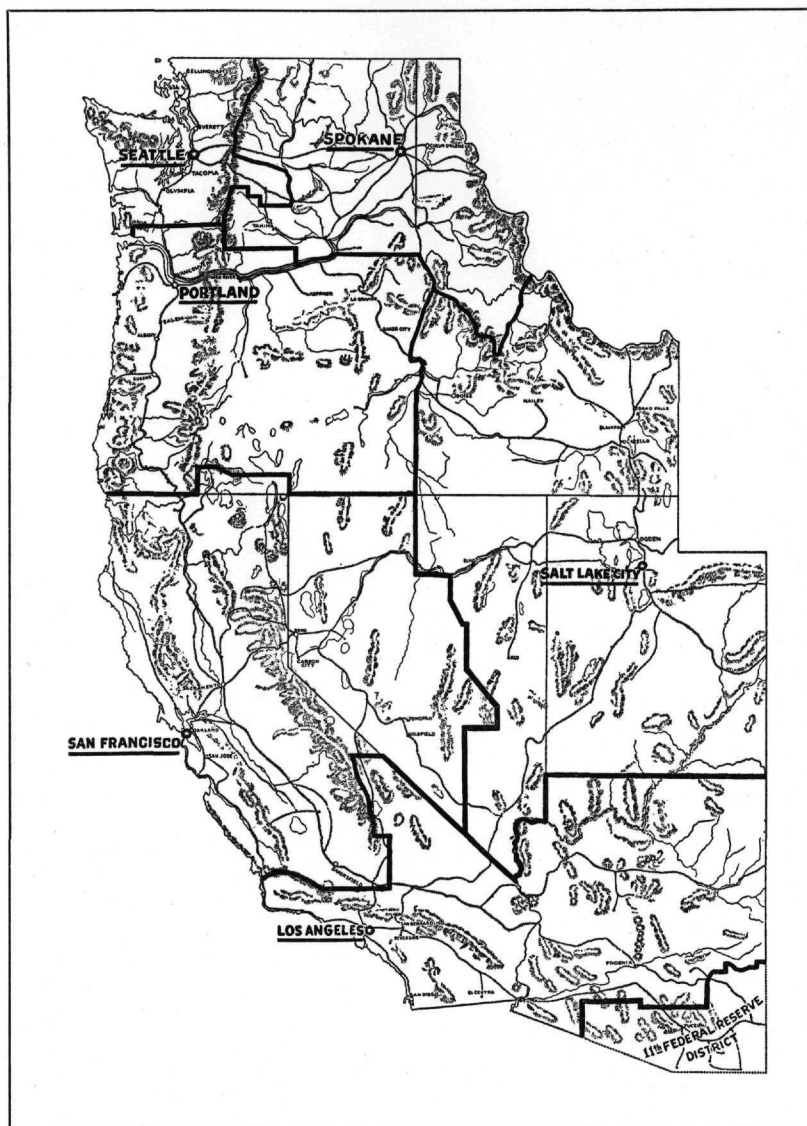
*Includes paper discounted for Federal Intermediate Credit Banks at Berkeley, California, and Spokane, Washington, amounting to \$9,197,000 in 1927; \$7,264,000 in 1926, and \$1,651,000 in 1925.

†Revised figure; shown as \$2,154,200,000 in Eleventh Annual Report.

‡Revised figure; shown as \$260,304,000 in Eleventh Annual Report.

TWELFTH FEDERAL RESERVE DISTRICT

Includes the states of Arizona, except the five Southeastern Counties,
California, Idaho, Nevada, Oregon, Utah and Washington



Map showing territory of Head Office and Branches
of the Federal Reserve Bank of San Francisco