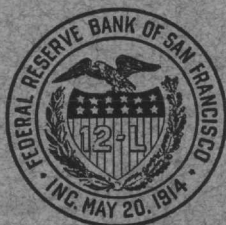


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NINTH ANNUAL REPORT  
TO THE  
FEDERAL RESERVE BOARD  
BY THE  
FEDERAL RESERVE AGENT  
FEDERAL RESERVE BANK  
SAN FRANCISCO



FOR THE  
YEAR ENDED DECEMBER 31, 1923

# NINTH ANNUAL REPORT

TO THE

## FEDERAL RESERVE BOARD

BY THE

## FEDERAL RESERVE AGENT

FEDERAL RESERVE BANK  
SAN FRANCISCO



FOR THE

YEAR ENDED DECEMBER 31, 1923

## LETTER OF TRANSMITTAL

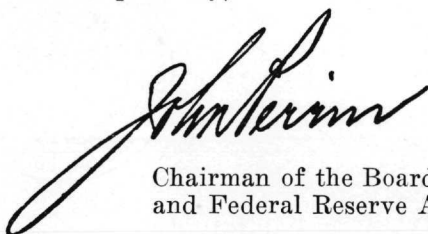
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Federal Reserve Bank,  
San Francisco, California,  
February 1, 1924.

GENTLEMEN:

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, 1923.

Yours respectfully,

A handwritten signature in dark ink, appearing to read "John P. Miller". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Chairman of the Board  
and Federal Reserve Agent.

Federal Reserve Board,  
Washington, D. C.

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# DIRECTORS AND OFFICERS OF THE FEDERAL RESERVE BANK OF SAN FRANCISCO

January 1, 1924

		<b>DIRECTORS</b>						<b>Term Expires Dec. 31</b>
<b>Class</b>	<b>Group</b>							
A	1	C. K. McINTOSH, San Francisco, California	-	-	-	-	-	1925
		Vice-President, Bank of California, N. A.						
A	2	J. S. MACDONNELL, Pasadena, California	-	-	-	-	-	1926
		President, First National Bank.						
A	3	M. A. BUCHAN, Palo Alto, California	-	-	-	-	-	1924
		President, First National Bank.						
B	1	A. B. C. DOHRMANN, San Francisco, California	-	-	-	-	-	1926
		President, Dohrmann Commercial Company.						
B	2	WILLIAM T. SESNON, Soquel, California	-	-	-	-	-	1924
		Agriculturist.						
B	3	E. H. COX, Madera, California	-	-	-	-	-	1925
		Vice-President and General Manager, Madera Sugar Pine Company, Madera, California.						
C		WM. SPROULE, San Francisco, California	-	-	-	-	-	1925
		President, Southern Pacific Company.						
C		JOHN PERRIN, San Francisco, California	-	-	-	-	-	1926
		Chairman of the Board.						
C		WALTON N. MOORE, San Francisco, California	-	-	-	-	-	1924
		Deputy Chairman, President, Walton N. Moore Dry Goods Co., Inc.						

## MEMBER FEDERAL ADVISORY COUNCIL

D. W. TWOHY, representing District No. 12.  
Chairman Board of Directors, Old National Bank,  
Spokane, Washington.

## OFFICERS

JOHN PERRIN,  
Chairman of the Board and  
Federal Reserve Agent

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

HENRY C. BRECK,  
Assistant Federal Reserve Agent  
and Secretary

JNO. U. CALKINS,  
Governor

WM. A. DAY,  
Deputy Governor

IRA CLERK,  
Assistant Deputy Governor

L. C. PONTIOUS,  
Assistant Deputy Governor

W. N. AMBROSE, Cashier  
W. M. HALE, Assistant Cashier  
CHESTER D. PHILLIPS, Assistant Cashier  
C. E. EARHART, Assistant Cashier  
H. N. MANGELS, Assistant Cashier  
M. McRITCHIE, Assistant Cashier  
H. M. CRAFT, Assistant Cashier  
E. C. MAILLIARD, Assistant Cashier  
S. A. MACEachron, Assistant Cashier

F. H. HOLMAN, General Auditor  
J. M. OSMER, Auditor  
E. W. MORTON, Auditor  
J. P. READ, Auditor

A. C. AGNEW, Counsel

# DIRECTORS AND OFFICERS OF BRANCHES

January 1, 1924

---

## SPOKANE BRANCH

### Directors

PETER MCGREGOR\*  
G. I. TOEVS\*  
C. E. MCBROOM†  
R. L. RUTTER†  
W. L. PARTNER†

### Officers

W. L. PARTNER, Manager  
D. L. DAVIS, Assistant Manager  
EVAN BERG, Assistant Cashier

## SEATTLE BRANCH

CHAS. H. CLARKE\*  
CHAS. E. PEABODY\*  
M. A. ARNOLD†  
M. F. BACKUS†  
C. R. SHAW†

C. R. SHAW, Manager  
B. A. RUSSELL, Assistant Cashier

## PORTLAND BRANCH

NATHAN STRAUSS\*  
JOSEPH N. TEAL\*  
J. C. AINSWORTH†  
EDWARD COOKINGHAM†  
FREDERICK GREENWOOD†

FREDERICK GREENWOOD, Manager  
R. B. WEST, Assistant Manager  
J. P. BLANCHARD, Assistant Cashier

## SALT LAKE CITY BRANCH

LAFAYETTE HANCHETT\*  
G. G. WRIGHT\*  
CHAPIN A. DAY†  
L. H. FARNSWORTH†  
R. B. MOTHERWELL†

R. B. MOTHERWELL, Manager  
A. B. NORDLING, Assistant Manager  
PAUL M. LEE, Assistant Cashier  
J. M. LEISNER, Assistant Cashier

## LOS ANGELES BRANCH

ISAAC B. NEWTON\*  
HENRY M. ROBINSON\*  
HENRY S. MCKEE†  
J. F. SARTORI†  
C. J. SHEPHERD†

C. J. SHEPHERD, Manager  
G. H. SCHMIDT, Assistant Manager  
H. C. VOGELSANG, Assistant Cashier  
A. J. DUMM, Assistant Cashier

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\*Appointed by Federal Reserve Board.

†Appointed by Federal Reserve Bank.



FEDERAL RESERVE BANK OF SAN FRANCISCO  
Sacramento and Sansome Streets, San Francisco, California.

Section one of the new building—approximately 78 per cent of the whole—was completed and occupied in December, 1923. All activities of the Head Office of the bank are now carried on in this building. (See text page 21.)

## ECONOMIC REVIEW OF THE YEAR 1923 IN THE TWELFTH FEDERAL RESERVE DISTRICT

Stability in trade and prices was more nearly realized during 1923 than in any year since 1915. Production, which had been gaining momentum during the latter half of 1922, reached record levels in the early months of 1923, from which a moderate decline occurred, but at no time during the later months of the year did the volume of production fall below normal. Distribution and trade, as distinguished from production, experienced neither the abnormal activity which was a feature of productive effort during the spring months nor the subsequent decline of the summer and early fall, but continued at uniformly high levels throughout most of the year. The general price level fluctuated less during 1923 than in any year since 1915, and such readjustments as have occurred between or within commodity groups have tended to restore the relationships which prevailed before the dislocations incident to the war. Sufficient credit has been available at moderate cost throughout the year to care for the increasing needs of industry and trade, and evidence of its careful employment is found in the strong position of the banking system at the year's close.

Mention should be made, however, of certain basic industries of this district in which conditions have not been altogether favorable during the year. Irregularities in agriculture have persisted, copper mines seem still to be producing more copper than current consumption will absorb, and the petroleum industry has suffered during most of the year from the effects of overproduction of oil following the discovery and exploitation of new oil fields in Southern California.

Production, trade, and credit conditions in the district during 1923 are summarized in the following table:

### Primary Production

	1923	1922
Grains* (index number of volume—five-year average 1918-1922 or 1919-1923 = 100).....	123.8	97.5
Field crops* (as above).....	96.8	94.9
Fruits* (as above).....	115.0	103.8
Lumber (output of four associations in board feet).....	8,403,620	6,580,965
Copper (pounds).....	952,607,000	547,555,000
Petroleum (barrels).....	264,000,000	138,468,000

### Business Activity

Building permits—value in 20 cities.....	\$419,726,000	\$310,644,000
Bank debits—20 cities.....	\$29,411,000,000	\$25,024,000,000

### Prices

Wholesale prices—United States Bureau of Labor average 404 commodities for December (1913 = 100).....	151.0	156.0
Cost of living—December index number National Industrial Conference Board (July, 1914 = 100).....	165.0	158.9

### Credit

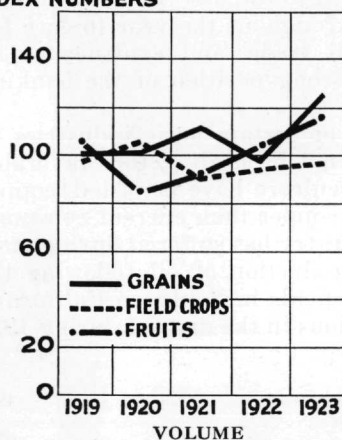
Loans—total loans of reporting member banks at close of year.....	\$1,007,606,000	\$908,690,000
Borrowings of all member banks from Federal Reserve Bank of San Francisco at close of year.....	\$53,114,000	\$37,304,000
Interest rates charged commercial borrowers by San Francisco banks at close of year.....	5½-6%	5½-6%

\*See page 8 for list of crops included.

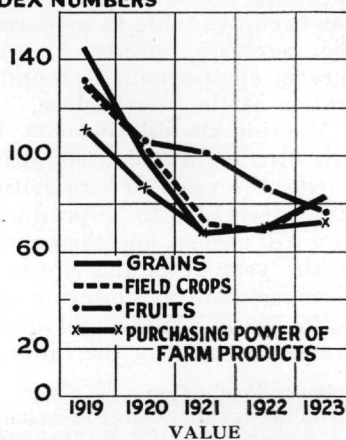
## Production

**Agriculture** is of primary importance among the productive industries of this district. Yields of the principal farm crops in 1923 were generally larger than in 1922 and were considerably above the average of the past five years, except in the field crops, i. e., beans, cotton, potatoes, rice, and sugar beets. Distribution of the district's large crops has been facilitated by adequate transportation service, but prices received have frequently failed to return a profit, on the year's operations, satisfactory to the grower. Notwithstanding these reports, the total farm value of crops grown in the district was greater in 1923 than in either of the two preceding years, this increase being the more significant because the purchasing power of farm products has been rising during this period. Index numbers prepared by this

### INDEX NUMBERS



### INDEX NUMBERS



Volume and Value of Production of Fourteen Principal Crops in the Twelfth Federal Reserve District  
NOTE: See text and table for sources and explanation.

bank to show the trend of production and value of the principal crops of the district, and the United States Department of Agriculture's index number of the purchasing power of farm products expressed in terms of things the farmer must buy, are presented in the following table and shown graphically in the accompanying charts:

	1923		1922		1921	
	Volume	Value	Volume	Value	Volume	Value
Grains (wheat, barley, oats)*.....	123.8	83.9	97.5	69.3	111.4	67.2
Field crops (beans, cotton, potatoes, rice, sugar beets)*.....	96.8	83.7	94.9	68.2	90.4	71.8
Fruits (apples, peaches, pears, prunes, raisins, oranges)*.....	115.0	76.8	103.8	86.1	91.8	100.8
Purchasing power of farm products (1913=100).....	72		69		67	

\*Five-year average 1918-1922 or 1919-1923=100.

The **livestock** industry as a whole has been slower in recovery from the depression of 1920-1921 than have other industries, but progress was apparent during the past year. Sheep raisers in particular, benefiting from relatively high prices and active markets for wool and lambs, have been able to liquidate many old debts, and in some



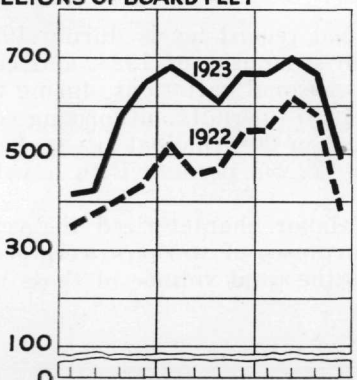
cases to plan moderate increases in the size of their flocks. An improved situation in the cattle industry has proceeded from less satisfactory causes. Cattle prices during 1923 offered little opportunity for accumulating profits with which to repay indebtedness incurred in previous years, so that some cattlemen found it necessary to sell their stock and leave the business. The number of live-stock on farms and ranges of the district on January 1st of the past three years has been estimated by the United States Department of Agriculture as follows:

	1924	1923	1922
Cattle.....	4,671,000	4,712,000	4,611,000
Sheep.....	12,208,000	11,938,000	11,702,000
Hogs.....	1,877,000	1,778,000	1,612,000

The increasing importance of the district in general, and the Pacific Northwest in particular, as a source of **lumber** for the nation makes the condition of the industry a matter of national as well as district concern. Production during 1923 was more than 25 per cent greater than during 1922, and practically all of the lumber cut was sold, so that stocks in producers' hands were little greater at the close of the year than at its beginning. The figures of production and sales for approximately 200 reporting mills follow (000 omitted):

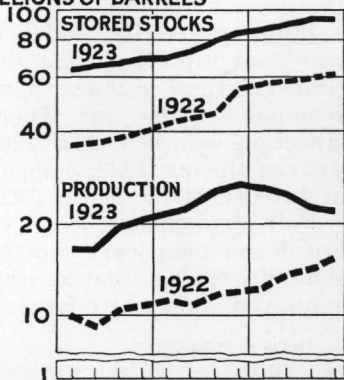
	Dec. 29, 1923 (board feet)	52 Weeks Ending Dec. 30, 1922 (board feet)	Dec. 31, 1921 (board feet)
Production.....	8,403,620	6,580,965	4,192,500
Shipments.....	7,803,345	6,063,165	4,114,445
Orders.....	7,403,666	6,819,623	4,383,680

MILLIONS OF BOARD FEET



Lumber Production as Reported by Four Lumber Associations

MILLIONS OF BARRELS



Production and Stored Stocks of Petroleum in California

**Mining** was active throughout 1923. Production schedules during the spring months were especially heavy, and shortages of mine labor were reported in a few areas during the first half of the year. Output of all of the principal metals was greater than in 1922, as shown by the following table:

	Gold (oz.)	Silver* (oz.)	Copper* (lbs.)	Lead* (lbs.)	Zinc (tons)
1923.....	1,347,327	48,675	952,607	399,569	27,200
1922.....	1,209,598	39,946	547,555	364,385	8,044
1921.....	1,222,632	31,699	240,743	302,656	841

\*000 omitted.

Production of copper exceeded consumption during a large part of 1923. As stocks of the metal increased prices declined until doubts concerning further profitable operation of "high cost" mines threatened a curtailment of production which was partially realized during the last few weeks of the year. Certain changes in the character of silver mining operations occurred during 1923 as a result of the cessation on July 1st of Government purchases of silver, under the Pittman Act, at a fixed price of \$1.00 per ounce. Rapid production of ores immediately available, which characterized mining of the metal during the first half of the year, was followed by a period of more orderly development of ore bodies, but output was not materially less than during the previous period. Production of **petroleum** in California, as a result of flush production in the newer fields of Southern California, increased rapidly from 531,000 barrels per day in January to a peak of 859,000 barrels per day in September, later declining to a flow of 706,000 barrels per day for December. Total output for the year was almost twice as large as in 1922, the previous record year:

	California Production (barrels)	United States Production (barrels)	Per Cent California to United States
1923*	264,000,000	735,000,000	35.9
1922	138,468,000	557,531,000	24.8
1921	114,709,000	469,639,000	24.4

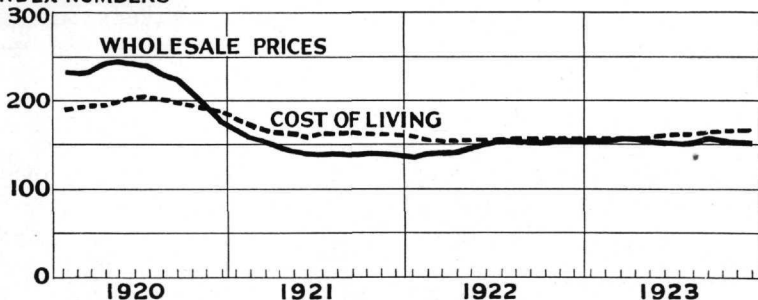
\*Estimated.

Storage stocks of petroleum held in California increased by 30,740,000 barrels during the year, and on January 1, 1924, stood at 91,925,000 barrels, but 0.2 per cent below the record figure reached the previous month.

**Building** activity, which had reached record levels during 1922, increased rapidly during the first three months of 1923, and continued at these high levels, with only seasonal variations, during the remainder of the year. There were 144,673 permits authorizing construction valued at \$419,726,000 issued in 20 principal cities of the district during 1923, compared with 122,295 permits with a value of \$310,644,000 issued in 1922.

Full **employment** of all classes of labor characterized the year. Local and temporary shortages or surpluses of workers were occasionally reported, but at no time was the total volume of those unemployed abnormally large.

#### INDEX NUMBERS



Prices in the United States

Bureau of Labor Statistics Index Number of Wholesale Prices—1913=100

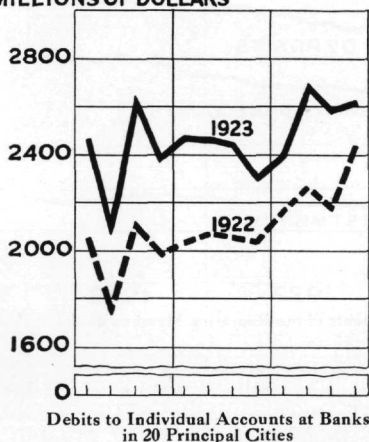
National Industrial Conference Board's Index Number of Cost of Living—July, 1914=100



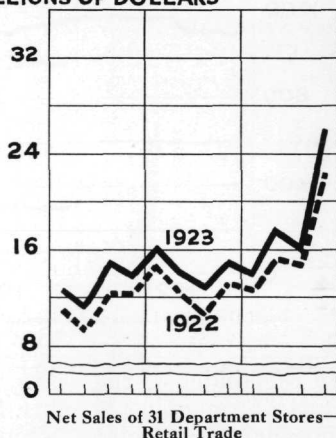
## Business Activity

The total volume of trade carried on in the district is reflected in the amount of checks drawn against bank accounts (bank debits), figures for which are tabulated weekly by this bank for the 20 principal clearing house centers in the district. The average monthly volume of such bank debits in 1923 was 20 per cent greater than in 1922, and nearly 30 per cent in excess of the figures for 1919, a year of more than average activity in industry and trade. These figures are affected materially, of course, by changes in the price level, but correction for price fluctuations is unnecessary for comparison with 1922, and would increase the gain as compared with 1919. Trade at

MILLIONS OF DOLLARS



MILLIONS OF DOLLARS



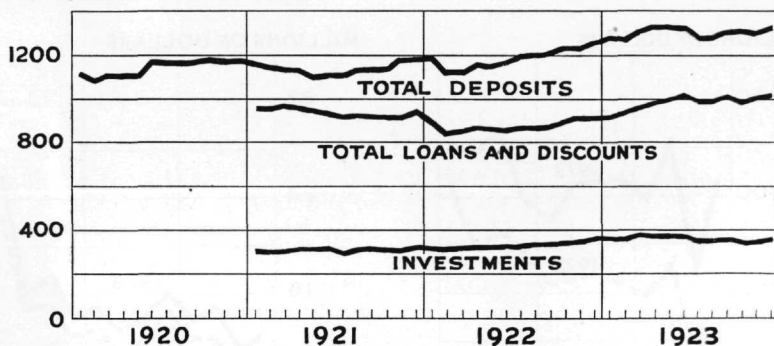
wholesale was generally greater in value and volume in 1923 than in 1922. Sales in each of 11 lines of wholesale business for which this bank collects figures were larger in value during most of the 12 months of 1923 than in the corresponding months of 1922, the margin of increase being greatest during the spring, diminishing in the summer, increasing again in the autumn, and then declining to the lowest level of the year in December. Retail business experienced a normal growth during the year. Sales of 35 department stores were larger each month by 10 per cent or more than during the same month of 1922. Retail distribution was affected by the early spring activity in smaller degree than either primary production or distribution at wholesale, but the movement of goods at retail continued to increase in the latter part of the year when activity in other fields was declining. Foreign commerce of the district increased in 1923 as did domestic trade. The value of imports for 1923 was 13 per cent and the value of exports 19 per cent greater than in 1922. Imports through the four Pacific Coast customs districts exceeded exports by 29 per cent.

## Credit Conditions

The great activity of 1923 entailed no strain upon the banking resources of the district. An increased demand for credit followed naturally the expansion in trade and industry, but member banks were able to care for the needs of their customers without substantial rediscounting with the Reserve Bank, and signs of the employment of bank credit for speculative purposes were lacking.

Total loans of 65 reporting member banks in nine principal cities of the district increased from \$899,765,000 on January 3, 1923, to \$1,009,394,000 on June 20, 1923, a period of rapidly expanding business activity, and fluctuated around the billion-dollar level during

### MILLIONS OF DOLLARS



Total Deposits, Loans and Discounts, and Investments of the Reporting Member Banks  
(as of the last statement of each month)

the remainder of the year. During the first half of the year, while loans of reporting member banks were increasing by \$110,000,000, they increased their rediscounts at the Reserve Bank from \$14,480,000 on January 10th to \$56,853,000 on July 11th, a total increase of \$42,000,000, or less than 40 per cent of the increase in their loans to customers. Movement of member bank credit throughout the year is indicated in the following table and in the accompanying chart:

### Reporting City Member Banks—Twelfth Federal Reserve District

	[000 omitted]			
	Jan. 3, 1923	June 27, 1923	Oct. 31, 1923	Jan. 9, 1924
Loans and discounts.....	\$ 899,765	\$1,008,699	\$ 992,406	\$1,005,658
Investments.....	357,491	368,159	343,845	344,192
Total loans and investments...	1,257,256	1,376,858	1,336,251	1,349,850
Borrowings from Federal Reserve Bank .....	23,986	48,032	41,939	32,746
Total deposits.....	1,257,470	1,315,017	1,303,092	1,344,183
Ratio of deposits to loans and investments.....	100.0	95.5	97.5	99.6

The course of reserve bank credit during 1923 was similar, in a general way, to that of member bank credit. The decline in rediscounts with the Federal Reserve Bank, which had begun as far back as September, 1920, terminated in January, 1923, and from January 10th to July 11th of that year rediscounts increased from \$32,874,000 to \$84,078,000. Seasonal demands of the autumn carried them to a peak of \$91,442,000 on September 5th, followed by a steady decline to \$50,406,000 on January 9, 1924. The latter figure

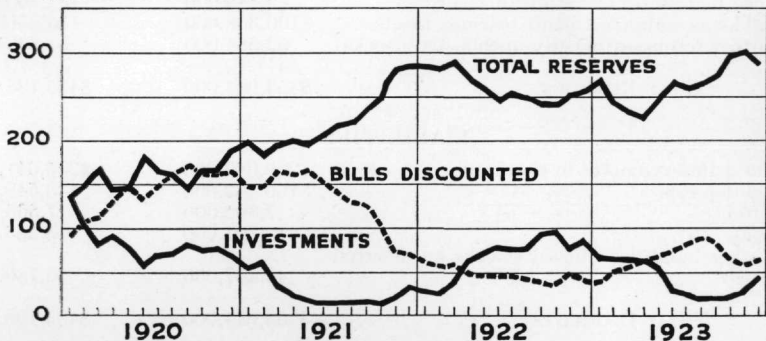
was \$17,532,000, or 53 per cent above the low point of recent years, reached in January, 1923. Both city and country member banks availed themselves of reserve bank credit in increasing amounts during the first half of the year, and reduced their indebtedness during the later months. Investments of the Federal Reserve Bank were allowed to diminish as discounts advanced in the spring, and were later increased as seasonal reduction of discounts occurred in the autumn. Changes in Federal Reserve note circulation during the year have been small, a large part of the increased demand for currency normally attendant upon a period of growing business activity having been met by putting into circulation gold certificates and silver certificates. The amount of Federal Reserve notes in circulation in this district fell steadily from the holiday peak (\$244,000,000) at the close of 1922 to a low of \$196,000,000 in April, 1923, and then gradually rose to a peak of \$232,000,000 at the height of the holiday demand for additional hand to hand currency in December, 1923. With the passing of the year end need for currency, circulation declined, the amount of notes in circulation on January 9, 1924, being \$219,546,000. The general course of Federal reserve bank credit in this district during the past year is shown in the following table and in the accompanying chart:

#### Federal Reserve Bank of San Francisco

[000 omitted]

	Jan. 10, 1923	July 11, 1923	Sept. 5, 1923	Jan. 9, 1924
Discounts.....	\$ 32,874	\$ 84,078	\$ 91,442	\$ 50,406
Purchased bills and securities.....	86,852	28,012	20,846	49,697
Total earning assets.....	119,726	112,090	112,288	100,103
Total reserves.....	259,788	262,567	267,036	293,286
Federal Reserve note circulation.....	226,388	217,423	217,534	219,546
Reserve ratio.....	69.7	70.8	72.5	76.9

#### MILLIONS OF DOLLARS



Total Reserves, Bills Discounted, and Investments, Federal Reserve Bank of San Francisco  
(as of the last statement of each month)

Interest rates on the whole reflected the abundant supply of credit available throughout the year. The rate charged by banks on customers' prime commercial paper of 4 to 6 months' maturity fluctuated between  $5\frac{1}{2}$  and 6 per cent at San Francisco, and between 6 and 7 per cent in other cities of the district. The discount rate of the Federal Reserve Bank of San Francisco was advanced from 4 to  $4\frac{1}{2}$  per cent on March 6, 1923, and now stands at the latter figure.

## OPERATIONS OF FEDERAL RESERVE BANK OF SAN FRANCISCO DURING 1923

The Federal Reserve Bank of San Francisco operated during 1923 under more nearly normal conditions than have prevailed during any year since the bank was organized in 1914. The volume of the principal services of the bank continued to increase during 1923, as will appear by reference to the table on the opposite page presenting in comparative form operating statistics of the years 1921, 1922, and 1923. Particular attention is directed to the increases in the number and value of checks handled during 1923 as compared with the previous year. There has been a continuous growth in the use of the Federal reserve bank clearing system since its inception. Detailed figures showing the extent to which member and non-member banks are making use of the Federal reserve bank facilities for collecting checks are presented in Exhibit F, page 29. The staff of the bank, including Head Office and five branches, remained during the year at approximately 1100 persons.

### Statement of Condition

A comparative statement of condition of the Federal Reserve Bank of San Francisco as of December 31, 1923, and December 30, 1922, is presented in condensed form below:

RESOURCES		
	Dec. 31, 1923	Dec. 30, 1922
Total reserves.....	\$301,002,000	\$267,804,000
Loans and investments:		
Loans to member banks.....	53,114,000	37,304,000
Bills and securities purchased:		
Acceptances.....	38,059,000	43,486,000
United States Government securities.....	9,185,000	34,766,000
Total loans and investments (earning assets)...	100,358,000	115,556,000
All other resources (mostly uncollected checks)	52,584,000	51,838,000
<b>TOTAL RESOURCES.....</b>	<b>\$453,944,000</b>	<b>\$435,198,000</b>
LIABILITIES		
Federal Reserve notes in circulation.....	\$229,082,000	\$235,041,000
Total deposits .....	160,432,000	143,549,000
Capital.....	7,862,000	7,565,000
Surplus.....	15,301,000	15,263,000
All other liabilities (mostly checks on deferred credit).....	41,267,000	33,780,000
<b>TOTAL LIABILITIES.....</b>	<b>\$453,944,000</b>	<b>\$435,198,000</b>

Business activity, which continued at high levels throughout the year, was financed by the banks of the district largely upon their own resources, discounts of the Reserve Bank increasing only \$15,810,000. This increase was more than offset by the sale of \$31,008,000 of its investments, including both bankers' acceptances and United States Government obligations. Consequently total earning assets at the end of the year, at \$100,358,000, were lower by \$15,198,000, or 13 per cent, than at its beginning. Money reserves increased by an amount approximately equal to that realized from the sale of investment holdings during the

## 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.

	1923	1922	1921
<b>Supplying Currency and Coin</b>			
<b>Currency Paid Out, Received, or Redeemed:</b>			
Individual notes counted .....	83,236,000	56,865,721	51,589,738
Dollar amount paid, received, and redeemed .....	\$1,469,507,997	\$1,213,012,170	\$1,023,043,251
<b>Coin Paid Out, Received, or Redeemed, a service previously performed largely by the Subtreasury, but now entirely in the hands of the Federal Reserve Bank:</b>			
Number of coins handled in receiving and counting .....	32,070,000	16,811,407	18,636,459
Dollar amount paid out, received, or redeemed .....	\$43,977,897	\$29,579,513	\$72,892,130
<b>Making Loans and Investments</b>			
<b>Bills Discounted for Member Banks, either discounted customers' paper or advances against the notes of member banks secured by collateral in the form of Government securities or commercial or agricultural paper.</b>			
Number of bills discounted .....	57,725	53,316	116,380
Dollar amount .....	\$2,108,963,000	\$1,535,300,005	\$2,823,018,000
<b>Bills Purchased for the Account of this Bank:</b>			
Number .....	21,975	17,134	36,916
Dollar amount .....	\$228,365,646	\$211,799,756	\$130,461,000
<b>Collecting Checks, Drafts, Notes, and Coupons</b>			
<b>Checks handled for collection for banks in all parts of the country:</b>			
Number of items .....	65,441,000	53,729,000	43,338,000
Dollar amount .....	\$14,066,535,756	\$8,777,048,000	\$8,055,574,000
<b>Collection Items handled, including drafts, notes, and coupons:</b>			
Number of items .....	5,702,490	6,957,318	8,756,065
Dollar amount .....	\$320,082,123	\$243,966,939	\$270,165,405
<b>Supplementary Services</b>			
<b>United States Government Securities issued, redeemed, or exchanged, including Government bonds, notes, and certificates of indebtedness:</b>			
Number of items .....	10,826,719	2,150,615	6,406,707
Dollar amount .....	\$486,429,000	\$763,487,732	\$1,375,896,081
<b>Funds Transferred by Telegraph to and from all parts of the country for the Treasury Department and for member banks:</b>			
Number of transfers .....	114,000	84,000	65,944
Dollar amount .....	\$7,973,133,000	\$5,812,947,000	\$4,247,855,000



year. Federal Reserve note circulation was less by \$5,959,000 at the close of 1923 than at the close of 1922, but other forms of currency have, to a considerable extent, been circulated in place of Federal Reserve notes during the past year (see page 13). Growth of capital and surplus and deposits of member banks has resulted in a slight increase in both capital and reserve deposits of this bank during 1923. The reserve ratio tended upward during most of the year, rising from 67.9 on January 3rd to 81.7 on November 21st, the highest point reached since February 21, 1922. On December 31st it stood at 77.3.

A detailed statement of the condition of the Federal Reserve Bank of San Francisco at the close of the past three years appears in the Appendix on page 22. Movements of principal asset and liability items during 1923 are tabulated on page 26, and graphically presented on page 23.

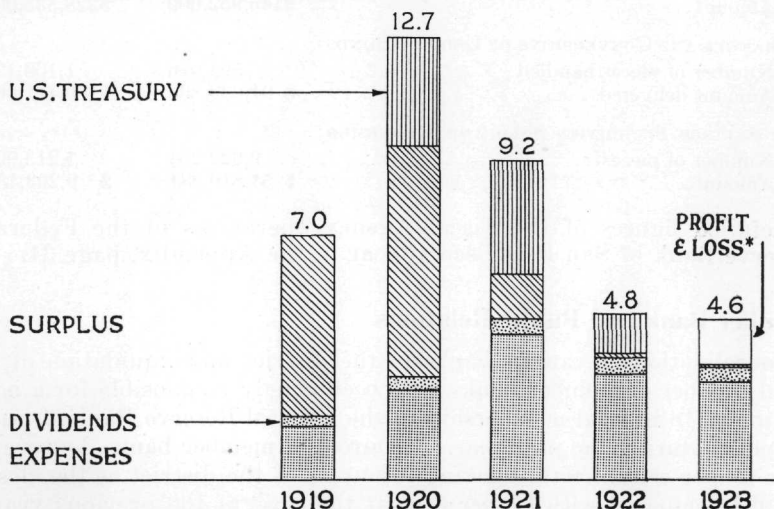
### Earnings and Expenses

The gross income of the Federal Reserve Bank of San Francisco during 1923 (\$4,615,227) was less by \$206,000, or 4.2 per cent, than in 1922 (\$4,821,202), continuing, but at a greatly reduced rate, the decline in gross earnings noted in each year since 1920. (The year 1920 was the culminating year of a period during which rediscounting with the Reserve Bank by member banks, and consequently its earnings, reached a maximum.) Earnings from interest on rediscounts and on purchased acceptances during the past year were greater than in 1922, but this increase was more than offset by a decline in income from investments in United States Government securities, following the sale of the larger part of such securities held earlier in the year. The accompanying diagram shows the amount and distribution of gross earnings of the bank from 1919 to 1923.

Expenses of conducting the business of the bank were slightly less in 1923 (\$2,817,165) than in 1922 (\$3,006,387), and current net earnings, at \$1,798,062 in the later year, were almost equal to those of 1922, when they amounted to \$1,814,815. Charge-offs at the end of 1923, however, were substantially larger than at the end of 1922, so that net earnings available for dividends, surplus, and franchise tax (\$505,426) were but one-third as large as in the previous year. The three exceptional charge-offs made in 1923 were—

1. The sum of \$615,921.20 to write down the value of the bank's real estate, building and vault, and fixed machinery and equipment to its estimated replacement cost. This figure was arrived at by determining the mean of two amounts, namely (1) the total actual cost of constructing the building, and (2) the estimated cost of constructing it, based on the lowest prices that have prevailed during the last fifteen years.
2. The sum of \$325,000 as a reserve for possible losses to this bank upon the paper of failed member banks which it holds, bringing this reserve to a total of \$897,000.
3. The sum of \$324,281.71, representing the cost of furniture and equipment, chiefly in the new building in San Francisco.

Dividends on the stock of this bank, which is held by member banks, were paid at the rate of 6 per cent fixed by law, and amounted to \$467,720. The remainder of net earnings was used to increase the surplus fund of the bank, which at the end of the year was still \$423,000 short of the amount (100 per cent of the subscribed capital of the bank) prescribed in the law. Until this surplus fund is raised to 100 per cent of subscribed capital, no payments to the United States Government on account of franchise tax are authorized by Section 7 of the Federal Reserve Act.



Amount and Distribution of Gross Earnings of the Federal Reserve Bank of San Francisco  
[In millions of dollars]

\*NOTE: For explanation of this item see text at bottom of previous page.

A comparative table of earnings and expenses of the Federal Reserve Bank of San Francisco during the past three years is presented in detail in the Appendix, page 24.

### Fiscal Agency Operations

The principal duties performed by this bank in its capacity as Fiscal Agent of the United States Government during 1923 were the redemption of uncalled Victory Notes which matured May 20, 1923, and the redemption of the first and largest issue of War Savings Stamps (Series of 1918), which matured January 1, 1923. Additional functions performed by the bank for the Government were in general the same as in previous years. They included:

1. Sale and redemption of Treasury Certificates of Indebtedness,
2. Sale of short term Treasury Notes,
3. Exchanges and conversions of Government bonds, notes, and certificates,
4. Handling of Government deposits and disbursements,
5. Telegraphic transfers of funds in connection with purchases and sales of Government paper in Eastern markets,
6. Sale of Treasury Savings Certificates and exchange thereof for maturing War Savings Certificates.



With the exception of the item War Savings Securities, the volume of Treasury transactions handled by the bank was smaller in 1923 than in 1922. Approximately one-half of the expenses of performing the various Fiscal Agency functions were paid by this bank without reimbursement from the United States Treasury.

**ISSUES OF CERTIFICATES OF INDEBTEDNESS  
AND TREASURY NOTES:**

	1923	1922
Number of subscriptions.....	1,549	2,312
Amount.....	\$145,952,000	\$228,535,000

**EXCHANGES AND CONVERSIONS OF LIBERTY BONDS:**

Number of pieces handled.....	594,976	1,166,125
Amount delivered.....	\$ 91,633,863	\$170,411,000

**WAR SAVINGS SECURITIES SOLD AND REDEEMED:**

Number of pieces.....	9,922,254	1,213,999
Amount.....	\$ 51,810,981	\$ 9,293,150

Detailed figures of the Fiscal Agency operations of the Federal Reserve Bank of San Francisco appear in the Appendix, page 31.

## Member Bank and Public Relations

Consolidation of various banks in the district and liquidation of a small number of member banks have been chiefly responsible for a net decline of 18 in total membership in the Federal Reserve Bank of San Francisco during the past year. Resources of member banks, however, were 69 per cent of total banking resources of the district at the close of 1923 compared with 67 per cent at the close of the previous year. Changes in bank membership during 1923 are shown in the table which follows. Detailed figures as to the total number and resources of banks in the district, by states, appear in Exhibits I and J in the Appendix.

### Changes in Bank Membership During the Year 1923

**National and State Bank Membership in District, December**

<b>31, 1922.....</b>		<b>821</b>
New national banks established during year.....	23	
New state member banks admitted during year.....	5	
	28	28
		<b>849</b>
National banks absorbed by state banks.....	15	
State member banks absorbed by other state banks.....	8	
State member banks liquidated.....	4	
National banks absorbed by other national banks.....	3	
National banks liquidated.....	11	
State member banks absorbed by or converted into national banks.....	3	
State member banks withdrawn.....	2	
	46	46
<b>Total Number of Member Banks in District, December 31, 1923</b>		<b>803</b>

During the year the question of the relation of the Federal Reserve System to branch banking, which has had a rapid growth in California,

has been formally considered by the Federal Reserve Board. On November 7, 1923, the Board adopted a resolution which contained the following paragraphs:

*Resolved*, That as a general principle, State banks with branches or additional offices outside of the corporate limits of the city or town in which the parent banks are located or territory contiguous thereto ought not be admitted to the Federal reserve system except upon condition that they relinquish such branches or additional offices, be it further

*Resolved*, That as a general principle, State banks which are members of the Federal reserve system ought not be permitted to establish or maintain branches or additional offices outside the corporate limits of the city or town in which the parent bank is located or territory contiguous thereto.\*

It was stated that these resolutions would not become effective until February 1, 1924, and that they were not intended to affect the status of any branches or additional offices established prior to that date. The following table shows the number of banks in California which had established branches, the number of such branches, and their total resources on December 31st of 1922 and 1923:

#### Branch Banks in California

Date	Number of Banks	Number of Branches	Total Resources
Dec. 31, 1922—State Banks:			
Member.....	21	213	\$912,097,000
Non-member.....	61	158	374,845,000
Total number of state banks.....	82	371	\$1,286,942,000
Total number of national banks..	6	11	260,219,000
Total.....	88	382	\$1,547,161,000
Dec. 31, 1923—State Banks:			
Member.....	19	264	\$1,036,517,000
Non-member.....	69	202	570,213,000
Total number of state banks.....	88	466	\$1,606,730,000
Total number of national banks..	8	14	286,542,000
Total.....	96	480	\$1,893,272,000

Resources of branch banking systems in California were 59 per cent of total banking resources of that state on December 31, 1923, compared with 54 per cent on December 31, 1922.

As in previous years, this bank has independently and in co-operation with the state banking departments and the national bank examiners of the district, examined all banks contemplating membership in the system and many banks which were already members. Continuance of the arrangements whereby this bank, although not participating in the

\*During the month of January, 1924, the term "territory contiguous thereto," as used in the resolution quoted above, was interpreted, with special reference to the cities of San Francisco and Los Angeles, as including a considerable area financially dependent upon these centers of population although not actually physically adjacent to the corporate limits of the respective cities. This amendment of the Board's Resolution is effective only until August 1, 1924.

examinations, receives copies of all reports of examinations of national banks and of state member banks, as made by national bank examiners or by state banking departments, has been a material assistance to the Reserve Bank. A summary of examinations and investigations made by this bank during the year 1923 follows:

	1923
Independent examinations.....	9
Examinations made concurrently with national or state banking departments..	56
Independent credit investigations.....	8
Credit investigations made concurrently with state banking departments.....	70
Other investigations.....	3
<b>TOTAL EXAMINATIONS AND INVESTIGATIONS MADE.....</b>	<b>146</b>

The Federal Reserve Agent at San Francisco has continued publication of a Monthly Review of Business Conditions in the Twelfth Federal Reserve District, which is distributed without charge to member banks, and to others who may be interested. Circulation of the Review increased from 13,900 in December, 1922, to 19,000 in December, 1923. Two special supplements on financial conditions in the district were published and distributed with the March and September issues of the Review.

### Bank Organization and Personnel

Few changes in the official staff of the bank occurred during 1923. The clerical staff was maintained at slightly over 1100 persons.

On December 31, 1923, the terms of three directors, Mr. John Willis Baer of Class A, Mr. A. B. C. Dohrmann of Class B, and Mr. John Perrin of Class C, expired. Mr. Baer was ineligible for re-nomination as a representative of member banks in Group Two (those having a combined capital and surplus of not less than \$125,000 nor more than \$599,000), because he had become an officer and director of a Group One bank, and Mr. J. S. Macdonnell, President of the First National Bank of Pasadena, was elected to represent Group Two banks for a term of three years ending December 31, 1926. Mr. Dohrmann was re-elected for a three-year term as a Class B director representing member banks in Group One (those having a capital and surplus of \$600,000 or more). The Federal Reserve Board reappointed Mr. John Perrin of San Francisco a Class C director for a term of three years beginning January 1, 1924, and redesignated him Chairman of the Board and Federal Reserve Agent for 1924.

Mr. Jay L. Reed, Assistant Cashier at Head Office, resigned on May 8, 1923, to become Comptroller of the Sun Maid Raisin Growers' Association of California. Mr. J. C. Galbraith, Assistant Manager of Salt Lake City Branch, resigned on December 9, 1923, to become Vice President and Cashier of the National Bank of Idaho, Pocatello, Idaho. The vacancies created by these resignations have not been filled. On August 15, 1923, Mr. J. D. Paxton, Assistant Cashier of the Los Angeles Branch, resigned, and was succeeded by Mr. A. J. Dumm, who was transferred from Head Office. Effective January 1, 1924, the auditing departments in the branches were discontinued, and the positions of branch auditors accordingly abolished. Two of the former branch auditors, Mr. A. W. Morton and Mr. J. P. Read, have been made auditors at Head Office to

assist the general Auditor in conducting his auditing operations, which will henceforth include periodical audits of the branches.

Following is a comparative summary of the number of officers and of employees in the principal departments of the bank, with corresponding aggregate salaries paid on December 31, 1923, and December 30, 1922. (Figures are for Head Office and branches combined.)

	Officers and Employees		Annual Salaries	
	Number		1923	1922
	1923	1922		
Chairman and Federal Reserve Agent	1	1	\$ 24,000	\$24,000
Governor.....	1	1	25,000	24,000
Other Officers.....	39	41	214,900	214,200
Banking Department.....	964	855	1,408,460	1,260,680
Federal Reserve Agent's Department	23	29	60,280	74,440
Auditing Department.....	28	36	49,320	61,380
Fiscal Agency Department.....	79	162	134,640	259,680
TOTALS.....	1,135	1,125	\$1,916,600	\$1,918,380

### Bank Quarters

Early in December, 1923, that part of the new bank building—approximately 78 per cent of the whole—which had been under construction since 1920, was declared ready for occupancy by the architect and contractors in charge of building operations. The old building and the various temporary quarters occupied by the different departments of the bank, with the exception of certain departments housed in the Sub-Treasury, were evacuated following the close of business Saturday, December 8th, and operations of the bank were resumed in the new building the following Monday morning. There was no cessation of business incident to moving. During January, 1924, all coin and securities held in the vaults of the Sub-Treasury Building were transferred to the vaults of the new bank, and the departments charged with their care moved into the new building. All activities of the Head Office of the bank are now carried on in its own building.

A photographic reproduction of the new building appears on page 6. It occupies the larger part of a block 119 feet 6 inches by 275 feet, bounded by Sansome, Sacramento, Battery, and Commercial Streets. The old bank building still stands on the northeast corner of the block. It is soon to be razed and its site covered by the final wing of the new building.

The branches of this bank in Spokane, Seattle, Portland, Salt Lake City, and Los Angeles occupy rented quarters.

## Exhibit A

# COMPARATIVE STATEMENT OF CONDITION

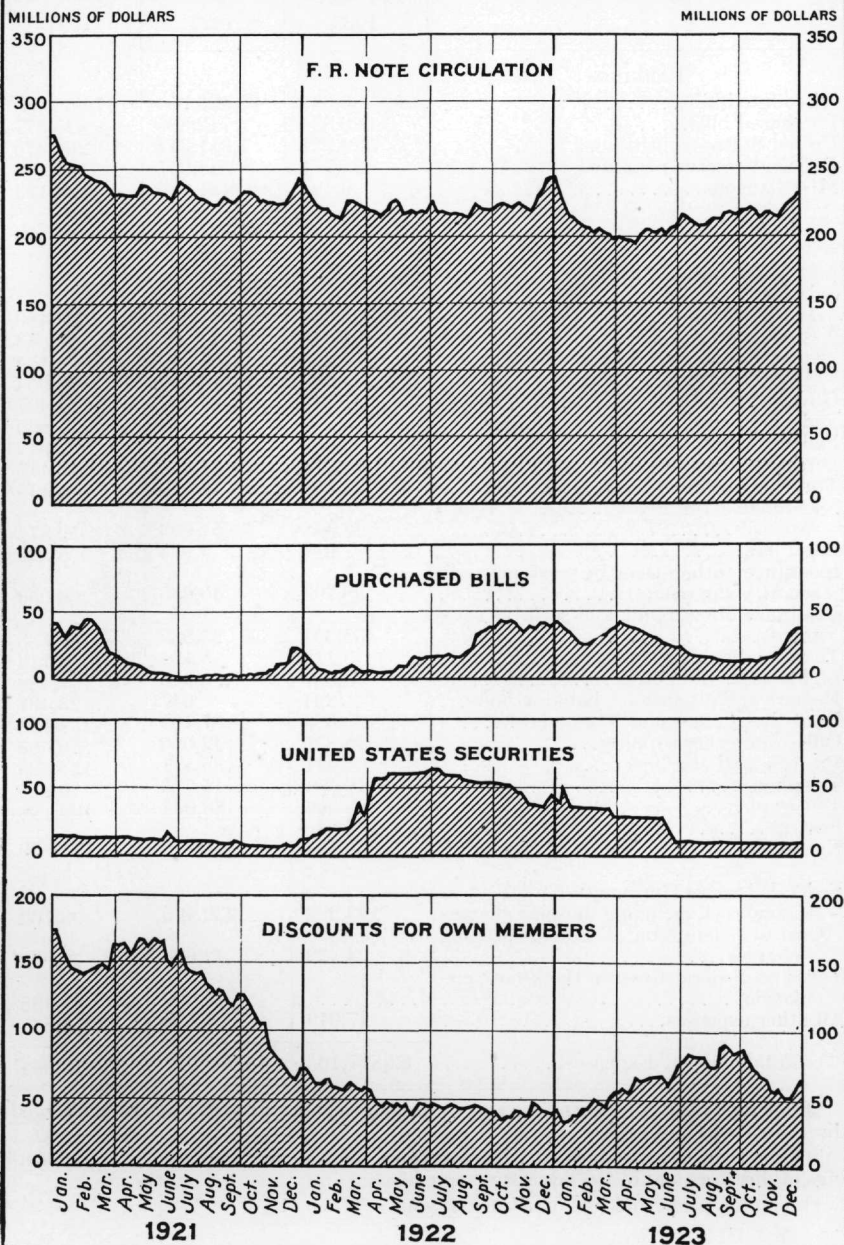
## FEDERAL RESERVE BANK OF SAN FRANCISCO

[In thousands of dollars]

	Dec. 31, 1923	Dec. 30, 1922	Dec. 31, 1921
<b>RESOURCES</b>			
Gold with Federal Reserve Agent.....	225,808	202,735	220,433
Gold redemption fund with United States Treasury.....	5,034	3,977	3,356
Gold held exclusively against Federal Reserve notes.....	230,842	206,712	223,789
Gold settlement fund with Federal Reserve Board.....	45,854	37,700	37,460
Gold and gold certificates held by banks..	21,978	19,106	18,254
Total gold reserves.....	298,674	263,518	279,503
Reserves other than gold.....	2,328	4,286	3,249
Total reserves.....	301,002	267,804	282,752
Non-reserve cash.....	3,577	*	*
Bills discounted:			
Secured by United States Government obligations.....	11,899	6,867	13,683
Other bills discounted.....	41,215	30,437	53,410
Total bills discounted.....	53,114	37,304	67,093
Bills bought in open market.....	38,059	43,486	20,795
United States Government securities:			
Bonds.....		92	210
Treasury notes.....	9,185	27,525	#2,717
Certificates of Indebtedness.....		7,149	7,927
Total United States Government securities.....	9,185	34,766	10,854
Total earning assets.....	100,358	115,556	98,742
5 per cent redemption fund—Federal Reserve Bank notes.....			394
Uncollected items.....	42,135	45,438	37,180
Bank premises.....	2,770	1,744	809
All other resources.....	4,102	4,656	6,244
<b>TOTAL RESOURCES.....</b>	<b>453,944</b>	<b>435,198</b>	<b>426,121</b>
<b>LIABILITIES</b>			
Federal Reserve notes in actual circulation.....	229,082	235,041	240,411
Federal Reserve Bank notes in circulation—net.....			4,751
Deposits:			
Member bank—reserve account.....	152,488	137,801	121,108
Government.....	3,015	1,967	4,225
Other deposits.....	4,929	3,781	3,876
Total deposits.....	160,432	143,549	129,209
Deferred availability items.....	39,676	32,906	28,045
Capital paid in.....	7,862	7,565	7,375
Surplus.....	15,301	15,263	15,199
All other liabilities.....	1,591	874	1,131
<b>TOTAL LIABILITIES.....</b>	<b>453,944</b>	<b>435,198</b>	<b>426,121</b>
Ratio of total reserves to deposit and Federal Reserve note liabilities combined.....	77.3%	70.7%	76.5%
Contingent liability on bills purchased for foreign correspondents.....	1,349	1,582	1,472



## FEDERAL RESERVE BANK OF SAN FRANCISCO



## Exhibit B

### EARNINGS AND EXPENSES

#### FEDERAL RESERVE BANK OF SAN FRANCISCO

	1923	1922	1921
EARNINGS			
Discounted bills.....	\$2,786,349	\$2,126,654	\$7,965,583
Purchased bills.....	1,020,834	712,385	825,577
United States securities.....	772,777†	1,811,317	236,876
Deficient reserve penalties.....	25,771	48,957	130,254
Miscellaneous.....	9,496	121,889	26,123
Total Earnings.....	\$4,615,227	\$4,821,202	\$9,184,413
CURRENT EXPENSES			
Salaries			
Bank officers.....	\$ 262,456	\$ 235,695	\$ 225,480
Clerical staff.....	1,461,516	1,543,561	1,687,043
Special officers and watchmen.....	77,260	81,750	74,174
All other.....	134,585	113,764	88,954
Governors' conferences.....	1,148	1,221	1,407
Federal Reserve Agents' conferences.....	704	1,116	1,929
Federal Advisory Council.....	2,665	1,483	2,312
Directors' meetings.....	10,973	11,386	12,413
Traveling expenses#.....	36,398	38,319	35,115
Assessments for Federal Reserve Board expenses.....	49,448	51,003	52,375
Legal fees.....	1,914	3,974	6,509
Insurance (other than on currency and security shipments).....	38,703	40,085	69,056
Insurance on currency and security shipments.....	30,391	25,889	30,583
Taxes on banking house.....	3,115	5,134	6,713
Light, heat, and power.....	3,857	5,346	7,488
Repairs and alterations, banking house..	294	947	25,497
Rent (head office and 5 branches).....	120,629	97,465	137,766
Office and other supplies.....	48,835	42,060	50,565
Printing and stationery.....	64,941	85,511	154,529
Telephone.....	16,091	15,775	16,915
Telegraph.....	83,664	88,034	100,108
Postage.....	126,980	137,922	141,285
Expressage.....	25,864		
Federal Reserve Currency:			
Original cost, including shipping charges	143,293	230,465	498,762
Cost of redemption, including shipping charges.....	24,422	42,696	74,963
Taxes on Federal Reserve Bank note circulation.....		15,000	43,485
All other expenses.....	47,019	90,786	*271,538
Total Current Expenses.....	\$2,817,165	\$3,006,387	\$3,816,964

\*Includes \$155,031 for furniture and equipment which since 1921 has been charged direct to Profit and Loss.

#Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

†Including profit and loss on securities sold.



**Exhibit B**

**EARNINGS AND EXPENSES**  
**FEDERAL RESERVE BANK OF SAN FRANCISCO**  
(Continued)

	1923	1922	1921
<b>PROFIT AND LOSS ACCOUNT</b>			
Earnings.....	\$4,615,227	\$4,821,202	\$9,184,413
Current expenses.....	2,817,165	3,006,387	3,816,964
Current Net Earnings.....	\$1,798,062	\$1,814,815	\$5,367,449
Additions to Current Net Earnings:			
Amounts deducted from reserve for depreciation on United States bonds...	\$ 1,729	\$ 4,395	\$ 78,876
All other.....	13,113	1,814	1,497
Total Additions.....	\$ 14,842	\$ 6,209	\$ 80,373
Deductions from Current Net Earnings:			
Depreciation allowances on bank premises.....	\$ 615,921	\$ 36,406	\$ 16,512
Reserve for possible losses.....	325,000	72,000	500,000
Furniture and equipment.....	324,282	36,003	*
All other.....	42,275	16,259	10,810
Total Deductions.....	\$1,307,478	\$ 160,668	\$ 527,322
Net Deductions from Current Net Earnings.....	\$1,292,636	\$ 154,459	\$ 446,949
Net Earnings Available for Dividends, Surplus, and Franchise Tax.....	\$ 505,426	\$1,660,356	\$4,920,500
Dividends paid.....	\$ 467,720	\$ 448,306	\$ 435,361
Transferred to surplus account.....	37,706	**121,205	1,254,824
Franchise tax paid United States Government.....		**1,090,845	3,230,315

\*Included with current expenses prior to 1922.

\*\*Bank also charged its surplus account and paid the United States Government \$306,926 as an additional franchise tax for 1921.

## MOVEMENT OF PRINCIPAL ASSETS AND LIABILITIES DURING 1923

## FEDERAL RESERVE BANK OF SAN FRANCISCO

[Amounts in thousands of dollars]

Date	Total earning assets (2+5+6)	BILLS DISCOUNTED FOR MEMBER BANKS			Bills bought in open market	United States securities	Total cash reserves	Member banks' reserve deposits	Total deposits	Federal Reserve notes in cir- culation	Reserve per- centages
		Total	Bills se- cured by U.S. Gov't. obligations	Other bills dis- counted							
	1	2	3	4	5	6	7	8	9	10	11
1923											
Jan. 3	120,236	40,511	13,050	27,461	40,958	38,767	263,565	138,499	143,846	244,187	67.9
Jan. 31	101,805	38,041	14,847	23,194	28,998	34,766	269,321	138,832	149,914	212,544	74.3
Feb. 28	113,322	50,200	19,169	31,031	28,375	34,747	244,921	138,473	146,421	202,465	70.2
Mar. 28	119,220	54,782	21,781	33,001	36,821	27,617	233,819	139,226	146,945	197,722	67.8
April 25	129,837	65,186	29,790	35,396	37,010	27,641	225,238	140,208	147,787	196,294	65.5
May 29	122,768	66,786	31,693	35,093	28,341	27,641	245,172	149,237	155,955	203,102	68.3
June 27	104,005	74,169	25,345	48,824	20,651	9,185	267,079	146,955	154,391	207,413	73.8
July 25	106,926	81,876	32,312	49,564	15,865	9,185	261,754	145,783	152,457	208,333	72.6
Aug. 29	111,265	89,759	36,259	53,500	12,321	9,185	265,943	147,781	156,040	211,021	72.5
Sept. 26	104,495	83,805	28,002	55,803	11,505	9,185	273,496	145,465	152,423	216,569	74.1
Oct. 31	86,023	64,388	20,201	44,187	12,450	9,185	298,202	148,588	156,140	213,392	80.7
Nov. 28	85,456	58,239	19,656	38,583	18,032	9,185	301,940	149,497	157,525	214,853	81.1
Dec. 26	109,482	64,954	23,134	41,820	35,343	9,185	286,876	143,800	152,739	232,397	74.5
Daily average	107,616	63,006	.....	.....	24,638	19,972	265,065	143,564	150,921	212,280	73.0

# VOLUME OF DISCOUNT AND OPEN-MARKET OPERATIONS

## FEDERAL RESERVE BANK OF SAN FRANCISCO

[Amounts in thousands of dollars]

Month	BILLS DISCOUNTED							BILLS BOUGHT IN OPEN MARKET				United States securities purchased		Total discount and open-market operations		
	Total	Secured by U. S. Gov. obligations	Bankers' Acceptances	Trade Acceptances	Agricultural and livestock paper	Demand and sight drafts	All other	Total	Bankers' Acceptances	Dollar Exchange	Trade Acceptances	Bonds and Notes	Certificates of Indebtedness	1923	1922	1921
January...	115,396	71,356	576	389	2,310	.....	40,765	19,526	18,993	533	.....	.....	157,500	292,422	176,299	217,053
February...	150,311	104,202	906	211	1,352	.....	43,640	22,626	22,121	505	.....	4	.....	172,941	149,721	196,592
March.....	146,497	89,026	3	246	2,323	.....	54,899	37,229	36,507	671	51	.....	1,175	184,901	236,799	327,336
April.....	197,914	149,102	113	302	2,847	.....	45,550	19,416	19,336	80	.....	.....	24	217,354	110,549	296,720
May.....	221,843	174,169	.....	135	4,845	.....	42,694	11,631	11,306	325	.....	45	.....	233,519	118,747	347,857
June.....	211,790	158,814	.....	749	3,748	.....	48,479	11,541	11,201	340	.....	.....	2,660	225,991	121,917	368,886
July.....	203,246	152,744	25	1,084	4,331	.....	45,062	12,384	12,199	185	.....	.....	.....	215,630	123,786	233,373
August.....	187,421	143,042	5	403	3,173	88	40,710	12,341	12,265	76	.....	.....	.....	199,762	152,925	194,915
September...	219,409	158,431	.....	426	1,951	84	58,517	10,886	10,741	145	.....	.....	1,000	231,295	159,901	192,744
October...	170,516	116,840	33	970	2,484	423	49,766	13,625	13,490	135	.....	.....	.....	184,141	167,962	230,610
November...	135,650	98,678	22	226	2,337	235	34,152	18,631	18,156	475	.....	.....	.....	154,281	155,524	203,419
December...	148,970	89,305	9	802	*5,270	34	53,550	35,326	33,781	1,545	.....	.....	.....	184,296	243,607	222,098
Total, 1923	2,108,963	1,505,709	1,692	5,943	36,971	864	557,784	225,162	220,096	5,015	51	49	162,359	2,496,533	.....	.....
1922	1,535,300	802,292	883	3,175	39,265	.....	689,685	211,800	207,127	4,224	449	62,831	107,806	.....	1,917,737	.....
1921	2,823,018	1,959,397	4,592	16,888	99,531	.....	742,610	130,461	123,143	6,585	733	4,671	73,453	.....	.....	3,031,603

\*Includes \$2,000,000 discounted for the Federal Intermediate Credit Bank of Berkeley, California.

Exhibit E

VOLUME OF BILLS DISCOUNTED FOR MEMBER BANKS IN EACH STATE OF DISTRICT  
FEDERAL RESERVE BANK OF SAN FRANCISCO

[Amounts in thousands of dollars]

MONTH	ARIZONA*	UTAH	NEVADA	CALIF- ORNIA	OREGON	IDAHO	WASH- INGTON	TOTAL	Number of member banks in district at end of month	Number of member banks accommodated during the month
January.....	556	4,184	57	87,517	2,037	12,336	8,709	115,396	822	260
February.....	440	1,196	..	127,640	4,835	9,809	6,391	150,311	822	232
March.....	359	1,474	28	112,335	9,994	12,066	10,241	146,497	815	266
April.....	302	2,209	..	166,691	12,487	10,135	6,090	197,914	816	270
May.....	197	2,676	..	188,699	10,618	11,677	7,976	221,843	817	319
June.....	230	2,035	25	178,121	8,481	11,522	11,376	211,790	814	311
July.....	566	4,079	21	167,294	6,055	11,328	13,903	203,246	813	337
August.....	493	3,912	28	150,419	7,412	11,380	13,777	187,421	811	316
September.....	391	3,636	..	181,747	11,459	10,522	11,654	219,409	811	269
October.....	403	3,541	..	129,030	14,423	10,455	12,664	170,516	809	267
November.....	46	2,517	..	105,677	8,951	9,532	8,927	135,650	810	240
December.....	15	4,333	124	**115,528	10,892	7,202	10,876	148,970	809	230
Total, 1923	3,998	35,792	283	1,710,698	107,644	127,964	122,584	2,108,963		
1922	13,422	68,666	263	1,107,212	59,387	211,076	75,274	1,535,300		
1921	27,235	263,152	2,238	1,923,647	144,946	227,461	234,339	2,823,018		
Number of member banks at end of year:										
1923	16	52	11	319	136	110	165	809		
1922	16	55	11	325	135	120	164	826		
1921	15	65	11	355	134	127	150	857		
Number of member banks accommodated:										
1923	13	38	1	161	63	83	101	460		
1922	12	49	3	186	75	102	104	531		
1921	14	62	5	218	86	122	110	617		

\*Figures in this column relate only to that part of the state located in the Twelfth District.

Includes \$2,000,000 discounted for the Federal Intermediate Credit Bank of Berkeley, California.  
Federal Reserve Bank of St. Louis

## OPERATIONS OF FEDERAL RESERVE CLEARING SYSTEM

## FEDERAL RESERVE BANK OF SAN FRANCISCO

(Figures include cash items only)

[Numbers in thousands; amounts in thousands of dollars]

Month	Items drawn on banks in own district		Items forwarded to other Federal Reserve Banks and their branches		Items drawn on Treasurer of United States		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
January.....	4,623	954,788	245	39,804	255	96,589	5,123	1,091,181
February.....	4,060	822,515	185	33,203	202	49,832	4,447	905,550
March.....	5,003	1,052,903	210	41,979	215	62,185	5,428	1,157,067
April.....	4,597	995,027	202	38,030	225	42,879	5,024	1,075,936
May.....	4,769	1,068,848	189	36,332	234	59,266	5,192	1,164,446
June.....	4,815	1,099,513	188	32,879	207	56,169	5,210	1,188,561
July.....	4,789	1,030,957	206	35,280	204	44,488	5,199	1,110,725
August.....	4,786	1,017,099	192	36,017	218	36,671	5,196	1,089,787
September.....	4,575	1,056,527	159	32,465	217	48,055	4,951	1,137,047
October.....	5,311	1,248,134	201	40,435	239	44,882	5,751	1,333,451
November.....	5,012	1,115,023	182	37,822	221	42,099	5,415	1,194,944
December.....	5,530	1,167,553	213	36,292	211	55,949	5,954	1,259,794
Total, 1923	57,870	12,628,887	2,372	440,538	2,648	639,064	62,890	13,708,489
1922	46,562	6,746,301	2,378	400,542	2,301	1,294,631	51,241	8,441,474
1921	37,089	5,871,998	1,928	407,164	2,106	1,319,864	41,123	7,599,026

Exclusive of duplications on account of items handled by both parent bank and branch.

## Exhibit G

CLEARINGS AND TRANSFERS THROUGH THE GOLD  
SETTLEMENT FUND

## FEDERAL RESERVE BANK OF SAN FRANCISCO

[Amounts in thousands of dollars]

Week Ending—1923		Payments to other Federal Reserve Banks	Receipts from other Federal Reserve Banks	Net Loss	Net Gain
January	4 (3 days).....	47,366	43,328	4,038	.....
	11.....	70,747	70,176	571	.....
	18.....	72,289	72,362	.....	73
	25.....	65,700	64,730	970	.....
February	1.....	62,272	62,879	.....	607
	8.....	59,808	51,624	8,184	.....
	15.....	52,712	49,058	3,654	.....
	21.....	55,172	49,229	5,943	.....
March	1.....	78,674	69,396	9,278	.....
	8.....	69,664	64,669	4,995	.....
	15.....	75,260	70,781	4,479	.....
	22.....	84,594	69,511	15,083	.....
	29.....	74,378	76,703	.....	2,325
April	5.....	68,557	60,171	8,386	.....
	12.....	64,220	66,914	.....	2,694
	19.....	62,982	56,962	6,020	.....
	26.....	73,998	78,574	.....	4,576
May	3.....	69,668	65,476	4,192	.....
	10.....	58,449	69,026	.....	10,577
	17.....	63,394	66,640	.....	3,246
	24.....	76,880	75,071	1,809	.....
	31.....	61,705	68,847	.....	7,142
June	7.....	60,269	55,500	4,769	.....
	14.....	60,288	70,651	.....	10,363
	21.....	71,385	74,584	.....	3,199
	28.....	69,254	65,809	3,445	.....
July	5.....	62,202	65,667	.....	3,465
	12.....	65,591	62,079	3,512	.....
	19.....	65,303	61,251	4,052	.....
	26.....	64,573	60,338	4,235	.....
August	2.....	56,602	59,660	.....	3,058
	9.....	50,232	56,004	.....	5,772
	16.....	50,382	50,475	.....	93
	23.....	59,378	56,291	3,087	.....
	30.....	61,198	55,448	5,750	.....
September	6.....	45,502	49,031	.....	3,529
	13.....	54,999	59,580	.....	4,581
	20.....	68,454	68,737	.....	283
	27.....	67,812	59,331	8,481	.....
October	4.....	71,520	74,607	.....	3,087
	11.....	57,967	76,611	.....	18,644
	18.....	61,511	61,306	205	.....
	25.....	70,678	68,548	2,130	.....
November	1.....	74,598	77,897	.....	3,299
	8.....	60,235	64,538	.....	4,303
	15.....	54,445	66,813	.....	12,368
	22.....	74,054	64,945	9,109	.....
	28.....	64,542	61,520	3,022	.....
December	6.....	79,402	77,758	1,644	.....
	13.....	67,469	61,923	5,546	.....
	20.....	77,799	74,963	2,836	.....
	27.....	64,919	63,530	1,389	.....
	28-31 (3 days).....	37,120	42,144	.....	5,024
Total, 1923.....		3,418,172	3,389,666	28,506	.....
1922.....		2,985,482	2,885,596	99,886	.....
1921.....		2,468,430	2,457,681	10,749	.....

Net gain in ownership of gold since establishment of fund in 1915, \$296,060.



**Exhibit H****FISCAL AGENCY OPERATIONS****FEDERAL RESERVE BANK OF SAN FRANCISCO****Issues of Certificates of Indebtedness**

Year	No. of Issues	BANK SUBSCRIPTIONS		ALL OTHER SUBSCRIPTIONS		TOTAL SUBSCRIPTIONS ALL ISSUES		TOTAL ALLOTMENT*
		No.	Amount*	No.	Amount*	No.	Amount*	
1923	6	550	89,973	68	1,184	618	91,157	91,157
1922	7	469	85,488	94	1,305	563	68,793	86,793
1921	16	2,899	165,589	1,909	11,196	4,808	176,785	176,785

**Issues of Treasury Notes**

Year	No. of Issues	BANK SUBSCRIPTIONS		ALL OTHER SUBSCRIPTIONS		TOTAL SUBSCRIPTIONS ALL ISSUES		TOTAL ALLOTMENT*
		No.	Amount*	No.	Amount*	No.	Amount*	
1923	2	726	53,452	205	1,343	931	54,795	54,795
1922	5	1,181	137,611	568	4,131	1,749	141,742	141,742
1921	2	482	24,421	436	2,991	918	27,412	27,412

**Exchanges and Conversions of Liberty Bonds**

	1923	1922	1921
Number of Pieces Received.....	499,099	880,483	2,391,289
Number of Pieces Delivered.....	95,877	285,642	1,468,143
Amount Delivered.....	\$91,633,863	\$170,411,000	\$475,490,900

**War Savings Securities**

	1923	1922	1921
SOLD—Number of Pieces.....	8,641	4,236	106,521
Amount.....	\$ 1,288,900	\$ 1,148,925	\$ 218,730
REDEEMED—Number of Pieces.....	9,913,613†	1,209,763	2,297,723
Amount.....	\$50,522,081†	\$ 8,144,233	\$ 11,385,250

\*In thousands of dollars.

†War Savings Stamps, Series of 1918, matured in 1923. Redemptions in previous years included only War Savings securities redeemed prior to maturity.



# **NATIONAL AND STATE BANK MEMBERSHIP BY STATES\*** **TWELFTH FEDERAL RESERVE DISTRICT**

STATE	NATIONAL BANKS				STATE MEMBER BANKS				ALL MEMBER BANKS NATIONAL AND STATE				NON-MEMBER STATE BANKS ELIGIBLE FOR MEM- BERSHIP	
	December 31, 1923		December 29, 1922		December 31, 1923		December 29, 1922		December 31, 1923		December 29, 1922		June 30, 1923	
	No.	Capital and Surplus	No.	Capital and Surplus	No.	Capital and Surplus	No.	Capital and Surplus	No.	Capital and Surplus	No.	Capital and Surplus	No.	Capital and Surplus
Arizona.....	14	\$ 1,605,000	14	\$ 1,643,000	2	\$ 1,030,000	2	\$ 1,030,000	16	\$ 2,635,000	16	\$ 2,673,000	32	\$ 3,374,700
California.....	275	103,785,000	277	101,598,000	42	79,978,000	45	72,929,000	317	183,763,000	322	174,527,000	345	69,809,489
Idaho.....	73	6,831,000	79	7,450,000	35	1,860,000	38	2,682,000	108	8,691,000	117	10,132,000	53	2,067,140
Nevada.....	11	2,108,000	11	2,058,000	.....	.....	.....	.....	11	2,108,000	11	2,058,000	23	2,273,973
Oregon.....	98	18,448,000	98	18,285,000	37	5,272,000	37	5,280,000	135	23,720,000	135	23,565,000	111	6,565,684
Utah.....	21	5,078,000	22	5,639,000	30	5,524,000	33	5,741,000	51	10,602,000	55	11,380,000	59	5,710,150
Washington.....	116	24,671,000	112	23,674,000	49	5,363,000	52	5,567,000	165	30,034,000	164	29,241,000	144	7,807,928
TOTALS.....	608	\$162,526,000	613	\$160,347,000	195	\$99,027,000	207	\$93,229,000	803	\$261,553,000	820	\$253,576,000	767	\$97,609,064

NATIONAL BANK MEMBERS				STATE BANK MEMBERS			
Total number National Banks, December 29, 1922.....	613			Total number State bank members, December 29, 1922.....	207		
National Banks organized during 1923.....	16			State banks admitted to membership during 1923.....	5		
Conversions of State to National Banks during 1923.....	5						212
National Banks resuming business during 1923.....	2						
	636						
National Banks leaving system through:				State bank members leaving system through:			
(a) Failure.....	7			(a) Failure.....	4		
(b) Voluntary liquidation.....	2			(b) Voluntary withdrawals.....	2		
(c) Consolidations with non-member banks.....	3			(c) Consolidation with non-member banks.....	1		
	12						7
National Banks consolidated with other member banks.....	16	28		State bank members consolidated with other State Bank members.....	6		
				State bank members consolidated with National Banks.....	2		
				State bank members converted into National Banks.....	2		17
Total number National Banks, December 31, 1923.....	608			Total number State bank members, December 31, 1923.....	195		

\*Does not include banks which for various reasons—suspension, liquidation, or absorption by other banks—were on December 31, 1923, no longer going institutions, although stock in Federal Reserve Bank which they held while active members had not yet been surrendered.

## Exhibit J

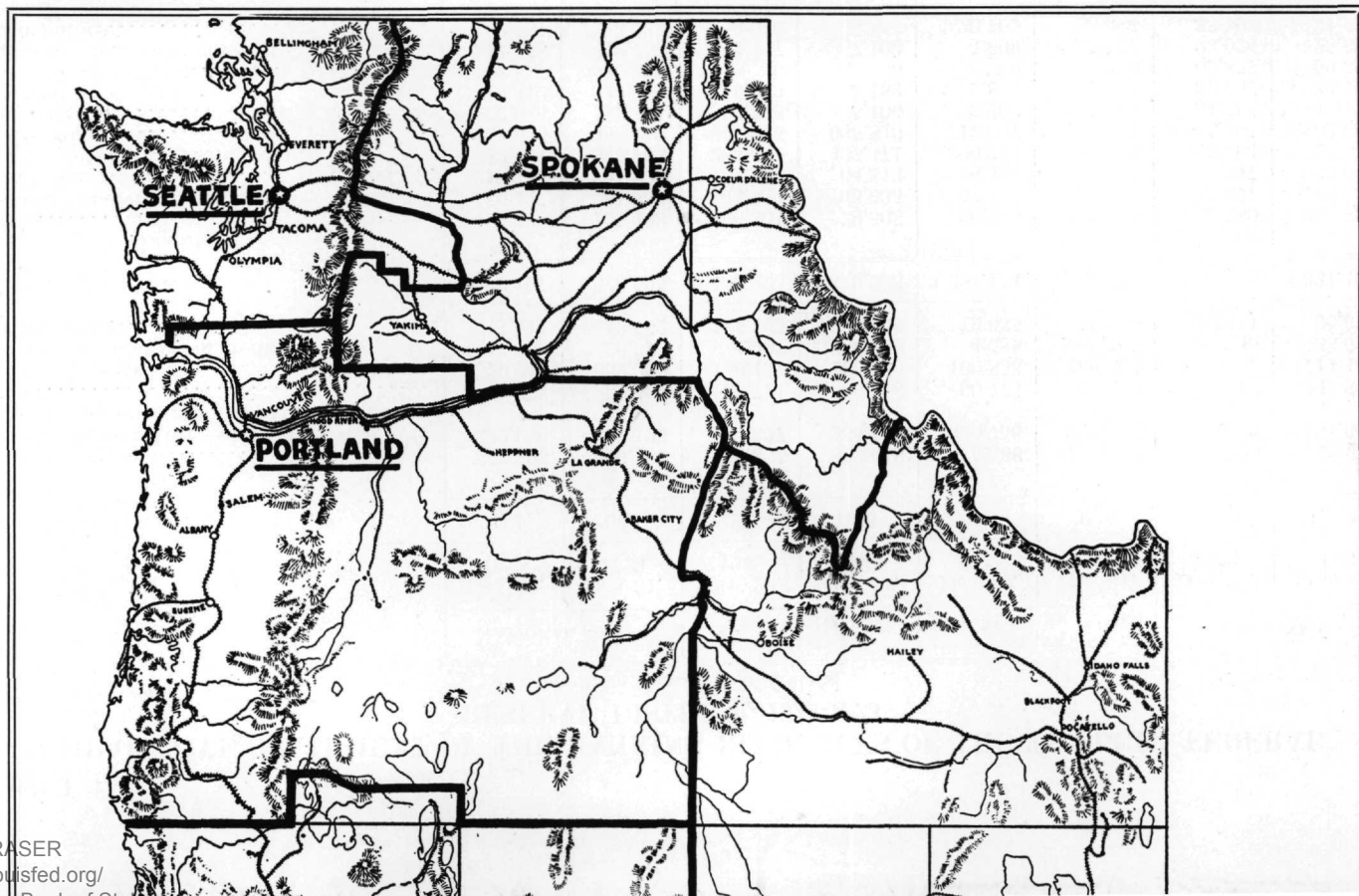
## COMPARATIVE STATEMENT OF THE BANKING RESOURCES OF THE TWELFTH FEDERAL RESERVE DISTRICT, 1922-1923

[Amounts in thousands of dollars]

	NATIONAL BANKS		STATE MEMBER BANKS		STATE NON-MEMBER BANKS		COMBINED	
	Dec. 29, 1922	Dec. 31, 1923	Dec. 29, 1922	Dec. 31, 1923	Dec. 29, 1922	Dec. 31, 1923	Dec. 29, 1922	Dec. 31, 1923
Number of Banks.....	613	*608	207	195	958	938	1,778	1,741
RESOURCES								
Loans and discounts.....	862,895	916,232	692,395	823,618	675,568	789,134	2,230,858	2,528,984
Stocks, bonds, and other securities.....	332,986	347,126	244,327	235,589	369,756	301,889	947,069	884,604
Banking house, furniture and fixtures, other real estate.....	49,778	51,451	39,721	48,588	60,774	42,829	150,273	142,868
Cash and exchange.....	329,947	352,209	169,127	195,690	160,853	166,566	659,927	714,465
Acceptances and letters of credit.....	13,090	10,925	4,268	6,843	4,588	5,795	21,946	23,563
Other Resources.....	11,411	12,562	5,365	5,705	19,635	18,409	36,411	36,676
TOTAL RESOURCES.....	1,600,107	1,690,505	1,155,203	1,316,033	1,291,174	1,324,622	4,046,484	4,331,160
LIABILITIES								
Capital.....	104,130	105,408	66,301	70,568	80,949	82,830	251,380	258,806
Surplus and undivided profits.....	86,127	81,887	44,680	46,635	56,470	51,816	187,277	180,338
Due to banks.....	213,182	201,809	54,469	64,813	6,496	3,383	274,147	270,005
Deposits—demand.....	752,421	805,708	363,462	427,471	390,781	392,336	1,506,664	1,625,515
Deposits—time.....	323,326	366,212	607,078	685,840	712,097	750,035	1,642,501	1,802,087
Rediscounts.....	22,013	32,541	4,563	5,106	5,208	5,499	31,784	43,146
Money and bonds borrowed.....	19,412	20,360	6,363	5,152	7,862	7,610	33,637	33,122
Circulation outstanding.....	62,877	60,590	0	0	0	0	62,877	60,590
Acceptances and letters of credit.....	14,058	12,758	4,357	7,103	4,609	5,719	23,024	25,580
Other liabilities.....	2,561	3,232	3,930	3,345	26,702	25,394	33,193	31,971
TOTAL LIABILITIES.....	1,600,107	1,690,505	1,155,203	1,316,033	1,291,174	1,324,622	4,046,484	4,331,160

\*Includes Wells Fargo-Nevada National Bank, San Francisco, absorbed by a State bank after the close of business, December 31, 1923.

Figures for this bank are not included in the abstract of condition of national banks published by the Comptroller of the Currency.



**SAN FRANCISCO**

**LOS ANGELES**

**TWELFTH  
FEDERAL RESERVE  
DISTRICT**

**11th FEDERAL RESERVE  
DISTRICT**

**Map of the**  
**Twelfth Federal Reserve District**  
**Showing Territories of**  
**Head Office and Branches**  
**of the**  
**Federal Reserve Bank of**  
**San Francisco**



**The Twelfth Federal Reserve District includes**  
**the States of Arizona (excepting the five**  
**southeastern counties), California,**  
**Idaho, Nevada, Oregon, Utah,**  
**and Washington**