

FUNDS AMPLE FOR BUSINESS RESERVE

Controller's Report Shows Big Resources and Reserves in National Banks.

CONDITION IS HEALTHY

Pacific Northwest Banks Have Reserves Far in Excess of Amounts Required by Law—Possibility for Expansion Great.

From the report of the Controller of the Currency, which has just come to hand, setting forth the condition of the National banks of the United States on May 1, 1915, several interesting facts which have a bearing on the financial situation and the banking strength of the Pacific Northwest are gathered. This section is especially interested in the facts relating to Oregon, Washington and Idaho. There are 221 National banks in the territory, of which 88 are in Oregon, 78 in Washington, and 57 in Idaho.

Big Excess Shows.

The detailed figures of the reserves required and the actual reserves may be found in the National banks May 1, 1915, were as follows:

May 1, 1915.		
	Reserves Required	Actual
Oregon	4,254,104	9,298,097
Washington	2,983,333	6,718,938
Idaho	7,387,929	16,811,993
Total	14,625,366	32,829,028
Total excess \$18,203,662		

The total deposits in the National banks of these three states on May 1 was \$196,877,743. This was divided into demand deposits subject to check, \$119,152,427; time deposits, including state, municipal and Federal notes and certificates of deposit, \$47,262,333; and the strictly savings department deposits, which are subject to 30 days' notice of withdrawal, \$30,462,983.

Loans and Discounts Large.

The total of loans and discounts for these three states is \$122,337,564, or 62.2 per cent of the deposits. There is always an interesting relation between the activity in loans and discounts and the deposits. Their relation is definite for the New York financial center and for the country at large. The comparative showing for the states under consideration is as follows:

Loans and Discounts		
	Loans	Discounts
Oregon	24,618,068	46,931,340
Washington	21,482,876	31,482,876
Idaho	49,036,844	72,450,147
Total	95,137,788	150,864,363

The active relations of the National banks of this district under discussion with their Federal reserve banks is shown in the fact that there are 20 banks in the Federal reserve bank at San Francisco a total of \$3,434,524. The banks on May 1 had total deposits of \$487,866, divided between the country banks of Oregon, \$236,476; the country banks of Washington, \$29,895; of Idaho, \$1,815, and the banks of Spokane, \$40,000.

Changes Are Expected.

There will be doubtless notable changes in these items when the results of the June 25 are available. These same banks held on May 1 a total of \$36,560 of Federal reserve notes.

The amounts due from the Federal reserve banks and the Federal reserve notes outstanding are as follows:

Federal Reserve Notes		
	Outstanding	Due
Oregon	890,825	4,100
Washington	590,580	2,750
Idaho	1,486,303	6,910
Total	2,967,708	13,760

DRAFTS NOW IN DRACHMAS

The Irving National Bank of New York has been advised by cable that it has drafts from the United States to Greece amounting to 60 per cent of resources and banking capital of the three states, yet the activities of National banks are perhaps the dominant factor of the financial situation in this territory. It will be seen that there are ample resources and reserves for the activity that promises to revive with the ending of the war situation, the revival of the lumber business, and the general return to normal condition of the domestic trade situation throughout the country.

BANKS ACCUSED OF DISCREDITING NOTES

John Burke, Federal Treasurer, Says Redemption of Quantities Demand.

OWN DEBTS PAID IN PAPER

Institutions Pay Others, but Protest When They Have to Take Issue Themselves, He Reports; Less Gold to Be Held in West.

National bankers themselves have done more to discredit the National bank notes than has been done by any other agency, says John Burke, treasurer of the United States, who left Portland last night for his old home in North Dakota, after a few days' visit with his brother, Judge Thomas C. Burke, Collector of Customs in Portland.

FEDERAL RESERVE BANK

San Francisco, July 25.—(Special).—The statement of the Federal Reserve Bank of San Francisco for the July 25, as announced yesterday follows:

Resources.	
Gold coin and gold certificates in own vaults	\$8,897,000
In gold settlement fund	367,000
In gold redemption fund	21,000
Legal tender notes, silver, etc.	21,000
Total resources	\$9,306,000
Commercial paper (re-discounts)	1,936,000
Bank acceptances	414,000
United States bonds	1,061,000
Municipal warrants	1,026,000
Federal reserve notes held	1,181,000
All other resources	1,383,000
Total resources	\$16,287,000

Liabilities. Capital paid in \$9,233,000. Deposits, net \$12,734,000. Total liabilities \$21,967,000.

Memorandum. Federal reserve notes received from Federal reserve agent \$2,040,000. Federal reserve notes in hands of bank notes 1,181,000. Net Federal reserve notes outstanding \$59,000. Gold deposited with Federal reserve agent to retire Federal reserve notes 2,040,000. Federal reserve notes—general reserve notes \$1,181,000.

Bank of Greece making use of the special connection with the Irving National Bank has relieved the situation.

RAILROAD HAS DEFICIT

O.-W. R. & N. FINANCIAL STATEMENT SHOWS TAX VALUES. Operation for 1914 Left Net Surplus of \$80,343.56, but Adjustments Were \$2,641,633.25.

BOISE, Idaho, July 25.—(Special).—The net operating revenue of the O.-W. R. & N. Company's properties in Idaho for the year 1914, as shown by the financial statement filed with the State Auditor, amounted to \$4,151,491.33. The surplus from the earnings of the property amounted to \$89,343.86. Deducting the adjustments made, which ran unannouncedly to \$2,641,633.25, there was a deficit of \$1,164,495.34.

This report was filed with the Auditor for the use of the State Board of Railroad Commissioners in their assessment of the company's property. The report shows that the company has authorized common stock to the amount of 500,000 shares at \$100 a share; that the bonded indebtedness of the company is \$189,500,000; amount of outstanding bonds \$89,521,200; the interest on the bonded indebtedness amounted to \$2,514,210.40; the interest on the unbonded debt \$1,104,826.77; and miscellaneous deductions \$28,958.94.

The total operating expenses of the road for 1914 ran up to \$12,707,737.35, but the operating revenue was \$17,555,866.60. The tax amounting to \$1,874,374.11. The total expenses of the road were \$13,598,578.36. A net operating revenue of \$4,151,491.33 shows that non-operating revenue was \$496,356.34, the gross income \$4,647,847.67, the surplus \$30,343.86, deficiency at the beginning of the year \$1,164,495.34, adjustments \$2,641,633.25, and deficiency at the close of the year \$1,386,884.25.

The O.-W. R. & N. Company operates a large amount of its property in this state, but the greater portion of its main line and most of its feeders are in Oregon.

The report shows under bonded debt a bond issue of \$175,000,000 labeled the O.-W. R. & N. Company first and refunding mortgage, dated January 3, 1911, to January 1, 1961, and another under the O.-W. R. & N. Company dated June 1, 1896, to June 1, 1916, for \$24,500,000.

BANKERS TO BE FETED

SEATTLE PREPARES FOR AMERICAN ASSOCIATION CONVENTION.

TRIPS TO FEATURE GATHERING IN PUGET SOUND CITY.

Plans for the entertainment of the members of the American Bankers' Association at their annual meeting in Seattle in September have been completed by the Seattle bankers and the Seattle clearing house association.

Monday the convention will be held at the Hippodrome. Representatives of the Seattle bankers, easily distinguishable, will meet the incoming trains and steamships and take care of the guests for prompt conveyance to their respective hotels. The program will be held by special services in the larger churches Sunday evening, September 5.

CONFIDENCE HELD WITH BANKERS

Mr. Burke met many Portland bankers while here and discussed financial affairs with them. He expressed the belief that the use of emergency currency provided for under the new Federal reserve act will prove successful. During the stringency a few months ago the Treasury paid its balance of about 4,000,000 in bank notes.

"We cannot use them," complained the bankers, "because they are not legal tender." The Treasury officials that had used them on the very day that they were received in paying off balances of their own.

Mr. Burke reported that business conditions in the country generally are improving as indicated by the trade balance of \$2,500,000 which is coming into the United States regularly from Europe. This is due to war orders being filled in this country. The proceeds from the bond sale will be used in building a road along the Columbia River from Prindle, about 10 miles east of the Clarke County line in Skamania County to the White Salmon River, which marks the Klickitat County line.

RECEIVER TO PAY DIVIDEND

Depositors in Defunct Bank Will Receive Interest on Lost Funds.

Depositors in the defunct Oregon Trust & Savings Bank holding bonds of the Omaha Home Telephone Company, or certificates issued by Receiver Owen C. Fisher, such bonds, will receive a further and final dividend beginning today from the Bank of California acting as agent for Frank Kiehn, who is winding up the affairs of the bank.

It is estimated that approximately \$500,000 of Omaha Home Telephone bonds was held by the bank for their depositors. Since the failure of the bank eight years ago no interest has been paid. The dividends on these bonds, including those to be paid today, will cover, approximately, the interest. No return will be forthcoming on the principal, it is said.

CLOSE BOND BID WINS

Lumbermen Trust Company Takes Issue Over Eastern Houses.

By close bidding the Lumbermen Trust Company of Portland was able to obtain the entire issue of \$210,000 worth of Skamania County, Washington, road bonds sold last week. A premium of \$100 was paid.

The bonds will bear interest at the rate of 5 1/2 per cent and will mature in 1931. Although a large number of Eastern buyers competed for the issue the Portland house was successful.

OLD SCRIP IS PRESENTED

Pendleton Treasurer Refuses Payment on Issue of 1898.

PENDELTON, Or., July 25.—(Special).—Three pieces of scrip currency, issued by the city in 1898 and only recently discovered in a deposit box at the First National bank, have been presented to the City Council by the bank on behalf of its customer for redemption. City Treasurer Bradley refused to honor the scrip when it was presented to him, as all of the emergency currency of this issue was recalled by the city in 1898 when being issued to redeem the scrip then outstanding.

BANK CLERKS MEET

American Institute Delegates en Route to San Francisco.

ALL INVITED TO VISIT HERE

Portland, Spokane and Seattle Unite in Asking All Delegates to Con- vention to See Pacific North- west Before Return to East.

Many delegates to the forthcoming convention of the American Institute of Banking, which will be held in San Francisco August 17 to 21, will pass through and visit Portland on their way to and from the meetings.

The Institute is composed of the bank clerks and minor officials of the banks, and in recent years has devoted much effort to the education of the bank employes in the work that will fit them for official positions. The American Bankers' Association has officially endorsed the body and gives it valuable assistance.

Invitation is Extended. E. M. Dobie, president of the Portland chapter of the Institute, has joined with the presidents of the other chapters in the Northwest in the following invitation to prospective attendees at the San Francisco convention:

"Portland, Spokane and Seattle chapters desire to extend to you a most cordial invitation to visit our cities while on your convention trip. We wish the pleasure of having you call upon us and the privilege of showing you our great Northwest. Your trip will not be complete if you return home without having spent part of your vacation in the Pacific Northwest and the great inland Empire. There are big things here for you to see. This country is different. It awaits you, and you should see it. We earnestly urge you to visit us either on your way to or from the convention, and we invite you to come because we really desire to entertain you."

Thomas H. West, clerk in the Ladd & Tilton Bank, of Portland, is first vice-president of the National organization, and is ex-officio a member of the executive committee.

Programme is for Five Days. The complete programme for the San Francisco meetings follows: Tuesday, August 17—"Meeting of East and West," a smoker at Native Sons' Hall.

Wednesday—Convention called to order by President William S. Evans. Addresses of welcome—From the city, James H. Rolph, Mayor of San Francisco; from the bank, C. K. McIntosh, vice-president Bank of California; from San Francisco Chapter, William A. Marcus, president San Francisco Chapter A. I. B.; from American Bankers' Association, Col. Fred E. Farnsworth, secretary American Bankers' Association; annual address by the president, William S. Evans; report of the executive council by the chairman, Robert H. Bean; appointment of committees; address, "The Shortcomings of Bankers," James K. Lynch, vice-president of the National Association and vice-president First National Bank of San Francisco.

Thursday—Address, "Branch Banking and Relations in South America," H. R. Eldridge, vice-president National City Bank, New York; address, "Success Under the Federal Reserve System," A. Dolan, vice-president Federal reserve board; symposium, "New American Banking Practices," by members of the Institute; conference of chapter presidents, in charge of Frank W. Bryant, of Boston.

Friday—Address, "Professor Samuel Williston; inter-chapter debate; unfinished business, reports of committees, selection of officers, selection of 1916 convention city.

Saturday—American Institute of Banking day at exposition; luncheon banquet at inside inn.

Entertainment features include personally conducted tours for the ladies through San Francisco shops, auto rides, ball, tennis and golf.

COUNCIL RESTRICTS FERRY

Kalama Objects to Diversion of Traffic to Oregon Side.

VANCOUVER, Wash., July 25.—(Special).—The diversion of traffic from the Kalama City Council has taken a hand in the matter and has passed an ordinance licensing the soliciting of trade in the city limits. The annual license is \$25.

CORPORATIONS FEEL HURT

Guy W. Talbot Says Decision Means Consumer Must Pay in End.

Public utility corporations in Portland were badly disappointed last week when the State Supreme Court decided against the Kalama City Council in its attempt to restrict the ferry traffic against them by the city is legal.

The affected corporations have not determined what action they will pursue, but the case has been decided against them.

I am sorely disappointed in the decision of the State Supreme Court in the case of the Portland Gas & Coke Company. "However, if the tax should be collected it must ultimately be a burden upon both the consumer and the consumer. The public cannot benefit both from increased taxes and lower rates for gas. When undue taxes are assessed the consumer must in the end stand the charge."

We have not received a copy of the text of the opinion, but as it was decided on a demurrer we probably will be compelled to answer and try the case on its merits. If we do this, and it probably will be done, we are sure it because we believe our position is correct."

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THE BANK OF CALIFORNIA NATIONAL ASSOCIATION

of San Francisco. Founded 1864

Capital Paid in \$8,500,000.00 Surplus and Undivided Profits \$8,256,734.33 Commercial Banking, Savings Department.

PORTLAND BRANCH Third and Stark Streets

For many years past the population of Germany has been increasing at the rate of about 1 per cent a year. The population was 41,000,000 and by 1910 it had risen almost 65,000,000.

The bonds will bear interest at the rate of 5 1/2 per cent and will mature in 1931. Although a large number of Eastern buyers competed for the issue the Portland house was successful.

The proceeds from the bond sale will be used in building a road along the Columbia River from Prindle, about 10 miles east of the Clarke County line in Skamania County to the White Salmon River, which marks the Klickitat County line.

By close bidding the Lumbermen Trust Company of Portland was able to obtain the entire issue of \$210,000 worth of Skamania County, Washington, road bonds sold last week. A premium of \$100 was paid.

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One general plan or system will not fill the needs of all customers. This bank offers a personal service, an individual attention that is bound to meet your requirements and make your banking relations profitable and pleasant.

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We Pay 4 Per Cent Interest on Savings Deposits.

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The First National Bank OF PORTLAND, OREGON

FIFTH AND MORRISON STREETS Capital and Surplus \$3,500,000

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Express Freight Service. Between Portland New York Boston.

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