

GREAT BUSINESS OF BANKS

Clearings for the Year in Portland Aggregate \$154,320,103, a Gain of 27 Per Cent Over 1901.

THE proportional growth of the banking business of Portland is shown by the clearing-house report. With the record for the month just past incomplete, the clearings for the year aggregate \$154,320,103, while for the preceding year the total was but \$121,737,349—a gain of about 27 per cent in the year. These figures exhibit the proportion of increase in the banking business transacted in Portland, but when compared with similar statements of other Western cities they do not present the true relation of the volumes of business handled in Portland and the other cities. Portland's clearing-house is managed on the same plan as that of New York City. No other clearing-house west of the Mississippi, except that of San Francisco, works upon this plan. Therefore, comparisons of the mere results of clearing-house operations do not tell a true story. The factors entering into these results are very material.

Two factors explain the relative smallness of the Portland bank clearings. One fact is that the membership of the Portland clearing-house is composed exclusively of banks and all balances are settled in gold, and the other is that one of the Portland banks handles a volume of business so preponderantly large that it clears within itself a great amount of business that would go through the clearing-house if the banks of the town were more evenly balanced, as they are elsewhere. The First National Bank has deposits aggregating \$7,000,000, which sum is not much less than one-third of all the deposits in the 13 Portland banks. It naturally follows that the paper it handles would notably swell the figures of the clearing-house if it were to pass through that institution. Of course, when postoffice business is passed through the clearing-house and all daily balances are settled with checks, which must themselves be cleared again, imposing piles of figures result. But they do not mean more commerce.

Table showing clearing-house statistics for January through December, with a total of \$154,320,103 for the year.

The following, from the latest statement of the National banks of Portland to the Controller of the Currency, compared with the similar report made a year previously, shows how their business has grown in the past year. The general gain being about 35 per cent:

Table comparing resources and liabilities for Dec. 30, 1901, and Dec. 30, 1902, showing a significant increase in both categories.

Banking business has been active and healthy throughout the year. In the last quarter of the year there was a tendency toward firmer rates under a very heavy demand for money, and the cash in the banks was reduced materially lower than it was a year ago. This was occasioned by large loans to wheat buyers and to wholesale merchants. The price of wheat made the farmers willing to dispose of the crop within a few weeks after harvest, and it required a very large capital to handle that business when it came so lunched. This capital was supplied by the local banks. Portland bankers took advantage of the low price of sugar in the enormous stacks. The wisdom of that action has already been proved, but it took a large sum of money to float those transactions. In other lines buying has been extraordinarily heavy, and the merchants have been large borrowers from the banks. The wheat is moving off, and the crop will be cleared up early in the coming year, releasing the money that has been used in that business. Mercantile trade is fully up to expectations, and it is likely that the extra money employed in those lines will soon be returned to the banks. The scarcity of money in the latter part of the year was simply an incident of very prosperous conditions. It did not come as a result of speculation. There were no losses of value. It was simply that the large movement of staple commodities happened to be bunched and created an unusual demand for a perfectly legitimate use of money. Scarcity of money was not noticed in general business. Indeed, money was and is so plentiful among the people that few can be found who care to borrow. And it is not the least of the many evidences of healthy prosperity that so good use has been found for the money deposited in the banks, that the money has been able to perform to the fullest extent its proper function in the business community. It could not have done so had there been lack of confidence in the stability of present conditions. The prevailing rate for money is 7 per cent. Exceptionally good loans are made at 5 per cent, but probably not more than enough to offset those for which 5 per cent is required. Strictly commercial lines are here referred to, of course. Industrial and other investments are influenced by other factors. It is to be observed, however, that there has been greater readiness on the part of local capital to go into approved development agencies than has been known before for years. The financial feverishness of the East has not yet had any appreciable influence on Oregon or any other part of the Pacific Slope. Wall Street troubles, due to over-capitalization of numerous "trust" corporations, are regarded by conservative financiers and business men in general as the harvest that was inevitable from the seed sown. It is not expected that this will materially affect the general business of the country, but it is possible that progress of the expansion movement will be checked for a time. If money rates in Wall Street continue long at their present high level they will draw cash from this coast, for capital will go

where it can do best. But there is no prospect that such movement will be of such magnitude as to make money scarce for legitimate purposes in Oregon. There is no prospect that general business will in any degree be embarrassed by shortage of money. It is only through analysis of the financial situation that this phase becomes apparent. Reports of the National banks show that they have enjoyed a year of the greatest prosperity. It is impossible to know what the private banks have done in all cases, many of them declining to submit statements of their business, which are not required by law. But, judging from the business of the National banks and of the private institutions whose affairs are known, and from general appearances, there has been a marked increase in all lines of banking, the prosperity of the business is exceptional and the prospect of a continuance of present general conditions is bright. Business is not only active, but it has a substantial basis on the productive capacity of the state, the limit of which has not yet been approached at any point.

FIRST NATIONAL BANK. The Great Banking House of the Pacific Northwest—Enlarged Banking Quarters. The strongest financial institution on the coast outside of San Francisco is the First National Bank of Portland. Portland is the only city in the Pacific Northwest that does business wholly on its own capital. The average reader will not infer from this that outside money does not find profitable investment here through the legitimate channels of trade. The fact does remain, however, that Portland's local capital today is ample to meet every legitimate call of the widest local business development. Portland's banks identified with the city's growth are owned by Portland capitalists. They are run wholly by local capital. The First National Bank of Portland is the history of the city itself. From a mere beginning when it first opened its doors to business in Port-

Table showing First National Bank deposits from 1900 to 1902, showing a steady increase from \$7,847,249.45 in 1900 to \$10,932,121.50 in 1902.

land, July 4, 1855, with a capital of \$100,000, the First National Bank has rapidly forced its way to the front in Portland's affairs, until today it is one of the most solid banks in the United States. Its aggregate deposits at the close of business on November 25 last were \$7,248,684.24. Among the securities of the bank

Table showing deposits for First National Bank, Merchants' National Bank, and United States National Bank for Dec. 10, 1901, and Dec. 10, 1902.

at the time of the last statement are mentioned: Loans and discounts, \$2,946,691.15; bonds and securities, \$2,675,464.65; United States bonds, \$1,900,000; bank premises, \$400,546.19; due from United States Treasury, \$35,000; due from other banks, \$561,198.25; due from reserve agents, \$781,525.12; cash on hand, \$55,987.32. The capital stock of the bank today is \$500,000. In addition to this, however, the bank carries surplus and undivided profits of \$234,566.21 and a circulation of \$483,906. It is the chief depository of the United States for the Northwest. The First National Bank has one of the largest and best appointed rooms for the conduct of a general banking business in the country. The quarters of the bank, in its own building, 753 1/2 feet in size, occupy the entire first floor. To meet the increasing demands of its rapidly growing business, the bank has recently constructed an addition, which is now a part of the main bank building itself. The entire first floor of the larger building is occupied by bank quarters. With this additional room, the First National has one of the most spacious and best appointed bank offices on the Pacific Coast. The president of the First National Bank is Hon. H. W. Corbett, ex-United States Senator from Oregon, and a man who has kept in the closest touch with Portland's affairs from the time of Port-

land's first pretense as a city of any importance. Mr. Corbett first came to Portland in 1851. At that time Portland had already given some slight promise of its future importance as a metropolitan mart of trade, and as a center of great population and of marked industrial activity. The entire population of Portland when Mr. Corbett first located here did not exceed 1000. Unlike some of the other leading old-time citizens of Portland, Mr. Corbett has developed as the city has grown. He is today looked upon as Portland's leading man of affairs, and he has the respect and the confidence of the entire community whose general welfare he has so carefully studied during his years of constant effort and devotion to the cause of Portland's greatest growth. The other officers of the First National Bank are: A. L. Mills, vice-president; J. W. Newkirk, cashier; W. C. Alford, assistant cashier, and R. P. Stevens, second assistant cashier.

PORTLAND TRUST COMPANY OF Oregon—The Oldest Trust Company in Oregon. The Portland Trust Company of Oregon, incorporated April 22, 1887, began business as a small institution; it has become a large one. The growth of the Portland Trust Company has been due to its painstaking and courteous attention to the interests of its customers. It numbers among its stockholders some of the richest and most influential citizens of Portland. Its stock is also held in large blocks by Eastern millionaire capitalists. It is thus enabled to handle large transactions with comparative ease. It conducts every branch of financial business, and affords to its customers every facility that the most advanced Trust Companies are able to offer. It receives savings deposits, paying interest thereon. It issues certificates of deposit payable on ten, thirty or 90 days' call, and on these certificates pays interest at rates governed by the length of the call. It loans money on mortgages, collateral and decided Trust, and offers for sale gold mortgages at attractive rates of interest. It conducts a general trust and agency business, acts as trustee under mortgages to secure payment of bonds, and as register and transfer agent for the stocks and bonds of corporations. It holds in trust real property as trustee under private agreements, and takes stocks, bonds and other personal property in escrow. It owns large amounts of real property, on which it builds homes for intending purchasers, who may pay for the same in installments. Its officers are: Benj. I. Cohen, president; W. H. Dunckley, acting vice-president; Dr. A. S. Nichols, second vice-president; S. L. Paulsen, secretary, and J. O. Goltra, assistant secretary.

GREAT YEAR FOR JOBBING Portland's Business for 1902 is \$140,000,000. The jobbing trade of Portland amounts

Table showing Portland's Business for 1902 by month, with a total of \$1,400,000,000 for the year.

MANY CARS HANDLED. Terminal Company Largely Increases Volume of Business. Fourteen steam railroads are operating in Oregon with a total of 1667 miles of track. During the year just closed the Terminal Company at Portland handled 28,979 freight cars, as against 18,909 for the year 1901, and 18,000 for 1900. These figures do not include the grain traffic of the Oregon Railway & Navigation Company, nor a large amount of the freight business of the Southern Pacific. The Southern Pacific crosses the state north and south, while the O. R. & N. traverses the state east and west. Both of these

Advertisement for the First National Bank, featuring a photograph of the building and the text: 'FIRST NATIONAL BANK. CHIEF DEPOSITORY OF THE UNITED STATES FOR THIS SECTION.'

PUGET SOUND EXPORTS

First Half of the Year Shows Larger Clearances Than Last Six Months. A large portion of the record-breaking wheat crop of 1901 in Washington was not moved until after January 1, and this fact, together with an extraordinarily quick movement of the 1902 crop, has enabled Puget Sound to make the best showing she has ever made in wheat shipments. The vessels clearing from Seattle and Tacoma for Europe, South Africa, South America and Australia with wheat during the year were as follows:

Table showing Puget Sound exports by month from January to December, with a total of \$1,559,926 for the year.

IMMENSE JOBBING TRADE

Portland the Distributing Center for the Pacific Northwest—Total for the Year, \$140,000,000.

THE natural advantages which made Portland the principal and in fact the only distributive point in Oregon, Washington and Idaho, nearly 20 years ago, still enable this city to retain its position of prominence. The jobbing trade of the city for 1902 was by far the largest on record. Not only was there a marvelous expansion in territory which has been worked for years, but Portland drummers last year went farther into new fields than ever before. In fact, the method of business men in a certain city on Puget Sound with those of Seattle, he gets out on a corner and 'sets up a holler' and tells everybody all about it. When the Portland man makes a dollar he quietly gets it out of sight and immediately begins working for another. His conservatism and modest manner of doing business has a tendency to deceive a great many people unfamiliar with the system, and it also makes it a difficult matter to determine the exact volume of business handled each year.

From the best obtainable information, however, the jobbing trade of Portland for 1902 was approximately \$140,000,000, an average gain of over 15 per cent over that of the previous year, which was also a record-breaker. This trade has not been secured without a fight for it, for the entire Northwest has been overrun with representatives of jobbing-houses from all parts of the United States, and the Puget Sound jobbing-houses have never been more aggressive than during the year just closed. But, in spite of all of the fierce competition, Portland has not only held her own but has increased her lead in the race.

The remarkable prosperity of the state has contributed in no small measure to this increase in business, but much of it is also due to the rapid development of newly settled portions of Oregon and Washington by recent arrivals. The timber industry in these states has probably attracted more newcomers within the past year than have been brought here by any other single industry. The vast sums that have been paid out for timber lands and the establishment of lumbering and logging plants, percolating through a dozen other lines of industry, have created plenty of new business, which has assisted in making 1902 the most prosperous year the Portland jobbers have ever known. Of the wealth-producing agencies which have for years supplied Portland with an immense jobbing trade, livestock, wool, hops and salmon have all enjoyed a year of prosperity, and the buying power of the citizens in the sections where these industries thrive has never been greater than it is at the present time.

Portland holds her own in this big territory for many reasons. The wholesale jobbers who handled Portland's imports and trade at its inception were honorable, fair-dealing men, and they built up a reputation which has been a never-ending source of profit to the city. As the population increased, and more jobs appeared, the policy of the original traders

was still adhered to. The new settler bought from Portland houses, because the old settler gave them a good recommendation, and the new jobber was forced to conduct his business on the Portland plan or else get out of business. The wholesale trade of Portland from its earliest days has been conducted on most generous lines. The statement is frequently made that there is no sentiment in business. Ordinarily, perhaps, this may be true, but it is undoubtedly true that sentiment has had something to do with the retention of Portland's commercial prestige in the big territory covered by her salesmen. The pioneers of the interior, who were the mainstay of Portland's jobbing trade in the era of the pack-horse and wagon train, had cultivated a friendship between our business men which was never shaken by the advent of the railroad and the new wholesale men and methods. Their relations have always been most cordial, and, while Portland has made steady gains in new trade, she has never lost any of the old business that gave her a start.

As the financial and commercial headquarters of the Pacific Northwest, the city has an advantage over other ports which it will be difficult to overcome. It is in this port that the entire wheat crop of the State of Oregon and a good-sized portion of that of the State of Washington is financed and handled, and where the wheat is sold the farmers buy their goods. The same is true of hops, wool, stock, etc., and of these principal industries alone the annual output is sufficient to make an enormous trade.

Nine-tenths of all of the grain, basic, wool and stock and hop cloth used in the Pacific Northwest in 1902 were imported by Portland merchants, and distributed from this port, and by far the larger portion of the money required for moving the crop of the three states was supplied by Portland financial institutions. For years this city was dependent almost entirely on San Francisco for Oriental goods, the absence of direct steamship communication preventing exporters from buying direct, and in a measure placing them at a disadvantage with their customers in territory where both San Francisco and Portland jobbers met.

The establishment of a steamship line direct from this port, together with through rates being granted on all merchandise brought from the Orient by Puget Sound lines for Portland merchants, has enabled Portland jobbers largely to increase their business in Oriental goods. No other steamship line running to the Coast turns out so large a proportion of its cargo for direct distribution at the Pacific Coast port of entry as the Portland and Asiatic Line.

Not only do the Portland merchants distribute large quantities of manufactured articles brought in by the regular Oriental line, but Portland importers have built rice mills, and import large quantities of "paddy," which is cleaned and prepared for market in this city and shipped all over the Northwest, and as far east as the Missouri River. The commission-

house buyers and the buying and selling of farm products has perhaps expanded more rapidly than any other line during the past year. This is of course due to the remarkable growth of the agricultural industry. The increased output of the farms demanding new markets, which Portland dealers have been quick to find. Large quantities of Oregon fruit, butter, hay, hops and numerous other products which have heretofore been limited to the local field. Portland has been rather slow in getting around to the manufacturing stage, but very satisfactory progress is being made, and Portland jobbers now handle a dozen commodities of home manufacture where they handled only 10 years ago. Most of the jobbers are intensely loyal to the city, and endeavor to push Portland-made goods wherever it is possible, but quite naturally are still dependent on other parts of the country for goods which cannot be secured here. In this connection, it may be said that there are no heavier buyers anywhere west of the Missouri River than the Portland wholesalers, and they frequently bring in trainloads of single lines of merchandise where a dozen years ago a carload would be ample for all needs.

The ships that have come to our ports from foreign countries have all returned with cargoes of Oregon wheat, flour, barley and lumber. Coming with their cargo, these ships are naturally in a position to accept a lower freight rate than they would be if there was cargo obtainable but one way, and half the voyage was to be made in ballast. It was this feature of the shipping business that for years enabled San Francisco exporters to secure a differential of several shillings per ton against the Northern ports, where the limited direct import business did not offer any inducements for a fleet of ships of any consequence. Even as late as five years ago, the cargo tonnage coming to the port was only about 10 per cent of the entire amount of tonnage required for moving the wheat crop of the territory tributary to this city. Last year over one-third of the tonnage in the wheat export trade came to Portland with cargo, and for the first time on record this port for an entire season was on even terms with other Pacific Coast ports on outward rates. For the coming year the prospects of plenty of cargo tonnage are better than they were at this time last year, for out of a total of 30 vessels now listed to arrive at this port, 21 of them are coming with cargo.

The improvement in the jobbing trade for the month of December was nearly 30 per cent over that of the previous year. There is nothing to indicate that the month of January will not show an equally good increase, and that the increase will not be maintained throughout the year. It is almost a certainty that the jobbing trade of Portland, the greatest distributing center in the Pacific Northwest, is in 1903 run well up toward \$170,000,000.

Advertisement for The Canadian Bank of Commerce, featuring a general statement for November 30, 1902, and a list of assets and liabilities.

Advertisement for Merchants National Bank of Portland, Oregon, featuring a statement of resources and liabilities, and listing key officers: J. Frank Watson, President; R. L. Durham, Vice-President; R. W. Hoyt, Cashier; Geo. W. Hoyt, Ass't Cashier.