

ANNUAL REPORT

OF THE

FEDERAL RESERVE BANK

OF SAN FRANCISCO

FOR THE YEAR ENDED DECEMBER 31, 1915



WASHINGTON
GOVERNMENT PRINTING OFFICE
1916

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ANNUAL REPORT OF THE FEDERAL RESERVE BANK OF SAN FRANCISCO.

JOHN PERRIN, Chairman and Federal Reserve Agent.

In compliance with the request of the Federal Reserve Board, I have the honor to report concerning the establishment, in the twelfth Federal reserve district, of the Federal Reserve Bank of San Francisco and its financial operations during the first year, with some statement regarding various features of its development and suggestions of certain changes of laws which would enable the Federal Reserve Bank to serve more efficiently the productive activities of its district.

Appended are Tables 1 to 10, inclusive, giving details of the bank's condition and summaries of its principal financial operations; and Exhibits A to M, inclusive, giving certain collateral information:

TABLES.

1. Statement of condition as of November 30, 1915.
2. Rediscounts classified:
 - (a) By month and States.
 - (b) By States and industries.
3. Bankers' acceptances purchased.
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- A. Geographical outline and area of the district.
- B. Rate of development of district in population and wealth, by States.
- C. List of principal products and industries of district.
- D. Bank clearings in principal cities of district.
- E. Banking power of district.
- F. Seasonal demands and approximate prevailing rates of interest on loans in the several sections of the district.
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- H. Copy of by-laws of Federal Reserve Bank.
- I. Record of rediscount rates established by Federal Reserve Bank.
- J. List of banks granted special permits to act as trustee, executor, etc.
- K. List of banks granted permission to accept drafts and bills of exchange up to 100 per cent of their capital and surplus.
- L. Rates of exchange charged on checks in twelfth Federal reserve district.
- M. Principal items in member banks' report of condition of November 10, 1915, and abstract of exchange, losses, and earnings accounts for three years (classification of banks by total resources).

ESTABLISHMENT.

The first meeting of the board of directors of the Federal Reserve Bank of San Francisco was held on October 12, 1914, continuing, with frequent sessions, during the two days following. On this occasion Mr. Archibald C. Kains was chosen governor.

On October 14 the entire board of 9 directors and the governor proceeded to Washington and participated in a two days' conference between representatives of the 12 Federal Reserve Banks and the Federal Reserve Board, called for the purpose of determining arrangements preliminary to the inauguration of the Federal reserve system.

Reassembling in San Francisco November 4, without provision then for banking room, clerical force, or stationery, the necessity was faced of becoming a going concern in 12 days, inasmuch as the Secretary of the Treasury had signified his intention of declaring the Federal Reserve System established on November 16, in pursuance of authority vested in him by the Federal Reserve Act. An apparent physical impossibility proved not to be such, and November 16 found this bank, with a capable staff, installed in the temporary quarters still occupied.

Because of consequences growing out of the European war, the financial situation at the time was much strained, as shown by the fact that under the Aldrich-Vreeland Act, fortunately extended by the provisions of the Federal Reserve Act, additional currency had already been issued upon applications of banks in this district to the extent of \$15,862,650. Uncertainty and apprehension were general. The salutary influence of making the provisions of the Federal Reserve Act effective thoroughly justified the wisdom of immediate opening. Courage quickly reappeared, legitimate credit and currency requirements were met by member banks, further issues of Aldrich-Vreeland currency were promptly discontinued, and rapid retirement soon began of those outstanding. Confidence in the stability of the banking situation which then began to develop has since grown uninterruptedly, unshaken by the many alarming incidents and rumors which hitherto would have caused grave unsettlement.

STAFF AND CLERICAL FORCE.

The total force numbers 21, including officers, tellers, bookkeepers, stenographers, messengers, policeman, and janitor. The official staff of the operating department consists of Archibald C. Kains, governor; Russell Lowry, deputy governor; George O. Bordwell, cashier; Clifford J. Shepherd, assistant cashier; Ira Clerk, auditor. The deputy governor, however, has tendered his resignation, effective December 31, in order to accept the presidency of the First National Bank of Oakland, Cal.

The chairman of the board and Federal Reserve Agent, John Perrin, has in his department one assistant, Clifford J. Shepherd (also assistant cashier), and one stenographer. The deputy chairman and deputy Federal Reserve Agent, Claud Gatch, who is also chief national-bank examiner, is not regularly engaged in the work of the bank, but performs certain duties when the chairman is absent.

The executive committee consists of the governor, as chairman ex-officio; C. K. McIntosh (class A), James K. Lynch (class A), Elmer H. Cox (class B), and the chairman of the board ex-officio.

INTERNAL ORGANIZATION.

In operation the cleavage between the governor's department and that of the chairman of the board has been minimized. Statutory discretion is lodged only in the governor and chairman (or their deputies). Beyond them, there seems no fundamental reason for any but a homogeneous force available for the duties of either department. Following this view the assistant of the chairman of the board has been made assistant cashier of the bank, and on occasion has been acting cashier. The relations between

the governor and the chairman have evolved into substantially those of a partnership, each being fully informed of that which transpires in the province of the other. Policies are discussed and agreed upon for reference to the board of directors. Discussion and interchange of opinion benefit the presentation of matters to the Federal Reserve Board.

For prompt disposition of rediscounts the practical method has developed of crediting the proceeds immediately upon the signed approval of the governor and the chairman of the board, other members of the executive committee each investigating at his individual convenience and affixing to the application his signature of approval. The summary of rediscounts for each bank is then presented to the full board in the form of a report signed by the members of the executive committee. Such a method gives a promptness of service equal to that of a member bank under the management of a single efficient chief executive. Subsequent approval by other members of the executive committee is not mere ratification. Their expression of views and criticisms constantly guide the governor and the chairman of the board in determining a course in conformity with the views of the entire committee. It is not believed that any institution can operate efficiently where executive-committee action must precede every transaction. The executive committee, in addition to participating with the officers in approving rediscounts and considering matters specifically referred, is available for speedy consultation upon the governor's telephone call. In a stress or crisis this will serve a most important purpose.

DIRECTORS.

Meetings of directors not less often than twice each month seem very desirable because of the value of interchange of views, not only with regard to rediscount rates and all general policies, but also with regard to business conditions. Such frequent meetings are, of course, feasible only when a board of directors is made up of those living near, and this was made possible when, by concert of action of many member banks located at distant points, directors of classes A and B were chosen from among bankers and business men living in or near San Francisco.

All directors presumably recognize their obligation to serve well all banking and business interests of the entire district, but it seems logical that each director should give somewhat special consideration to those interests which he has been especially chosen to represent. For instance, a class B director, chosen to represent business interests, by banks of group 3 (now comprising those having capital of \$53,000 and less), would thus give special attention to the credit needs of the customers of group 3 banks throughout the district and to the ways in which the Federal Reserve Bank could influence the betterment of banking service available to them, etc.

OPERATIONS.

The period since the establishment of the Federal Reserve System has been one of progressive ease in matters of credit. The check to business and liquidation resulting from the breaking out of the European war would of itself have resulted in accumulation of idle funds. In addition to this the reduction in reserve requirements under the provisions of the Federal Reserve Act has given to member banks the privilege of largely increasing their loans. Excess reserves held by member banks of this district were \$2,420,638 on October 31, 1914, and \$75,211,573 on September 2, 1915. The excess is chiefly due to reduction in reserve requirements, as shown by the fact that the totals of reserves held on the respective dates were \$107,226,892 and \$139,749,562. Cash and exchange held on the same dates were \$186,191,580 and \$224,887,649, respectively. In addition to both these factors have been the unparalleled imports of gold. All have contributed to an accumulation of loanable

funds beyond precedent. Under these circumstances there has been a diminishing need for rediscounts.

From the standpoint of rapidity of development of the Federal Reserve Bank this is regrettable. Member banks need information concerning the Federal Reserve Bank's methods and requirements, best gained by actual rediscount transactions, in order that they may develop as large a percentage as possible of their paper in form and character acceptable for rediscount. Such paper is a potential reserve and in amount must more than offset the reduction of reserve requirements if the banking situation is to be stronger than hitherto. This development is a process of education which must include both banks and customers and necessarily will require time. The earlier entered upon the sooner will there be cumulative strength in the general situation. Conversely, it is only by experience that the Federal Reserve Bank can be prepared for the time of heavy demands.

About 31 per cent of the member banks have had rediscount transactions with the Federal Reserve Bank, many simply to gain information, some because needing funds. In a considerable number of cases important service has undoubtedly been rendered. So far as has been learned, member banks have found their dealings satisfactory. There has been effort to give service as prompt and untechnical as that of the most efficient member bank.

Table 2 (a) gives information as to rediscounts made, arranged by months and States; Table 2 (b) arranged by industries and States.

REDISCOUNT POLICY.

The initial rediscount rates established by this bank with the approval of the Federal Reserve Board were avowedly too high. There was no experience to determine the correct rates and it was believed prudent at the outset to approach the right level by lowering rates rather than by raising them. After several changes, the rates fixed on January 22, 1915, have since remained in force substantially unchanged and are lower than borrowing rates hitherto generally available. The record of rates established is shown in Exhibit I.

Agricultural paper and that based on live stock are the only kinds eligible for rediscount with maturities beyond 90 days. For this a rate of 6 per cent has been established, while the rate for 90 days is $4\frac{1}{2}$ per cent. It has now and then been suggested that this is a discrimination against farmers and those interested in live stock. It will be observed that agricultural and live-stock paper has every privilege of other paper in lower rates for shorter maturities, and in addition has the special privilege of rediscount for maturities beyond 90 days not accorded to any other class of paper.

In a rapidly developing section, such as this district, it is inevitable that there should be a higher percentage of fixed loans—capital advances for enterprises which, however worthy, can not quickly repay—than in an older district where there is less of development enterprise in proportion to accumulated capital. The board of directors have felt it wise policy that this bank should more assiduously maintain a liquid condition than would be necessary if in a district where the loans of member banks were proportionately more liquid. Consequently, the incentive is offered of considerably lower rates for the shorter maturities.

The management of this bank has deemed it wise, while giving due weight to a member bank's indorsement, to accept paper only upon its own merits. Accordingly, statements have been required from the makers of all notes presented for rediscount both because the Federal Reserve Bank can thus best exercise discriminating judgment, and because it believes no practice more salutary than the development by member banks of adequate credit files. Exceptions have been made in the case of notes for small amounts, the applicant's own estimate of a borrower's assets and liabilities being accepted, but it is expected that ultimately copies of borrower's own

statements will accompany even notes for small amounts. Adequate showing is also required of the responsibility and character of makers of collateralized paper.

If paper is not of satisfactory quality the right is recognized of requiring additional collateral, but there seem good grounds for believing that no member bank can be operating wisely whose paper is normally of such inferior quality that it will not meet the moderate requirements imposed. In no instance, thus far, has additional collateral been required.

Progressive excellence in the character and form of paper offered for rediscount is expected. At the outset it is obvious that more can not be exacted than that a member bank should offer the best paper which it then has, but it would seem entirely proper that there should be progressively rigid requirements, under which, as a condition of approval, a member bank's paper should conform to a higher standard after a year's experience than in its initial offerings. So far as has been possible, technicalities have been waived to avoid refusal of offerings, deficiencies being pointed out for betterment of subsequent offerings.

OPEN-MARKET TRANSACTIONS.

Under the authority to engage in open-market transactions there have been bought \$1,010,000 of United States 2 per cent bonds (Table 5), and, through the Federal Reserve Banks of New York and Boston, certain bankers' acceptances (Table 3), and municipal warrants (Table 4). Bankers' acceptances have been bought at rates as low as 2 per cent basis and municipal warrants at only slightly higher rates. Thus far borrowers in this district have not offered important amounts of obligations of this character, as they doubtless will when they realize the opportunity offered to finance transactions of a certain character at such advantageous rates. States of this district will also doubtless authorize municipal warrants of eligible character when it is realized that temporary municipal borrowings can be negotiated at such low rates.

By such open-market investments a Federal Reserve Bank may, within reasonable limits, earn what it chooses, independently of rediscounts for member banks. For this reason it is clear that no member bank should ever feel an obligation to rediscount with the Federal Reserve Bank for the latter's supposed benefit.

EARNINGS.

The total net earnings from April 1, 1915, to November 30, 1915, have exceeded the current expenses of that period (Table 8), although current expenses since organization exceed current earnings by \$9,521.80. Organization expenses are carried at \$33,626.49 and cost of printing Federal Reserve notes \$34,394.27. The latter item has been reduced by \$526.30, the pro rata amount for notes unfit for circulation which have been canceled. A condition in which reserves in excess of legal requirements have steadily increased during more than 12 months naturally restricts the volume of applications for rediscount. Total rediscounts made during the month of November, 1915, aggregated only \$119,072, the smallest of any month since November, 1914. Other income has been derived through the purchases mentioned of bankers' acceptances, municipal warrants, and United States bonds.

The fear sometimes expressed that deficiency in earnings will be made up by assessments on member banks may, I assume, be dismissed as beyond the probabilities. The relative unimportance of these expenses will be appreciated when it is realized that their annual rate represents approximately two one-hundredths of 1 per cent of the loans and investments of the member banks in this district. In other words, if the income rate upon their investments were 6 per cent, it would reduce this to only 5.98 per cent if the expenses were paid entirely by contributions of member banks.

While there seems no economic defense for an effort under existing conditions to employ a Federal Reserve Bank's funds for the purpose of earning profit, yet what

may be called the psychological importance of reasonable earnings seems so great as to become a well-defined economic factor. The view that effort to make earnings is now undesirable of course has its basis in the belief that greatest protection to business interests will be had by withholding the Federal Reserve Bank's credit-extending power so as to have it available when need arises. But those holding this view may underestimate the economic importance of present popular approval and unqualified faith in the success of the Federal reserve system. Earnings constitute the gauge of success applied by a large section of the public, including many bankers. It is characteristically human to uphold the successful enterprise and to obstruct the unsuccessful. A smaller percentage of money reserve coupled with unqualified approval, will constitute more potent power of support than larger reserves with less of popular confidence.

There are collateral advantages in reasonable earnings. They would justify the most rapid internal development along lines of preparation for useful service, such as the development and thorough training of the credit department, the efficient service of which is so essential to discriminating judgment in time of stress and in which all eligible clerks should serve apprenticeship in order to provide for quick expansion of capacity to render vital service if stress arises; the thorough development of a department of information as to conditions throughout the district, through which the management of the bank and the Federal Reserve Board would have closest touch with the trend of credit conditions. Naturally no development will be carried far, the cost of which must be paid out of capital. Such considerations urge earnings well in excess of current expenses.

PURCHASE OF UNITED STATES BONDS.

One way to accomplish this without impairing a Federal Reserve Bank's reserves would be by present purchase of United States bonds. The Federal Reserve Banks are the instrumentality through which it is designed that the undesirable bond-secured circulation is to be eliminated. To this end it will become necessary for them ultimately to buy the major part of the outstanding 2 per cent bonds now pledged to secure circulation. Exchanged for 30-year 3 per cent bonds without the circulation privilege, as provided by the Federal Reserve Act, they will gradually be bought by investors and this problem will thus be permanently settled and real elasticity in the currency attained, the volume of Federal Reserve notes then expanding and also contracting according to varying business requirements. A good many years will necessarily be required to accomplish this result, but meanwhile the Federal Reserve Banks would enjoy a net income averaging about $1\frac{1}{2}$ per cent per annum upon the amount of bonds held. By substituting their own bond-secured circulation for that of member banks now outstanding, the bonds would be carried without important investment of reserve money. This would be unqualifiedly true if the present currency is not redundant in volume, and the present rate of redemptions indicates that it is not. It is to be observed too, if the present volume of currency should become redundant and consequently enforce greater redemptions, that, while this would correspondingly invade the reserves of the Federal Reserve Bank, it would be only because of a reduced volume of cash transactions incident to inactive commerce, when rediscount demands would be light. Heavy rediscount demands would appear only in conjunction with requirement for a large volume of currency. The expanding volume of business incident to the country's growth involves necessarily a certain average increase in the volume of transactions settled with money, entailing the need of an increasing volume of currency. A volume of currency redundant to-day would soon be inadequate.

More certain progress in the solution of this problem would be assured if the law were modified so that the privilege of issuing circulating notes should not be included in

national bank charters hereafter granted or in those extended, with a requirement that Federal Reserve Banks should buy the circulation bonds offered by member banks at par at the expiration of their charters.

FEDERAL RESERVE NOTES.

Table 7 shows the amount of Federal Reserve notes issued and redeemed and the States to which shipped. It has been deemed wise policy to pay out Federal Reserve notes whenever possible inasmuch as their circulation in the place of gold means the retention of gold in the vaults of the Federal Reserve Bank where, as a basis for extending credit, it becomes a fortification and guaranty of stability of the business situation. Federal Reserve notes of this bank now outstanding are in effect gold certificates, \$4,370,000 gold, equal to 100 per cent, having been lodged with the Federal Reserve Agent for their redemption. In conformity with authority conferred by the Federal Reserve Act upon the Federal Reserve Board to act as a clearing house for Federal Reserve Banks, this gold has been placed with the Federal Reserve Board in the form of order certificates in \$10,000 denominations. Settlements are made between the Federal Reserve Bank and the Federal Reserve Agent by means of transfers in the gold settlement fund without the local handling of the money.

CHECK COLLECTION.

As provided by the Federal Reserve Act, and upon a plan approved by the Federal Reserve Board, this bank on August 1, 1915, established in this district a system for collecting checks, 141 banks voluntarily participating at the outset, the number having increased to 160 at the end of November.

Thus far checks have been received from and sent to only those banks voluntarily joining this collection system, the depositing bank being credited and the drawee bank concurrently debited after as many days have elapsed as required for the drawee bank to receive checks sent and thereafter send funds for credit to offset the debit to be made. To give immediate credit would involve one of two courses:

- (1) Invest Federal Reserve Bank's reserve in checks outstanding for collection, weakening proportionately its power to rediscount; or,
- (2) Require member banks to carry with Federal Reserve Bank balances sufficiently larger than required for reserve purposes to cover the amount of checks and remittances in transit. Distances are so great in this district that this would work a palpable injustice to distant member banks. In the case of a Seattle bank for instance, it would be necessary to have an additional balance covering six days sendings which would be in transit, three days going and three days returning.

The Federal Reserve Bank has neither paid nor charged exchange in these collections. Thus far, however, important elimination of exchange charges can not properly be claimed, as most of the banks joining the voluntary system had previously been accustomed to remit at par.

As yet, the volume of checks handled, shown in Table 10, has not been important, but would doubtless be increased if all checks were received for collection which members of the collection system would be willing to have charged against their accounts, even if drawn upon or indorsed by member banks not of the collection system and nonmember banks. Exhibit L gives information as to rates of exchange charged in various parts of this district.

If it be accepted as the broad purpose of the Federal reserve system to stabilize commerce, then the Federal Reserve Banks must establish channels for the collection of checks which will not become clogged in a financial crisis, as in 1907, otherwise such a possible dislocation of exchanges would always remain a potential menace. Appreciation of the importance of assuring safety of the whole financial and commercial situation, and thus of every member bank, should disarm objections of those who

in spite of aspects unsound in present methods are reluctant to forego present exchange charges. Other provisions of the Federal Reserve Act offer opportunities for counterbalancing profits not hitherto possible.

STATE BANKS AND TRUST COMPANIES.

State banks and trust companies show many evidences of an attitude favorable to the Federal reserve system, but defer application for membership because no necessity of present service impels. This bank regards each sound State bank or trust company as a potential member of the Federal reserve system, having clear conviction of the fundamental importance of such membership. National banks and the Federal Reserve Banks now constitute the base of an inverted pyramid representing the entire credit structure of the country, including all State banks and trust companies. The sufficiency of that base is not in immediate question, but no State bank should fail to realize that the safety of the whole business situation, and consequently its own safety and prosperity, depend upon the sufficiency of that base, which would obviously be greatly broadened if a large section of the State banks were transferred from the superstructure and made a part of the base itself.

It may reasonably be expected that the more conservative State institutions will promptly secure any legislation necessary to authorize membership and become members early enough to avoid delay from congestion of applications when stress impends. The attitude of member banks toward the Federal Reserve Bank augurs well for such ultimate accessions. Although there are exceptions, usually growing out of lack of information of the Federal Reserve Bank's methods and disposition, or lack of understanding of the Federal Reserve Act, yet for the most part there has been shown a spirit of cordial cooperation, which with better understanding and acquaintance is steadily growing. From those banks concerning aspects of whose condition it has been necessary to make unfavorable expression there has come without exception frank and cordial response, suggesting the potentiality of this bank as a remedial influence.

POWERS OF TRUSTEE, EXECUTOR, ETC.

A list is given herewith (Exhibit J) of national banks in this district to which the Federal Reserve Board has granted special permits to exercise the powers of trustee, executor, administrator, or registrar of stocks and bonds.

It is the opinion of counsel of this bank that under the laws of only one of the seven States constituting this district—viz. Washington—may a national bank act as trustee, executor, administrator, and registrar of stocks and bonds; but that also under the laws of California, Oregon, Utah, and Arizona it may act as registrar of stocks and bonds. Enabling legislation will broaden the opportunities of national banks to render such service.

CONDITIONS IN TWELFTH DISTRICT.

The outbreak of the European war probably occasioned less dislocation of trade and industry in this district than in any other, and during the 12 months past there has been a moderate but widespread improvement in general conditions.

Relatively the most unfavorable effect of the war has been upon ocean transportation, and the temporary closing of the Panama Canal has been an importantly untoward event for this coast. There have been interesting developments in shipping. Following withdrawal of the Pacific Mail steamers has come the recent report of their purchase by the American International Corporation, to place them again in Pacific trade, with intimation of important extension of service. The Java-Pacific line has been established by a foreign syndicate. The Japanese line is reported as doubling the number of its ships. The Union Iron Works, of San Francisco, of which Mr. John A. McGregor (class B director) is president, has now under way construction aggre-

gating \$18,000,000. Not only has foreign commerce through Pacific ports increased during the year in spite of handicaps, but there seems prospect of continued large expansion.

Live-stock interests of eastern Washington, Oregon, Idaho, Nevada, Utah and Arizona have thrived throughout the 12 months past, and now have satisfactory prospects.

Agriculture has prospered. Grain growers of eastern Washington, Oregon, and southern Idaho received extraordinary prices a year ago, and this year have had large crops, with profitable, though somewhat lower, prices. Apples of Oregon and Washington, unsatisfactorily marketed a year ago because of interruption of exports, have sold at good prices this year. Hops, almost unsalable a year ago, now command excellent prices. Growers of raisins and prunes have had satisfactory results, particularly this year. Fresh and canned fruits have not been so satisfactory. In citrus fruits, the crops have been large. Prices of lemons have been continuously demoralized and unprofitable. The first two-thirds of last year's orange crop was sold at unprofitable prices, but the final third commanded excellent prices. Record prices are being paid for early oranges of this year's crop, more than 3,000 carloads having been reported as already shipped from the Porterville (Cal.) district. Beans constitute an important California crop, large amounts being exported. Last year's returns were unusually large. The harvest this year has also been large and prices good. The wine industry is not prosperous, and growers of wine grapes suffer accordingly, but table grapes have sold this season in large quantities at profitable prices.

Activity in mining has steadily expanded during the past year, copper mines, chiefly centering in Utah and Arizona, making record output. Advancing prices are benefiting producers of silver, the output of which has a value approximating two-thirds that of the gold produced in this district, including Alaska. Interest in gold mining is reported as increasing. One of the interesting gold producers is a large corporation reclaiming many thousands of acres in the Sacramento Valley by building dikes and incidentally washing out gold from the earth handled to pay the cost of the development.

Lumbering, constituting 60 per cent of the commerce and industry of Washington and Oregon, has been greatly depressed until recently, when important buying, including some on the part of railroads, has imparted a better tone. There is also increase of new building. The outlook is much improved.

The petroleum industry, likewise depressed a year ago, has of late shown expanding consumption with advancing prices. The production approximates 100,000,000 barrels per annum.

Producers of Hawaiian sugar have been receiving extraordinary returns this year, in contrast with disastrous conditions predicted before the outbreak of the war. Important dealings in stocks of sugar companies have resulted.

Fisheries, one of the important industries of the Pacific coast, have prospered during the past 12 months, the salmon pack of Alaska being larger than ever before. This is one of the important items of the industries of Alaska, whose total commerce now approximates \$100,000,000.

Earnings of the principal railroads operating in this district, now at record point, have continuously expanded throughout the past 12 months, evidencing the rising volume of general commerce and industry.

This district is enormously rich in natural resources and surpasses in variety of products. Harvesting of some character is always in progress—as, for instance, in citrus fruits, lemons are gathered continuously the year round; the first oranges are gathered in November and picking continues through the succeeding winter, spring, and summer; strawberries ripen every month; there are always fresh vegetables. The distribution of harvesting throughout the year balances liquidating transactions against new requirements in a remarkable way. An illustration is that live-stock

interests of Idaho borrow in the spring and liquidate in the fall, while those of Arizona borrow in the fall and liquidate in the spring. Proceeds from the sale of early products provide the means to meet later requirements in the same locality; the same product matures in different sections at such diverse times that the realized proceeds of a harvest in one part would finance the harvest needs of another.

There is probably less of a peak credit load in this district than in any other, and seemingly, if its credit resources are mobilized, they will rarely fail to suffice for its commercial needs. Bank deposits have shown large gains within 12 months, and bank clearings reflect important increase in the volume of transactions.

A plan of cooperative credit, directly benefiting farmers, and incidentally creating paper admirably eligible for rediscount with the Federal Reserve Bank, has been developed at Weiser, Idaho, which is interesting because of successful operation, and unusual because under it creditors instead of debtors cooperate.

There are abundant evidences of continuous progress throughout the district and growth in both wealth and population. The Federal Reserve Bank of San Francisco has a great field and large opportunity for useful service.

TABLE 1. *Statement of condition of Federal Reserve Bank of San Francisco, Nov. 30, 1915.*

RESOURCES.	
Bills discounted:	
Members.....	\$686,776.97
Bought.....	521,346.79
Investments, municipal warrants.....	1,132,342.22
United States bonds on hand.....	1,000,475.00
Interest accrued on United States bonds.....	3,306.06
Organization expense.....	33,628.49
Cost of Federal Reserve notes.....	34,394.27
Furniture and equipment.....	5,235.37
Current expense.....	1,311.87
Profit and loss.....	9,521.80
Due from other Federal Reserve Banks:	
Collected funds.....	\$2,449,295.49
Items in transit.....	432,890.23
	2,882,185.72
Exchanges for clearing house.....	24,951.93
Transit account.....	15,307.89
National-bank notes and notes of other Federal Reserve Banks.....	39,015.00
Federal Reserve notes on hand.....	1,535,485.00
Nickels and cents.....	3.14
Reserves:	
Gold settlement fund.....	\$7,536,000.00
Due from Treasurer of United States, gold redemption fund (Federal Reserve notes).....	21,625.00
Gold bullion and coin.....	347,045.00
Gold certificates.....	5,454,840.00
Silver certificates.....	9,657.00
Legal tender notes.....	16,840.00
Silver coin.....	26.65
	13,385,433.65
Total reserve.....	13,385,433.65
Total resources.....	21,310,779.77
LIABILITIES.	
Capital paid in.....	\$3,941,500.00
Capital, suspense account.....	300.00
Unearned discount.....	5,884.81
Due to other Federal Reserve Banks.....	19,317.04
Due to member banks.....	17,327,170.55
Expense checks.....	700.48
Cashiers' checks outstanding.....	847.00
Deferred credits.....	15,059.89
Federal Reserve notes.....	\$4,370,000.00
Less gold with Federal Reserve Agent for retirement of Federal Reserve notes.....	4,370,000.00
	.00
Total liabilities.....	21,310,779.77

TABLE 2A.—Classification of rediscounts from Nov. 16, 1914, to Dec. 1, 1915.

Months.	Arizona.			California.			Idaho.			Nevada.			Oregon.			Utah.			Washington.			Total for month.			
	Banks.	Pieces.	Amount.	Banks.	Pieces.	Amount.	Banks.	Pieces.	Amount.	Banks.	Pieces.	Amount.	Banks.	Pieces.	Amount.	Banks.	Pieces.	Amount.	Banks.	Pieces.	Amount.	Banks.	Pieces.	Amount.	
1914.																									
November.....				1	8	\$9,592									1	1	\$3,000						2	9	\$12,592
December.....				13	99	1,014,838	1	1	\$8,500													14	100	1,023,338	
Total.....				14	107	1,024,430	1	1	8,500						1	1	3,000						16	109	1,035,930
1915.																									
January.....				20	83	769,643	4	22	14,263				4	7	20,373				1	5	\$31,134	29	117	835,413	
February.....				20	111	567,478	4	16	34,070	1	8	\$74,135	6	17	34,152	1	6	\$52,012				32	161	761,847	
March.....				15	161	572,749	7	35	68,119				8	35	98,357				1	1	5,000	31	232	744,225	
April.....				24	162	332,975	7	38	31,412				2	8	11,012	1	9	37,400	3	12	16,102	37	223	428,901	
May.....				24	186	1,059,933	5	32	85,853				6	29	63,165				3	4	37,547	38	251	1,237,498	
June.....				34	171	659,486	6	50	39,788				9	26	71,907	1	7	40,749	6	17	48,225	56	271	860,155	
July.....				35	211	476,908	8	71	73,585				7	30	114,511				5	36	127,543	55	348	792,547	
August.....				27	154	328,428	5	26	33,063				5	15	27,084				5	34	57,736	42	229	448,311	
September.....	1	1	\$6,300	22	131	254,905	3	15	28,253				9	36	112,121				4	15	38,449	39	198	440,628	
October.....				15	74	266,336	3	11	14,955				4	15	65,269				5	35	40,206	27	135	386,766	
November.....	1	1	15,600	11	39	48,454	2	4	6,580				3	5	22,050				4	10	26,387	21	59	119,072	
Total, 1915.....	2	2	21,900	91	1,483	5,328,296	17	320	423,941	1	8	74,135	31	223	642,001	2	25	130,161	19	169	428,329	163	2,230	7,054,763	
Total rediscounts to date.....	2	2	21,900	93	1,590	6,352,723	17	321	438,441	1	8	74,135	31	224	645,001	2	25	130,161	19	169	428,329	165	2,339	8,090,693	
Average per piece.....			10,450			3,995			1,365			9,269			2,879			5,206			2,534			3,416	

TABLE 2B.—Classification of rediscounts from Nov. 16, 1914, to Dec. 1, 1915.

Classifications.	Arizona.		California.		Idaho.		Nevada.		Oregon.		Utah.		Washington.		Total by classifications.	
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.
Agriculture.....	2	\$21,900	760	\$1,159,722	201	\$160,655	8	\$74,135	75	\$192,814	2	\$7,280	101	\$167,429	1,150	\$1,783,955
Livestock.....			41	143,270	61	129,960			37	102,019	6	27,753	1	2,000	146	405,032
Grain, flour, feed.....			24	225,632	11	22,949			23	81,517			7	24,203	65	354,321
Fruit packers and shippers.....			127	629,267	3	6,563			11	11,710			1	800	142	648,360
Meat and fish packers.....			30	284,025					1	5,000	4	30,536	7	22,500	42	342,061
Lumber.....			34	212,993	6	19,142			10	62,690	4	20,263	23	107,634	77	422,722
Manufacturing.....			97	633,570	2	6,000			11	37,623	3	15,351	1	10,000	114	702,544
Wholesale merchandise.....			110	1,078,125					5	22,000			5	16,000	120	1,116,125
Retail merchandise.....			317	1,471,798	30	68,898			46	116,441	0	28,978	19	65,403	418	1,751,518
Petroleum.....			10	323,972					1	5,000					11	328,972
Miscellaneous.....			40	190,352	6	24,274			4	8,147			4	12,360	54	235,113
Total rediscounts for period.....	2	21,900	1,590	6,352,726	321	438,441	8	74,135	224	645,001	25	130,161	169	428,329	2,339	8,090,693
Total number of banks rediscounting to date.....	2		93		17		1		31		2		19		165	

TABLE 3.—Acceptances purchased, Nov. 16, 1914, to Dec. 1, 1915, segregated by acceptors and months purchased.

Accepted by—	March.	April.	May.	June.	July.	August.	September.	October.	November.	Total.
Bank of America.....							\$11,250.00	\$6,875.00	\$8,750.00	\$26,875.00
Bankers Trust Co., New York.....	\$61,442.36	\$85,000.00			\$50,000.00		25,000.00	25,000.00		246,442.36
American Exchange National Bank, New York.....			\$100,000.00			\$100,000.00		8,750.00		208,750.00
Chase National Bank, New York.....							8,750.00			8,750.00
National City Bank, New York.....	53,026.46	42,975.11		\$19,828.76		10,000.00		9,348.00	57,346.00	192,524.33
Columbia Trust Co., New York.....							5,000.00	45,000.00		50,000.00
National Bank of Commerce, New York.....							17,500.00	10,000.00		27,500.00
Guaranty Trust Co., New York.....	310,023.55	695,292.82	223,684.04		61,980.09	192,436.78	32,566.43	29,681.14	166,624.32	1,712,269.17
Goldman Sachs & Co., New York.....					10,000.00				16,574.80	26,574.80
Mechanics & Metals National Bank, New York.....					20,582.63	17,500.00		69,054.98	28,853.67	135,991.28
Bank of New York, National Banking Association, New York.....						44,070.00	10,000.00	58,750.00	6,248.66	119,068.66
First National Bank, Boston, Mass.....				95,762.50						95,762.50
Merchants National Bank, Boston, Mass.....							11,250.00			11,250.00
Philadelphia National Bank, Philadelphia, Pa.....					118,687.55					118,687.55
Irving National Bank, New York.....									2,373.96	2,373.96
Total.....	424,492.37	823,267.93	323,684.04	234,278.81	142,562.72	364,006.78	121,316.43	262,459.12	286,771.41	2,982,849.61

TABLE 4.—Short-term warrants, notes, and bonds purchased Nov. 16, 1914, to Dec. 1, 1915, classified by States and months purchased.

Month.	Municipalities within State of—								Total by month.
	California.	Georgia.	Oregon.	Massachusetts.	New Hampshire.	New Jersey.	New York.	Utah.	
March.....			\$1,020.00				\$54,115.25		\$55,135.25
April.....				\$40,000.00		\$12,111.02	115,554.91		167,665.93
May.....				260,400.00			600,000.00		860,400.00
June.....	\$12,422.25			310,668.42	\$15,000.00				338,090.67
July.....	5,250.00			221,187.50			153,989.59		380,427.09
August.....	10,666.25			50,209.59		20,300.00	587,175.32		668,551.16
September.....				24,000.00		25,468.75	21,290.83		70,759.58
October.....				10,000.00		13,124.58			23,124.58
November.....	4,200.00	\$63,450.00						\$20,358.40	88,008.40
Total.....	32,538.50	63,450.00	1,020.00	916,465.51	15,000.00	71,004.35	1,532,125.90	20,358.40	2,651,862.66

TABLE 5.—United States bonds purchased.

Description.	Maturity.	Rate.	Basis.	Par value.	Carried at—
United States consols of 1930.....	1930	2	2.0139	\$1,000,000	\$990,625
Do.....	1930	2	2.0132	10,000	9,850
Total.....				1,010,000	1,000,475

28357-16-3

TABLE 6.—*Gold settlement fund.*
 TABULATION OF TRANSFERS, MAY-NOVEMBER, 1915.
 [G. S. F.—Gold settlement fund.]

For account of—	May.		June.		July.		August.		September.		October.		November.		Total.		Net.	
	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.
Boston:																		
Special transfers.....				200		200				100								
Settlements.....	16	26		50	126	14	1	1	51	2	251	1	176	1	621	595	26	
New York:																		
Special transfers.....				450		3,994		4,452		2,728								
Settlements.....	2,272	950	60	904	1,424	22	3,306	17	3,921	35	1,852	18	2,978	30	15,813	13,600	2,213	
Philadelphia.....	10	6				2	1			2	1	1	1	9	13	20		7
Cleveland.....					1		2		1		1	1	1		6	1	5	
Richmond.....	1		1		2		6		2		3		2		17		17	
Atlanta:																		
Special transfers.....														80				
Settlements.....	1				2		4		1		2		2		12	80		68
Chicago:																		
Special transfers.....				30														
Settlements.....	222	568	16	55	20	109	12	11	44	15	25	61	51	112	390	961		571
St. Louis.....		24		5	4	6	1	1		2		1	1	3	6	42		36
Minneapolis.....	1	87	2		2		3		2		3		3		16	87		71
Kansas City.....		18	1		1		3	3	2		4		3		14	21		7
Dallas.....	2		1		2		6		3		6		5		25		25	
Federal Reserve Agent Gold deposited through assistant treasurer of United States, San Francisco.....	1,200		570		3,110		1,100						200	230	230	200	30	
Total.....	3,725	1,679	651	1,694	4,694	4,347	4,445	4,485	4,027	2,884	2,148	283	3,453	235	23,143	15,607	8,296	760

Balance in gold settlement fund Nov. 30, 1915, \$7,536.

ANALYSIS OF NET MONTHLY TRANSACTIONS TO NOV. 30, 1915.

Purpose.	For account of—	May.		June.		July.		August.		September.		October.		November.		Net total.	
		We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.	We Dr. G. S. F.	We Cr. G. S. F.
Exchange	Boston.....	104					1				1					102	
	Do..... New York.....	4,226			2,694		2,692		38	938		1,834		3,298		4,872	
	Do..... Philadelphia.....	4					2				2				8		7
	Do..... Cleveland.....					1		2		1				1		5	
	Do..... Richmond.....	1		1		2		6		2		3		2		17	
	Do..... Atlanta.....	1				2		4		1		2			4	6	
	Do..... Chicago.....		346		69		89	1		29			36		61	571	
	Do..... St. Louis.....		24		5		2				2				2	36	
	Do..... Minneapolis.....		86	2		2		3		2		3		3		71	
	Do..... Kansas City.....		18	1		1				2		4		3		7	
	Do..... Dallas.....	2		1		2		6		3		6		5		25	
	Net exchange.....	3,864			2,763		2,776		15	973		1,815		3,237		4,335	
Investments	Boston.....		114		250		87				50	250		175			76
	Do..... New York.....		2,904	1,400		100			1,125	220					350	2,659	
	Do..... Atlanta.....														74	74	
Other transactions	Gold.....	1,200		570		3,110		1,100								5,980	
	Do..... Federal Reserve Agent.....											200	230			30	
	Net.....	2,046			1,043	347			40	1,143		1,865		3,218		7,636	

20 REPORT OF FEDERAL RESERVE BANK OF SAN FRANCISCO.

TABLE 7.—Federal Reserve notes—Federal Reserve Agent's account to Nov. 30, 1915, inclusive.

Received from comptroller:		
5-dollar Federal Reserve notes.....	\$4,160,000	
10-dollar Federal Reserve notes.....	2,760,000	
20-dollar Federal Reserve notes.....	1,680,000	
50-dollar Federal Reserve notes.....	600,000	
100-dollar Federal Reserve notes.....	800,000	
		\$10,000,000
On hand Nov. 30, 1915, p. m.:		
5-dollar Federal Reserve notes.....	2,360,000	
10-dollar Federal Reserve notes.....	1,600,000	
20-dollar Federal Reserve notes.....	640,000	
50-dollar Federal Reserve notes.....	400,000	
100-dollar Federal Reserve notes.....	400,000	
		5,400,000
Issued to Federal Reserve Bank.....		4,600,000
Received from Federal Reserve Bank and sent to Comptroller of Currency for cancellation and destruction.....		230,000
Federal Reserve notes outstanding.....		4,370,000
Deposited by Federal Reserve Agent with Federal Reserve Board in the form of gold order certificates in \$10,000 denominations, for redemption of Federal Reserve notes.....		4,370,000
Received from Federal Reserve Agent.....	\$4,600,000	
Returned to Federal Reserve Agent for redemption.....	230,000	
Net total received from agent.....		4,370,000
In vaults of bank Nov. 30, 1915.....		1,535,485
Federal Reserve notes in hands of public.....		2,834,515
Received from Federal Reserve Agent.....		4,600,000
Delivered to Federal Reserve Agent for redemption.....		230,000
Net amount notes received.....		4,370,000
Redeemed:		
Member banks.....	\$370,245	
Other Federal Reserve Banks.....	194,685	
Total redemptions.....		564,930
		4,934,930
On hand Nov. 30, 1915.....		1,535,485
Total amount of issues and reissues.....		3,399,445
Distribution approximately as follows:		
Paid over counter.....		1,210,930
California.....		325,615
Washington.....		828,700
Utah.....		50,000
Idaho.....		1,000
Oregon.....		3,180
Total.....		3,399,445

TABLE 8.—Earnings of the Federal Reserve Bank of San Francisco, Nov. 16, 1914, to Nov. 30, 1915.

	Amount invested.	Total income since Nov. 16, 1914.
Earnings from:		
Bills discounted member banks.....	\$8,090,185.00	\$61,811.08
Bills purchased (acceptances).....	2,870,481.58	12,018.31
Investments:		
United States bonds.....	1,010,000.00	16,747.97
Warrants.....	2,651,863.66	17,255.27
Sundry profits.....		1,357.80
Total earnings.....		109,190.43

¹ No doubt many of these were shipped to country bank correspondents.

TABLE 8A.—Expenditures of the Federal Reserve Bank of San Francisco to Nov. 30, 1915.

	Total since Nov. 16, 1914.
1. CURRENT EXPENSES.	
Federal Reserve Board assessment for general expenses, monthly proportion.....	\$6,559.33
Federal advisory council (fees).....	
Directors' fees.....	2,620.00
Legal fees.....	
Salaries:	
Bank officers.....	42,125.00
Clerical staff.....	27,788.85
Special officers and watchmen.....	110.00
Traveling expenses:	
Directors.....	168.00
Officers and clerks—	
Federal Reserve Agents' conferences.....	\$918.70
Advisory councils.....	950.60
Governors' conferences.....	2,664.74
Within twelfth district.....	1,266.84
Total.....	5,800.88
Per diem allowance of directors.....	345.00
Telephone.....	402.15
Telegraph.....	349.15
Postage.....	1,773.24
Expressage.....	287.38
Rent.....	16,875.44
Insurance and premiums on fidelity bonds.....	871.91
Light, heat, and power.....	285.40
Printing and stationery.....	5,333.83
Repairs and alterations.....	4,078.79
All other expenses, not elsewhere specified.....	2,411.58
Federal Reserve notes, cost.....	526.30
Total current expenses.....	118,712.23
2. ORGANIZATION EXPENSES.	
[Carried from current expenses, account expenses prior to Nov. 16, 1914.]	
San Francisco clearing house membership.....	\$1,000.00
Alterations to banking quarters.....	1,568.05
Traveling expenses October conference, 1914, 9 directors and governor.....	4,607.00
Express on coin and currency in connection with initial payments of capital stock and reserve.....	6,682.09
Assessments of Federal Reserve Board.....	13,817.08
Stationery (ordered by Federal Reserve Board).....	5,952.27
Total.....	33,626.49
3. COST OF FEDERAL RESERVE NOTES.	
Cost of manufacturing 3,212,000 notes, amounting to \$78,940,000.....	\$31,373.59
Cost of expressage, 180,000 notes, amounting to \$2,000,000.....	\$1,090.00
Cost of postage and insurance, 928,000 notes, amounting to \$8,000,000.....	2,499.88
Sundry costs.....	3,499.88
	47.10
	34,920.57
Less:	
Amortization (manufacturing) 40,000 notes, amounting to \$230,000.....	390.70
Amortization expressage 40,000 notes, amounting to \$230,000.....	115.00
Redemption cost.....	20.60
	526.30
Total.....	34,394.27
4. EQUIPMENT.	
Furniture and fixtures.....	932.35
Vaults.....	
Machines, typewriters, adding machines, scales, etc.....	4,303.02
Total equipment.....	5,235.37
Total expenditures.....	191,968.36

TABLE 9.—Capital and deposits paid and estimated additional to be received.

Capital stock—payments made.					Reserve deposits.					Combined capital and reserve.
Date due.	Per cent of subscriptions.	Paid by reserve city banks.	Paid by country banks.	Total capital.	Date due.	Per cent of requirements.	Reserve city banks.	Country banks.	Total reserve.	
Nov. 1, 1914.....	‡	\$743,266.67	\$552,583.33	\$1,295,850.00	Nov. 16, 1914	‡	\$8,357,033.00		\$8,357,033.00	\$1,295,850.00
Feb. 1, 1915.....	‡	743,266.67	552,583.33	2,591,700.00	Do.....	‡		\$4,525,198.00	12,882,231.00	14,178,081.00
May 1, 1915.....	‡	743,266.66	552,583.34	3,887,550.00						15,473,931.00
Increases and decreases, net.....		29,950.00	24,000.00	3,941,500.00						16,769,781.00
					Nov. 16, 1915	‡	2,122,803.00			
					Do.....	‡		2,464,953.00	17,469,987.00	21,411,487.00
					ESTIMATED ADDITIONS. ¹					
					May 16, 1916	‡	2,122,803.00			23,534,290.00
					Do.....	‡		2,464,953.00		25,999,243.00
					Nov. 16, 1916	‡	2,122,803.00			28,122,046.00
					Do.....	‡		2,464,953.00		30,586,999.00
Total Nov. 16, 1916, subject to call.....		2,259,750.00	1,681,750.00	3,941,500.00						34,528,499.00
					OPTIONAL TRANSFERS.					
					Nov. 16, 1917	‡	8,491,212.00			43,019,711.00
					Do.....	‡		7,394,859.00		50,414,570.00

Total after Nov. 16, 1917, if entire optional reserve is carried with Federal Reserve Board and entire capital paid, \$50,414,570.²
 Original subscribed capital, \$7,775,100.

¹ General ledger balances about 30 days after due date used in order to include those not remitting promptly.

² This does not include possible Government deposits.

TABLE 10.—*Intradistrict collections for August, September, October, and November.*

NUMBER OF BANKS IN COLLECTION SYSTEM.

Aug. 1.....	141
Nov. 30.....	160

NUMBER OF BANKS DEPOSITING CASH LETTERS, AND ITEMS RECEIVED FOR DEFERRED CREDIT DURING THE PERIOD.

	Number of banks.	Cash letters.	Items.	Average per letter.
Members of collection system.....	30	215	3,035	14.1
Paying desk and nonmembers of collection system.....	22		111	
Total.....	52		3,146	
Cash letters and items outgoing during the period:				
Members of collection system.....	110	1,137	3,049	2.8
Nonmembers of collection system.....	34	91	97	1.1
Total.....	144	1,228	3,146	2.6

TOTAL AMOUNT RECEIVED DURING PERIOD.

	Amount.	Average per item.	Average per letter.
From members of collection system.....	\$244,547.00	\$80.58	\$1,137.42
From nonmembers of collection system and paying desk.....	65,957.00	994.21	
Total.....	310,504.00	98.70	

TOTAL AMOUNT SENT DURING PERIOD.

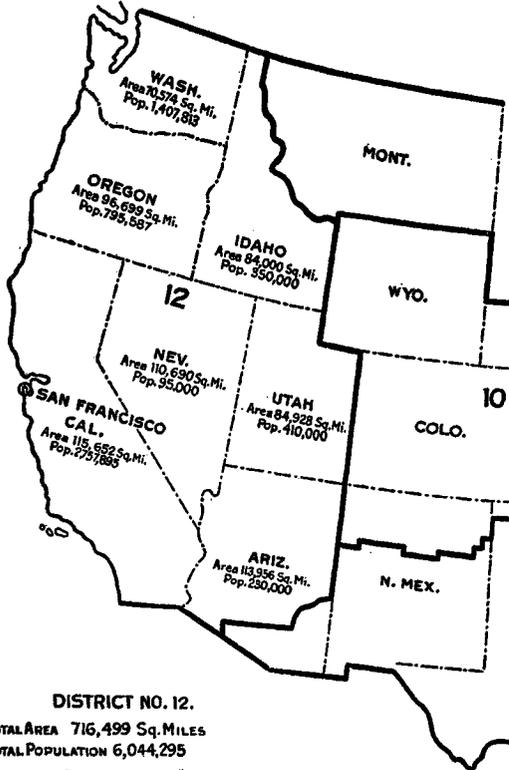
To members of collection system.....	\$216,110.00	\$70.87	\$190.70
To nonmembers of collection system.....	94,394.00	973.13	1,037.29
Total.....	310,504.00	98.70	232.85

Items received on—	Number.	Per cent.	Amount.	Per cent.
2-day points.....	2,272	72.2	\$193,304	62.2
4-day points.....	701	22.3	92,812	29.9
6-day points.....	84	2.7	18,344	5.9
8-day points.....	68	2.1	5,257	1.7
10-day points.....	21	.7	787	.3
Total.....	3,146	100.0	310,504	100.0

Collection system inaugurated Aug. 1.

EXHIBIT A.

Outline and area of district.



DISTRICT NO. 12.

TOTAL AREA	716,499 Sq. MILES
TOTAL POPULATION	6,044,295
BANKING STRENGTH	\$ 1,965,755,000.00
NUMBER OF MEMBER BANKS	529
NUMBER OF STATE BANKS	1,197
TOTAL NUMBER OF BANKS	1,726

EXHIBIT B.

Rate of development in district in population and wealth, by States.

	Admitted into Union.	Area (square miles).	Population.					Assessed value of property. ²			
			1870	1890	1900	1910	1915 ¹	1910	1911	1912	1913
Arizona.....	1912	113,956	9,658	88,243	122,931	204,354	230,000	\$86,000	\$93,000	\$140,000	\$375,862
California.....	1850	155,652	560,247	1,208,130	1,485,052	2,377,549	2,757,895	1,879,000	2,602,344	2,920,000	3,202,450
Idaho.....	1890	84,000	14,999	88,584	161,772	325,594	350,000	120,000	329,000	418,000	425,196
Nevada.....	1864	110,690	42,491	45,761	42,335	81,875	95,000	73,000	73,000	92,000	112,210
Oregon.....	1859	96,699	90,923	317,704	413,536	672,765	795,587	845,000	844,000	905,000	932,413
Utah.....	1896	84,923	86,786	210,779	276,749	373,351	410,000	.....	146,000	200,000	214,859
Washington.....	1889	70,574	23,955	357,232	518,103	1,141,990	1,407,813	790,000	955,000	1,005,000	1,031,901
Total.....		716,499	829,059	2,316,433	2,020,478	5,177,478	6,044,295	3,693,000	5,042,344	5,680,000	6,294,891
San Francisco.....		43	149,473	298,997	342,782	416,912	* 448,502	515,420	545,064	510,429	647,230
Los Angeles.....		101	5,728	50,395	102,679	319,198	* 438,914	290,905	384,348	458,934	508,306
Portland.....		51	8,293	46,385	90,426	207,214	* 260,061	231,161	290,000	296,199	314,212
Tacoma.....		40	73	36,006	37,714	85,743	92,000	.....	54,530	73,298	74,291
Seattle.....		85	1,107	42,837	80,671	237,194	* 313,039	205,362	211,857	210,929	215,075
Spokane.....		40	.....	19,922	36,848	104,402	* 135,657	85,619	92,309	91,934	89,090
Salt Lake.....		43	12,854	44,843	53,531	92,777	* 109,530	58,449	58,449	62,206	68,129

¹ Estimated.

² In thousand dollars only (000 omitted).

* Estimated by U. S. Census Bureau.

EXHIBIT C.

Value of chief products of Twelfth District.

[In thousand dollars (000 omitted). Items less than five million for district omitted.]

VALUE AT SOURCE OF PRODUCTION.

	Year.	Arizona.	California.	Idaho.	Nevada.	Oregon.	Utah.	Washington.	Total.	Approximate percentage for United States.
Wheat.....	1914	\$1,021	\$3,990	\$8,879	\$387	\$11,788	\$4,687	\$38,909	\$70,161	9.0
Oats.....	1914	150	3,982	4,836	307	5,787	1,656	5,700	22,418	5.0
Barley.....	1914	756	24,815	3,515	397	2,238	720	3,091	36,127	40.0
Potatoes.....	1914	132	7,245	2,530	1,092	2,852	1,680	4,154	19,685	11.8
Hay.....	1914	3,995	43,173	13,636	6,665	15,787	8,593	19,261	111,110	13.5
Hops.....	1909	.....	1,731	.....	.....	2,839	.....	665	5,235	.....
Beans and peas.....	1909	232	6,396	85	.....	39	16	126	6,894	30.0
Sugar-beet crops.....	1914	.....	6,145	1,311	.....	.....	2,705	.....	10,161	50.0
Vegetables.....	1909	379	6,887	1,006	264	2,449	718	2,938	14,693	.....
Deciduous fruits.....	1909	241	18,359	883	83	3,339	641	4,274	27,800	.....
Grapes.....	1909	25	10,847	19	12	99	28	51	11,081	50.0
Oranges, lemons, and grapefruit.....	1913-14	.....	22,683	.....	.....	.....	.....	.....	22,683	.....
Domestic animals sold or slaughtered.....	1909	4,847	33,627	12,866	4,762	17,434	6,656	10,249	90,441	6.0
Dairy products.....	1909	1,158	23,371	2,467	667	6,916	2,315	9,962	46,856	.....
Poultry and eggs.....	1909	565	12,703	1,843	322	3,734	1,259	5,354	25,780	.....
Wool.....	1914	1,021	2,050	2,810	908	2,601	2,489	582	12,461	.....
Salmon pack ¹	1914	.....	157	.....	.....	3,707	.....	5,095	8,959	.....
Tuna pack ².....	.....	.....	5,000	.....	.....	.....	.....	.....	5,000	.....
Timber.....	1909	1,419	45,000	10,689	503	30,200	977	89,155	177,943	19.0
Gold.....	1913	4,023	20,653	1,344	11,795	1,627	3,565	696	43,703	49.0
Silver.....	1913	2,384	813	6,033	9,718	108	7,903	200	27,159	67.0
Copper.....	1913	63,228	4,055	1,486	14,057	6	25,024	147	108,003	57.0
Lead.....	1913	710	183	13,986	719	3	7,309	9	22,919	61.0
Coal.....	1913	.....	28	5	.....	116	5,384	9,243	14,776	1.9
Petroleum.....	1913	.....	47,487	.....	.....	.....	.....	.....	47,487	19.2
Cement.....	1913	.....	6,558	.....	.....	.....	1,233	2,853	10,644	11.5
Manufactured products.....	1909	50,000	529,000	22,000	11,000	93,000	61,000	220,000	*986,000	.....

¹ Subdivision by States estimated.² Estimated.³ Equal to only one-third the value of manufactured products of New York City.

EXHIBIT D.

Bank clearings, principal cities in Twelfth District.

[In millions only (000,000 omitted).]

	1905	1910	1912	1913	1914	1915 (11 months).		1905	1910	1912	1913	1914	1915 (11 months).
San Francisco.....	\$1,834	\$2,323	\$2,677	\$2,624	\$2,516	\$2,432	Oakland.....		\$157	\$192	\$188	\$176	\$164
Los Angeles.....	478	811	1,167	1,210	1,145	941	Sacramento.....		69	92	108	103	91
	1906.						Fresno.....		37	51	57	53	.....
Portland.....	281	517	596	627	577	506	San Diego.....		66	131	134	103	90
Seattle.....	.....	590	602	664	627	.....	Pasadena.....		40	47	47	43	.....
Spo'ane.....	164	241	225	219	203	174	Stockton.....		32	45	45	47	.....
Salt Lake City.....	211	327	369	333	314	323	San Jose.....		27	35	35	36	.....
							Bakersfield (organized 1912).....		.....	.....	23	23	.....

¹ Up to and including Dec. 9.

NOTE.—Only part of the above figures have been furnished directly by the clearing houses of the respective cities.

EXHIBIT E.—*Banking power of the Twelfth District.*

[In thousand dollars (000 omitted).]

State.....	Arizona.		California.		Idaho.		Nevada.		Oregon.		Utah.		Washington.		Total district.	
	National.	State.	National.	State.	National.	State.	National.	State.	National.	State.	National.	State.	National.	State. ¹	National.	State.
Supervision.....	7	47	266	463	58	124	10	21	86	175	23	91	78	276	528	1,197
Number.....	7	47	266	463	58	124	10	21	86	175	23	91	78	276	528	1,197
Date of report (1915).....	Nov. 10.	Mar. 4.	Nov. 10.	Oct. 16.	Nov. 10.	Nov. 10.	Nov. 10.	June 23.	Nov. 10.	Sept. 2.	Nov. 10.	Nov. 21.	Nov. 10.	Sept. 2.	Nov. 10.	.....
ASSETS.																
Loans and discounts.....	\$4,703	\$12,788	\$272,514	\$472,235	\$19,163	\$15,261	\$5,481	\$7,468	\$52,402	\$34,418	\$19,773	\$35,147	\$66,788	\$68,487	\$440,824	\$645,804
Stocks, bonds, warrants, and other securities.....	2,004	2,403	96,208	126,430	6,155	1,481	2,233	1,140	19,046	7,972	7,523	4,811	21,370	21,162	154,539	165,399
Banking house furniture and fixtures and other real estate.....	381	1,013	14,024	33,004	1,440	1,590	342	590	3,486	2,765	1,040	2,336	4,158	14,383	24,931	55,681
Cash means.....	2,594	6,972	177,869	116,975	10,252	6,849	2,574	3,544	26,303	15,160	11,854	10,675	37,332	26,425	268,778	186,600
Other assets.....	62	193	13,795	3,826	389	40	125	220	548	1,153	207	375	861	1,403	15,987	7,210
Total assets.....	9,744	23,369	574,470	752,470	37,399	25,221	10,755	12,962	101,785	61,468	40,397	53,344	130,509	131,860	905,059	1,060,694
LIABILITIES.																
Capital.....	750	2,344	58,148	62,260	3,620	3,412	1,435	1,694	10,681	8,535	3,355	6,279	11,185	13,917	89,474	98,441
Surplus and undivided profits.....	810	1,413	44,783	42,890	2,231	1,271	403	684	6,383	4,032	2,189	2,735	6,522	5,794	63,326	58,819
Due to banks.....	795	(²)	105,789	14,204	2,675	816	958	74	9,444	2,447	7,879	3,089	16,202	4,419	143,742	25,049
Deposits:																
Demand.....	6,345	19,191	262,372	146,637	20,480	15,879	5,455	5,534	50,130	26,034	17,169	17,202	59,170	104,998	421,121	335,475
Time.....	247	(²)	48,158	480,882	5,223	3,444	1,230	4,940	17,944	18,230	6,476	16,369	20,155	(⁴)	108,423	523,865
Rediscunts and money borrowed.....	140	421	2,982	2,621	179	349	.....	.....	1,078	1,767	67	.....	1,094	2,044	5,550	7,802
Circulation outstanding.....	655	.....	42,249	.....	2,986	.....	.....	.....	6,017	.....	3,221	.....	6,697	.....	63,086	.....
Other liabilities.....	1	.....	8,979	2,976	15	50	2	36	102	423	41	* 7,670	134	88	10,326	11,243
Total liabilities.....	9,743	23,369	574,470	752,470	37,399	25,221	10,755	12,962	101,785	61,468	40,397	53,344	130,509	131,860	905,059	1,060,694

¹ Includes trust companies.² Included in individual deposits.³ Includes money borrowed.

EXHIBIT F.

Seasonal demand for loans and prevailing interest rates.

	Seasonal demand.	Used for—	Rate.
Arizona	September, October, November, December.	Cattle business	8
California:			
Imperial Valley	Spring and early fall	Alfalfa, dairying, cotton, canteloupes.	8-10
San Diego	February to June	Lemons, mercantile	7-10
Los Angeles and adjacent counties.	Continuous	Dairying, sugar beets, alfalfa, oranges, lemons, walnuts, beans.	5-8
San Joaquin Valley	Spring and late autumn	Live stock, grain, grapes, peaches, apricots, alfalfa.	6-10
San Francisco	Highest peak November; local demand uniform.	Taxes, mercantile business ...	5-8
Sacramento Valley	Spring and late summer	Hops, alfalfa, grain, grapes, small fruit, live stock.	6-7
Northern California	Early summer and fall	Live stock, grain, dairying, lumbering.	6-10
Idaho:			
Southern	February to June	Alfalfa, live stock, wool, grain..	6-10
Eastern	July, August, September	Live stock, wool, grain	10
Northern	February to June	Live stock, lumber	10-12
Nevada	Fall of year	Live stock	6-8
Oregon:			
Coast	Fall	Lumber, fish packers	6-8
Southern	August and September	Agriculture, live stock	6-8
Columbia River Valley	September to January and spring.	Live stock, grain, lumber, wool, apples.	6-8
Willamette Valley	August to November	Apples, hops, dairying, grain..	6-8
Eastern	Late summer and fall	Grain, live stock	8-10
Utah:			
Central and northern	Spring and fall	Sugar beets, hay, grain, fruit, live stock.	8-10
Balance of State	January to April	Live stock	8-12
Washington:			
Eastern	Late summer and fall	Grain, live stock	6-8
Western	Spring and fall	Live stock, lumber, fish canneries.	6-8

EXHIBIT G.

Effect upon income of member banks by establishing Federal Reserve System.

Country bank:			
Old system—			
Deposits	\$100,000		
Reserve	15,000		
Loanable	85,000, at 6 per cent....	\$5,100	
Of reserve	9,000, at 2 per cent....	180	
			\$5,280
New system—			
Deposits	100,000		
Reserve	12,000		
Loanable	88,000, at 6 per cent....	5,280	
Reserve city bank:			
Old system—			
Deposits	100,000		
Reserve	25,000		
Loanable	75,000, at 6 per cent....	4,500	
Of reserve	12,500, at 2 per cent....	250	
			4,750
New system—			
Deposits	100,000		
Reserve	15,000		
Loanable	85,000, at 6 per cent....	5,100	
Gain under new system			350
Central reserve city bank:			
Old system—			
Deposits	100,000		
Reserve	25,000		
Loanable	75,000, at 6 per cent....	4,500	
New system—			
Deposits	100,000		
Reserve	18,000		
Loanable	82,000, at 6 per cent....	4,920	
Gain under new system			420

This takes no account of permission under old system to include 5 per cent redemption fund in reserve, and in computing amount against which reserve was required, to deduct national-bank notes from deposits. But to offset this, no account is taken of the fact that under the new system only 5 per cent reserve is required against time deposits.

EFFECT UPON INCOME BY INVESTMENT IN CAPITAL OF FEDERAL RESERVE BANK.

Loans and investments of member banks in twelfth district approximate \$600,000,000. One-half the subscribed capital of Federal Reserve Bank of San Francisco, called for payment, approximates \$4,000,000; that is, two-thirds of 1 per cent of the investments.

Old system, loans.....	\$100,000, at 6 per cent....	\$6,000
New system.....	99,333, at 6 per cent....	5,960
Two-thirds of 1 per cent.....	.667	Loss..... 40

Aside from dividends, assuming equal deposits, the gain in income of central reserve city and reserve city banks, as shown in the foregoing, would greatly exceed the loss because of investment in capital of Federal Reserve Bank. Country banks would gain in power to increase loans by reason of reduction of 5 per cent of reserve required against time deposits. In any event, an increase of loans to the extent of two-thirds of 1 per cent would offset the loss of income because of capital investment regardless of dividends, which will be earned in due time and are cumulative.

EXHIBIT H.

BY-LAWS, FEDERAL RESERVE BANK OF SAN FRANCISCO.

ARTICLE I.—*Directors.*

SECTION 1. *Quorum.*—A majority of the directors shall constitute a quorum for the transaction of business, but less than a quorum may adjourn from time to time until a quorum is in attendance.

SEC. 2. *Vacancies.*—As soon as practicable after the occurrence of any vacancy in the membership of the board the chairman of the board shall take such steps as may be necessary to cause such vacancy to be filled in the manner provided by law.

SEC. 3. *Meetings.*—There shall be a regular meeting of the board every first and third Tuesday of each month at 11.30 o'clock a. m., or, if that day be a holiday, on the first preceding full business day. The chairman of the board may call a special meeting at any time, and shall do so upon the written request of any three directors or of the governor. Notice of regular and special meetings may be given by mail or by telegraph. If given by mail, such notice shall be mailed at least six days before the date of the meeting. If given by telegraph, such notice shall be dispatched at least three days before the date of the meeting. Notice of any meeting may be dispensed with if each of the directors shall in writing waive such notice.

SEC. 4. *Powers.*—The business of this bank shall be conducted under the supervision and control of its board of directors, subject to the supervision vested by law in the Federal Reserve Board. The board of directors shall appoint the officers and fix their compensation.

The board may appoint legal counsel for the bank, define his duties, and fix his compensation.

SEC. 5. *Special committees.*—Special business of the bank may be referred from time to time to special committees, which shall exercise such powers as the board may delegate to them.

SEC. 6. *Order of business.*—The board may from time to time make such regulations as to order of business as may seem to it desirable.

ARTICLE II.—*Executive committee.*

SECTION 1. *How constituted.*—There shall be an executive committee consisting of the governor, the Federal Reserve Agent, and one or more directors; the member or members of the committee chosen by the board shall serve during the pleasure of the board or for terms fixed by it. Not less than three members of the committee shall constitute a quorum for the transaction of business, and action by the committee shall be upon the vote of a majority of those present at any meeting of its committee.

The committee shall have power to fix the time and place of holding regular or special meetings and the method of giving notice thereof.

Minutes of all meetings of the executive committee shall be kept by the secretary, and such minutes or digests thereof shall be submitted to the members of the board of directors at its next succeeding meeting. Such minutes shall be read to the meeting if required by any member of the board.

SEC. 2. *Powers.*—Subject to the supervision and control of the board of directors, as set forth in Article I, section 4, the executive committee shall have the following powers:

- (a) To pass upon all commercial paper submitted for discount.
- (b) To initiate and conduct open-market transactions.
- (c) To recommend to the board of directors from time to time changes in the discount rate.
- (d) To buy and sell securities.
- (e) To apply for and provide for the security of such Federal Reserve notes as may, in the judgment of the committee or of the board, be necessary for the general requirements of the bank.
- (f) To employ or to delegate to officers of the bank authority to employ clerks and other subordinates, and to define their duties and to fix their compensations.
- (g) To approve bonds furnished by the officers and employees of the bank and to provide for their custody.
- (h) In general, to conduct the business of the bank, subject to the supervision and control of the board of directors.

ARTICLE III.—*Officers.*

SECTION 1. The board of directors shall appoint a governor, a deputy governor, a secretary, and a cashier, and shall have power to appoint such other officers as the board may from time to time determine to be necessary and appropriate for the conduct of the business of the bank. The offices of deputy governor, secretary, and cashier, or any two of them, may be held by one person, in the discretion of the board. The officers chosen by the board shall hold office during the pleasure of the board.

SEC. 2. *Federal Reserve Agent.*—The Federal Reserve Agent, as chairman of the board, shall preside at meetings thereof. Copies of all reports and statements made to the Federal Reserve Board shall be filed with the Federal Reserve Agent.

SEC. 3. *Deputy Federal Reserve Agent.*—In the absence or disability of the Federal Reserve Agent his powers shall be exercised and his duties performed by the Deputy Federal Reserve Agent, who may perform such other services as shall be prescribed by the board of directors not inconsistent with his duties as provided by law.

SEC. 4. *The governor.*—Subject to the supervision and control of the board of directors, the governor shall have general charge and control of the business and affairs of the bank and he shall be the chairman of the executive committee. He shall have power to make any and all transfers of securities or other property of the bank which may be authorized to be sold or transferred by the executive committee or by the board. The governor shall have power to prescribe the duties of all subordinate officers and agents of the bank where such duties are not specifically prescribed by law or by the board of directors or by the by-laws. The governor may suspend or remove any employee of the bank.

SEC. 5. *The deputy governor.*—In case of the absence or disability of the governor his powers shall be exercised and his duties discharged by the deputy governor, and in case of the absence or disability of the deputy governor the board shall appoint one of the other directors governor pro tempore. The duties of the deputy governor shall otherwise be such as may be prescribed by the board of directors or by the governor. In case the board shall deem that the business of the bank requires the appointment of one or more assistant deputy governors, it shall have authority to appoint such assistant deputy governor or governors and shall prescribe and define his or their duties.

SEC. 6. *The secretary.*—The secretary shall keep the minutes of all meetings of the board and of all committees thereof. He shall have custody of the seal of the bank, with power to affix same to certificates of stock of the bank, and by authority of the board or the executive committee to such other instruments as may from time to time be required. The board of directors may, in the absence or disability of the secretary, or upon other occasion where in the discretion of the board greater convenience can be attained, appoint a secretary pro tempore or empower one or more officers to affix the seal of the bank to certificates of stock or other instruments. The secretary shall perform such other duties as may from time to time be prescribed by the board of directors, the executive committee, or the governor.

SEC. 7. *The cashier.*—The cashier and at least one other officer designated by the board of directors shall have the joint custody of all moneys, investments, and securities of the bank, subject to such rules as the board may adopt for their safety. He shall perform such other duties as may be assigned to him from time to time by the executive committee, the board of directors, or the governor.

ARTICLE IV.—*Certificates of stock.*

SECTION 1. *Signature.*—All certificates of stock, or of payment of or on account of stock subscriptions, shall be signed by the governor or a deputy governor and the secretary or cashier, or such other officers as may be prescribed by the board, and such certificates shall bear the corporate seal.

ARTICLE V.

SECTION 1. *Business hours.*—The bank shall open for business from 10 o'clock to 3 o'clock on each day except Sundays or days or parts of days established as legal holidays, and on Saturdays from 10 o'clock to 12 o'clock.

ARTICLE VI.—*Amendments.*

These by-laws may be amended at any regular meeting of the board by a majority vote of the entire board: *Provided, however,* That a copy of such amendment shall have been delivered to each member at least 10 days prior to such meeting.

EXHIBIT I.

Discount rates.

Regular paper.	Not exceeding 10 days.	Over 10 and not exceeding 30 days.	Over 30 and not exceeding 60 days.	Over 60 and not exceeding 90 days.	Over 90 days.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Nov. 16, 1914.....	6	6	6½	6½	6½
Dec. 2, 1914.....	5½	5½	6	6	6
Dec. 15, 1914.....	5	5	5½	6	6
Dec. 31, 1914.....	4½	4½	5½	6	6
Jan. 8, 1915.....	4	4	5	5½	6
Jan. 22, 1915.....	4	4	4	4½	6
May 8, 1915.....	3½	3½	4	4½	6
June 25, 1915 ¹	3	3½	4	4½	6

Commodity paper.	Not exceeding 30 days.	Over 30 and not exceeding 60 days.	Over 60 and not exceeding 90 days.	Over 90 days and not exceeding 6 months.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Sept. 24, 1915 ¹	3½	4	4½	5

Trade acceptances. ¹	Not exceeding 60 days.	Over 60 and not exceeding 90 days.
	<i>Per cent.</i>	<i>Per cent.</i>
Aug. 5, 1915.....	3	3½

¹ Rates in effect Nov. 30, 1915.

EXHIBIT J.

Banks in Twelfth District granted special permits by the Federal Reserve Board to act as trustee, executor, administrator, registrar of stocks and bonds.

City.	State.	Bank.	Nature of power granted.
Calexico	California	First National	Registrar of stocks and bonds.
Los Angeles	do	Continental National	Do.
Oakland	do	Central National	Do.
Pleasanton	do	First National	Do.
Visalia	do	do	Do.
Williamington	do	do	Do.
Fullerton	do	Farmers & Merchants	Do.
San Francisco	do	Bank of California, National Association. ¹	Trustee, executor, administrator, registrar of stocks and bonds.
Tonopah	Nevada	Nevada First National	Registrar of stocks and bonds.
Harrisburg	Oregon	First National	Trustee, executor, administrator.
Junction City	do	do	Do.
Milton	do	do	Trustee, executor, administrator, registrar of stocks and bonds.
Ontario	do	do	Executor, administrator.
Pandleton	do	American National	Trustee, executor, administrator, registrar of stocks and bonds.
Do	do	First National	Do.
Portland	do	do	Do.
Ashland	do	do	Trustee.
Salt Lake City	Utah	Deseret National	Trustee, executor, administrator, registrar of stocks and bonds.
Mount Vernon	Washington	First National	Trustee, executor, administrator.
Seattle	do	Seattle National	Trustee, executor, administrator, registrar of stocks and bonds.
Vancouver	do	Vancouver National	Do.
Bellingham	do	Bellingham National	Do.
Seattle	do	National Bank of Commerce	Do.

¹ All powers in branch banks. Registrar of stocks and bonds in California.

EXHIBIT K.

Banks in Twelfth District granted permission by Federal Reserve Board to accept drafts or bills of exchange up to 100 per cent of capital and surplus.

City.	Bank.	Capital and surplus.
San Francisco	Bank of California, National Association	\$15,000,000
Do	Wells Fargo Nevada National	9,500,000
Do	First National Bank	4,500,000
Do	Crocker National Bank	4,000,000
Do	Anglo & London Paris National	5,500,000
Portland	First National Bank	3,500,000

EXHIBIT L

EXCHANGE CHARGES IN TWELFTH DISTRICT.

1. Rates for all points specified in this report are subject to variations in rate due to special arrangements between banks.
2. In general country banks clear their items through their city correspondents without paying any charges for exchange.
3. Country banks, quite generally, make charges for exchange.
4. Banks in this district, quite generally, charge exchange for checks received from further east.
5. Banks in this district do not find it necessary to pay exchange in clearing checks drawn upon points further east.

	Checks bearing eastern indorsements (per 100).	Checks indorsed by Pacific coast points (per 100).
	<i>Cents.</i>	<i>Cents.</i>
Arizona.....	25	25
California:		
San Diego.....	10	5
Los Angeles ¹	10	5
San Francisco.....	(²) 10	(²) 5
Sacramento.....		
California—		
Outside southern.....	10	5
Outside central.....	10	5
Outside northern.....	10	10
Idaho.....	15	10
Nevada.....	15	10
Oregon:		
Portland.....	10	10
Oregon, outside.....	10	10
Utah:		
Salt Lake City.....	10	10
Utah, outside.....	³ 15	³ 15
Washington:		
Spokane.....	³ 12½	³ 5-10
Washington, outside.....	³ 12½	³ 12½

¹ Los Angeles makes no charge for checks drawn by railway and steamship companies, fruit and nut shippers, and fruit and meat packers.

² No uniform rates, each bank entering into special agreement with eastern correspondents for collection of checks on Pacific coast.

³ And up.

EXHIBIT M.

Principal items in reports of conditions to Comptroller of Currency, Nov. 10, 1915, by member banks in Twelfth District, and abstract of exchange, losses, and earning accounts for 3 years.

[In thousands only ('000 omitted). Classification of banks by total resources.]

Items.	To \$100,000.	\$100,001 to \$200,000.	\$200,001 to \$300,000.	\$300,001 to \$500,000.	\$500,001 to \$2,500,000.	\$2,500,001 to \$20,000,000.	\$20,000,001 and over.	Total for district.
Capital, surplus, and undivided profits.....	\$386	\$2,124	\$3,897	\$8,075	\$37,089	\$45,659	\$55,657	\$152,887
Demand deposits.....	559	5,302	12,223	23,720	107,741	143,776	127,431	420,752
Time deposits.....	57	1,443	2,833	6,473	23,652	46,696	21,459	108,413
Money borrowed.....	36	164	241	774	2,509	400	-----	4,124
Loans and discounts...	640	5,530	11,177	23,784	111,314	151,362	137,014	440,821
Bonds, securities, etc...	52	711	1,903	4,118	4,012	32,030	18,968	61,794
Loans eligible for re-discount with Federal Reserve Bank...	154	1,018	1,991	2,735	19,783	28,524	30,789	84,994
Drafts or bills of exchange incident to the importation or exportation of goods accepted under section 13 Federal Reserve Act.....	-----	-----	7	3	12	41	39	103
Liabilities of officers and directors:	-----	-----	-----	-----	-----	-----	-----	-----
Direct.....	40	384	604	1,036	4,817	5,606	1,210	13,797
Indirect.....	10	153	192	429	1,936	2,500	1,673	6,898
Interest on time deposits:	-----	-----	-----	-----	-----	-----	-----	-----
Highest 1.....	4½	6	7	4½	6	4	4	-----
Average 2.....	4½	4½	4½	4	4	4	4	-----

¹ Highest individual rate recorded.

² Average of maximum rates recorded.

Principal items in reports of conditions to Comptroller of Currency, Nov. 10, 1915, by member banks in Twelfth District, and abstract of exchange, losses, and earning accounts for 3 years—Continued.

Items.	To \$100,000.			\$100,001 to \$200,000.			\$200,001 to \$300,000.			\$300,001 to \$500,000.			\$500,001 to \$2,500,000.			\$2,500,001 to \$20,000,000.			\$20,000,001 and over.			Total for district.			
	1912	1913	1914	1912	1913	1914	1912	1913	1914	1912	1913	1914	1912	1913	1914	1912	1913	1914	1912	1913	1914	1912	1913	1914	
Data covering 3 years.																									
Abstract of banks' exchange and collection account:																									
Credit.....	1	2	2	26	30	28	24	24	24	85	87	83	188	185	180	525	552	522	2,261	1,996	1,454	3,111	2,879	2,295	
Debit.....				1	10	8				16	16	17	12	10	15	144	162	163	2,023	1,761	1,106	2,196	1,961	1,311	
Difference.....	1	2	2	25	20	20	24	24	24	69	71	66	176	175	165	381	390	359	238	235	348	915	918	984	
Losses sustained by banks from loans to borrowers other than banks:																									
Nondepositories.....							2		1	9	8	10	15	50	58	37	37	85	99	140	142	161	235	296	
Other loans and discounts.....	2	1	3	10	7	8	50	61	57	35	91	152	568	565	545	704	902	1,039	130	415	889	1,500	2,042	2,673	
Total losses....	2	1	3	10	7	8	52	61	58	44	99	162	583	615	603	741	939	1,124	229	555	1,011	1,661	2,277	2,969	
Total net earnings and profits, dividends paid, and surplus earnings:																									
Earnings and profits after deduction of expenses and losses.....	2		3	91	107	114	328	336	321	686	676	642	3,432	3,462	3,278	4,465	3,653	3,869	3,752	3,853	3,332	12,756	12,107	11,559	
Dividends paid.....				52	74	68	190	207	197	239	506	433	2,303	2,580	2,375	3,605	3,569	2,776	2,845	2,950	3,015	9,300	9,887	8,870	
Net or surplus earnings....	2		3	39	33	46	138	129	124	387	190	203	1,123	882	903	860	84	1,033	907	903	317	3,456	222	2,689	

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