BANKS ARE ON SOLID BASIS

Portland Is Great Financial Center, with Commercial Deposits Aggregating More Than $50,000,000.

By J. C. Ainsworth, President United States National Bank.

A little over a year ago we were in the throes of a financial disturbance that extended across this broad land, and while we were beginning to see an end to the havoc wrought, and were planning the retirement of our clearing-house certificates, we naturally thought that recovery would be slow and that newly planned enterprises requiring fresh capital would have to be postponed three or four years, or abandoned altogether, as was the result in 1893-6.

In our community we had in general circulation $1,440,000 clearing-house certificates, and another million between banks for clearing-house purposes. On the day after Christmas we ceased paying them out; by January 1 they were being retired at the rate of $50,000 a day, and by January 15 they were seldom seen in circulation. By February 1 they had by agreement to be retired in full. From this time on, though all lines of business were more or less quiet, we were on the road to recovery and after a period of, say 90 days, all classes of business had assumed the normal, though curtailed in volume.

Portland has now over $50,000,000 of commercial deposits, and is only just awakening to her possibilities. As was stated at the "Hill Banquet," Portland made her first real start in the commercial world at the opening of the Lewis & Clark Fair, and her second great step was the completion and opening of the North Bank Road, opening, as it does, the vast Inland Empire to our very doors.

The completion of the Swift Packing Plant on the Peninsula will make Portland a great livestock center, and our dairy industry has in the last five years increased from three to 17 millions annually, and with the gradual revival of the greatest of all industries, viz., the lumber industry, the whole Northwest will be immeasurably prosperous.

Portland is certainly blessed with her share of natural resources, and it is up to her people not only to protect, but to develop them. In order to develop we must have capital, and that in far greater amounts than we can draw from amongst ourselves. We may sit down and still grow from the mere richness of our soil, but as true Oregonians should not be content with that. We have long enough sat back and must now be up and awake. Capital must not only be encouraged, but protected as well, both by encouragement in our local press and by legislation, so that great industries and properties, when built up, may not be confiscated by radical and vicious laws.

Portland's securities, or bonds, are considered by investors as amongst the very highest on the Pacific Coast, and are eagerly sought for; our city has a reputation for conservatism, a valuable asset in the world's market.

While we should recommend extreme caution in creating new obligations, so easily incurred on so good a credit, we are no longer a town, but a large and growing city of many needs, and we cannot stop, but must go on much faster in the future than we have in the past. We are allowed under our present charter an indebtedness of 7 per cent of our assessed valuation. Our indebtedness today is less than 3 per cent, and over half of this is our Bull Run water debt, which is not only self-supporting from revenues, but creates a sinking fund of from $20,000 to $50,000 per month. The assessed value of our city properties is some $232,000,000, and is rapidly on the increase. We have already voted some $5,000,000 additional bonds, making our total debt some $12,740,000, with an annual interest charge of $583,000, about $200,000 of which will be met by water rates and other utility. A judicious expenditure of this large sum should certainly tend to a greater Portland, and at the same time not unduly tax our people.

A branch of our development most easily overlooked and by many considered of least importance, is the beautifying of our city. Have we not shamefully overlooked this feature already in our naturally beautiful city? But does it pay to spend the public money on things so immaterial, so frivolous? We have but to look to other wide-awake and progressive cities to see what wonderful results have been obtained from just such expenditures. Look at the park system of Kansas City, the streets of Denver, and today Los Angeles County is expending three and a half millions of dollars on a system of county roads 307 miles in extent, radiating in all directions about the city of Los Angeles.

To be specific as to the needs of our own city, aside from the improvements of our harbor and river, which are being well cared for at the present time by our Port of Portland Commission, our City Council should order hard surface pavement immediately laid on all streets from the river to Twenty-third street, inclusive, and from Jefferson street to the Union Depot, and in a year or two later, extend the district further. The property-owners would benefit twice over the cost of the improvement. The city should acquire the entire block facing the Union Depot, between Sixth and Seventh streets, and convert it into a beautiful circle of plants and green grass, with a 100-foot asphalt roadway around it, giving ample room for traffic, and an attractive sight for the thousands of strangers who daily enter our gates and now have to look at the one-story frame shacks, saloons and bill boards that confront them, and block their way into our city.

The triangle at the intersection of Nineteenth, Alder and Washington streets should be bought by the city and improved in a similar manner. The unsightly car barns at the head of Washington street should be removed, and also the land to the south of it should be taken, and the City Park brought down to Ford and Washington streets, so that one would not have to go up a back lane to get into our only park.

Above all things our park bonds, $1,000,000, should be sold and the proceeds used at once in a comprehensive park and boulevard scheme, preferably that proposed by Olmstead, of Boston, comprising some 16 miles of beautiful drives, half on each side of the river. Our Irvington district is certainly a credit to the city, with its modern improvements substantially made and with the splendidly paved streets throughout.

If a few of the above sugges..ons, or other better ones, were followed out, Portland would truly be a beautiful city. Our rapidly growing tourist travel in the Summer would be attracted to stay and invest with us, instead of taking the first train out for Los Angeles, which excels in just such ways as above described. A first-class theater and hot i would greatly assist. From a selfish standpoint, the above judicious expenditures of a few million dollars would result in a ten-fold benefit to our beautiful city.

LARGE SUM IN STATE BANKS

Report of Examiner Shows Individual Deposits Amount to Over $73,000,000.

STATE Bank Examiner James A. Steel's report of the condition of the state and National banks in Oregon at the close of business November 27, 1908, shows total individual deposits aggregating over $72,900,000, or, computed on a basis of 600,000 population, an average of $123 for every man, woman and child in the state. The report shows that the banks are carrying cash reserves in excess of the amount required by law, and in every way the statement indicates that Oregon banks are in a safe and prosperous condition.

Mr. Steel has jurisdiction only over state banks, but the National banks have also reported to him, so that complete statistics may be given. This is the first year that full and exact statistics as to all banks have been available. From an examination of the statistical statement given herewith, showing the condition of state banks it will be observed that there is due from banks and bankers $8,396,432.27, and due to banks and bankers $3,532,923.75, leaving a balance due to Oregon state banks of $4,863,508.52. Cash in the vaults aggregates $5,546,579.78, and the exchanges for clearing-house $227,159.47. These three items make a reserve fund of $10,637,247.77. The individual deposits are $39,674,348.82, and the state deposits $177,288.53, making the total deposits $39,851,637.35. The reserves are 26 per cent of the total deposits.

The state banking law requires that in Portland banks shall carry 25 per cent of their demand and 10 per cent of their time deposits in reserve and that outside of Portland banks shall carry 15 per cent of demand and 10 per cent of time deposits in reserve, at least one-third of the reserve to be cash in the vaults. The individual reports show that all the 132 state banks except two had the required reserve at the time of the last report, and these two have promised to make up the deficiency at once. The reports of National banks show reserves as large as those carried by state banks, with a larger proportion carried in cash.

The soundness of a bank depends, however, more upon the condition of its loans and discounts than upon its reserves. The banking law requires the bank directors to examine resources personally at least four times a year and to sign a certificate stating the result of their examination. This report must classify the loans and

BANK EXAMINER'S REPORT, SHOWING CONDITION OF OREGON BANKS.

RESOURCES.

Items—	132 State banks.	65 Nat. banks.	Total.
Loans and discounts	$25,983,245.46	$25,509,014.26	$ 51,492,259.72
Overdrafts	339,661.53	542,581.84	882,243.37
Securities, bonds, etc	10,669,247.17	4,419,006.21	15,088,253.38
Banking house, furniture and fixtures	1,375,538.07	986,669.38	2,362,227.45
Other real estate owned	410,471.08	92,590.66	503,061.74
Due from banks and bankers	8,396,432.27	8,434,599.86	16,831,032.13
Checks and other cash items	211,062.54	238,577.83	449,640.37
Exchanges for clearing-house	227,159.47	277,021.74	504,181.21
Cash on hand	5,546,579.78	7,163,598.87	12,710,178.65
United States bonds to secure circulation	....	3,025,600.00	3,025,600.00
United States bonds to secure deposits	....	1,989,600.00	1,989,600.00
United States bonds on hand	....	549,880.00	549,880.00
Premiums on United States bonds	....	132,302.32	132,302.32
Five per cent redemption fund	....	152,372.00	152,372.00
Expenses	54,285.00	49,255.88	103,540.58
Other items than above	88,510.88	29,030.00	117,540.88
Totals	$53,502,213.25	$53,392,760.85	$106,894,974.10

LIABILITIES.

Items—	132 State banks.	65 Nat. banks.	Total.
Capital stock	$ 6,942,045.00	$ 4,566,000.00	$ 11,508,045.00
Surplus fund	1,290,068.05	2,759,994.46	4,050,062.51
Undivided profits	1,327,073.97	1,213,048.45	2,540,122.42
Dividends unpaid	1,259.00	2,248.91	3,507.91
Due to banks and bankers	3,532,923.75	5,129,490.79	8,662,414.54
Individual deposits	39,674,348.82	34,270,890.89	73,945,239.71
Deposits due State Treasurer	177,288.53	242,508.52	419,797.05
United States deposits	....	1,115,482.44	1,115,482.44
Deposits United States disbursing officers	....	828,390.93	828,390.93
Notes and bills re-discounted	31,128.00	....	31,128.00
Bills payable	59,550.00	70,000.00	129,550.00
C/D issued for money borrowed	272,782.40	120,000.00	392,782.40
National Bank notes outstanding	....	2,980,480.00	2,980,480.00
Reserved for taxes	3,954.58	24,300.00	28,254.58
Other liabilities	189,791.15	69,724.46	259,515.61
Totals	$53,502,213.25	$53,392,760.85	$106,894,974.10