

BANKS MAY SHOW VOLUME OF TRADE

New System of Reporting Is Declared Better Barometer Than Clearances.

CLEARING-HOUSE TO ACT

Figures Produced to Demonstrate That Proposed Plan Is More Accurate and Adoption in Portland Will Be Advocated.

Portland is being urged to begin the practice of reporting each week its total volume of bank transactions as well as total clearings to the clearing-house section of the American Bankers' Association for publication in the press reports sent out through the United States. The suggestion is so has come through W. D. Vincent, vice-president of the Old National Bank of Spokane, and O. Howard Wolfe, cashier of the Portland National Bank, who are respectively vice-president and former secretary of the section. R. Lee Barnes, vice-president of the United States National Bank, and president of the Portland Clearing-

also urged, in the case of Portland, that only by a report of the total transactions of its business for 1915, due to the consolidation of the First and Security National Banks and the purchases by the Northwestern National Bank of the Merchants National will the true condition of its business progress be indicated.

Little Time Required. It is declared that the plan, if adopted by the Portland banks, will require but 10 minutes additional time in the week for each bank to make this report. There will be a little additional work for the manager of the clearing-house in compiling the report each week for the banks and for the news agency, by Mr. Vincent, but it is declared that this additional burden will be almost negligible as compared with the good accomplished.

"There is everything in favor of Portland acting on this suggestion, so far as I can see," said R. Lee Barnes, president of the Portland Clearing-House Association, "and I shall bring the matter up before the next meeting of the clearing-house and recommend its adoption."

THRIFT IS ENCOURAGED

BANKS URGING SAVINGS SYSTEM ON SCHOOL PUPILS.

Survey Shows 398,540 Youngsters Carry Accounts With Aggregate Deposits of \$1,792,940.

Encouragement of thrift among school children is a propaganda of the American Bankers' Association, devoting a great deal of effort to determine just how far-reaching its influence was in this connection, the survey shows that 398,540 youngsters asked the Controller of the Currency

SYSTEM NOT LIKED

Chicago Banker Finds Fault With Reserve Rulings.

STATE BANKS KEPT OUT

E. D. Hulbert, of Chicago, Objects to Multiplicity of Control and Privilege of National Institutions to Do Trust Business.

Why state banks are unable to affiliate with the Federal Reserve system is the subject of a document recently issued by E. D. Hulbert, vice-president of the Merchants' Loan and Trust Company, of Chicago, who has given thorough study to the subject. Mr. Hulbert enumerates three principal causes that prevent the state banks from joining the system: multiplicity of control, the privilege granted to National banks to engage in trust business, and the prohibition against common directors. "At present," says Mr. Hulbert, "there appear to be four distinct departments of the Government having separate control over various phases of the Federal Reserve system. There are the Treasury Department, the Controller's Department, the Federal Reserve Board, and the Federal Reserve banks. State banks entering the system would still be subject to the control and supervision of state au-

\$25,000,000 Italian Government 6% One Year Convertible Gold Bonds

Dated October 15, 1915. Interest payable April 15 and October 15. Due October 15, 1916. EXEMPT FROM ALL ITALIAN TAXES. Coupon notes in denominations of \$1,000, \$500 and \$100, registrable as to principal only. Principal and interest payable in United States gold coin at the offices of Lee, Higginson & Co., Boston, New York and Chicago.

Convertible at the option of the holder, at maturity into one-year 6% Gold Notes of the Italian Government, par for par, which in turn will at maturity be convertible, at the holder's option, into 10-year 5 1/2% Gold Bonds of said Government, par for par. We regard the credit of the Italian Government as excellent and these notes as unusually attractive. The total annual interest charges on the national debt amount to only about \$3.28 per capita. The two conversion privileges give important rights of which the purchaser can avail himself later if he desires.

Italy, with a population of about 36,000,000, has today a national debt of about \$3,247,400,000, or about \$90 per capita. The Government owns about 76% of the railroad mileage of the country. It also owns all telegraph and substantially all telephone lines. These public utilities represent an investment of about \$1,396,000,000. If this portion of the debt, represented by productive assets, be deducted, the net national debt would be \$1,851,300,000, or \$51 per capita.

Italy's record for the last fifty years has been one of notable achievement. It has shown continuous increases in population, wealth and education, extraordinary gains in commerce and industry and a strong and steadily improving national credit. The year before the war its 3 1/2% consols sold as high as 98, placing its credit among the highest of European nations.

Savings deposits in Italian banks show constant gains: Deposits, December 31, 1883 \$222,096,000 or \$7.02 per capita 1913 1,163,230,000 or 32.68 " "

The 10-year 5 1/2% bonds, issuable under the convertible privilege, will be payable in lire as well as in dollars, which will give the opportunity to Italians to purchase them to send home, and in our opinion will make them attractive to investors in Italy at the close of the war.

The proceeds of these notes will be expended for merchandise and commodities purchased by the Italian Government in this country. Temporary negotiable receipts will be delivered pending preparation of the definitive notes.

We shall be glad to receive applications for these notes through any bank or trust company in the United States.

Price 100 and Interest, Yielding 6%

LEE, HIGGINSON & CO. BOSTON CHICAGO NEW YORK

The above statements, while not guaranteed, are based upon government statistics and other information which we believe to be accurate and reliable.

Subscriptions will be received in Portland by HALL & LEWIS, Lewis Building.

The Canadian Bank of Commerce

HEAD OFFICE Toronto, Canada. Established 1867. A general banking business transacted. Interest paid on time deposits. Commercial Letters of Credit Issued. Exchange on London, England, Bought and Sold. PORTLAND BRANCH, Corner Second and Stark Sts. F. C. MALPAS, Manager.

First-class residence loans at 7% Without Commissions Eastern Money

Commerce Safe Dep. and Mortgage Co. 91 Third St. Chamber of Commerce Bldg.

San Francisco Los Angeles

(Without Change En Route) S. S. BEAVER Sails from Alnsworth Dock 3 P. M., November 2. 100 Golden Miles on Columbia River. Berths and Meals. Berths and Meals. Table and Service Unexcelled. The San Francisco & Portland S. S. Co. Third and Washington Streets (with O. W. & N. Co.) Tel. Broadway 4500, A 6121.

Twin "Palaces of the Pacific"

"GREAT NORTHERN" "NORTHERN PACIFIC" Tuesday, Thursday, Saturday For San Francisco. Best of trip in daylight. 430 round trip daily till Nov. 30. One way, \$15. 200. All fares include meals and berth. Free transfer to and from North Bank Station. 9:30 A. M. and 4:30 P. M. Sunday, Wednesday, Friday. NORTHERN PACIFIC TICKET OFFICE FIFTH AND STARK Phone—Broadway 320. Tickets also at Third and Fourth, 100 Third St. and 518 Washington St.

FRENCH LINE

Compagnie Generale Transatlantique. SAILINGS FROM NEW YORK TO BORDEAUX LA FAYETTE Nov. 15, 8 P. M. LA TOULANNE Nov. 20, 8 P. M.

San Francisco

S. S. ROANOKE Sails Wednesday, Nov. 3, 6 P. M. COOS BAY EUREKA AND SAN FRANCISCO. S. S. KILBURN Sails Thursday, November 4, 6 P. M.

STEAMSHIP

SAILS DIRECT FOR SAN FRANCISCO LOS ANGELES-SAN DIEGO. Today, November 1, 2:30 P. M. San Francisco, Portland & Los Angeles Steamship Co., Portland, Oct. 31, 1915. Office—619 Market Street, San Francisco, or local S. S. and S. Agents.

AUSTRALIA

NEW ZEALAND AND SOUTH SEAS. Via Tahiti and Harbin to Wellington, connecting at Wellington for Sydney and Australian ports. Regular sailings from San Francisco November 15, December 8, January 5 and every 28 days. Send for pamphlet. Union Steamship Co. of New Zealand, Ltd. Office—619 Market Street, San Francisco, or local S. S. and S. Agents.

Daily Boat to The Dalles

Sts. DALLES CITY and STRANGER Leave Portland daily, 7 A. M., except Friday. Leave The Dalles daily, 7 A. M., except Saturday. ALBERT DOCK, PORTLAND Phone Main 914, A 5112. Baggage CHECKED From Home to Destination. TELEPHONES Broadway 1000 Home Phone A-3322

Table with columns for Seattle, Spokane, San Francisco, Los Angeles, showing weekly ending transactions and clearings for various dates from August 5, 1915, to October 19, 1915.

House Association, will bring the matter up for action at the next meeting of the clearing-house and urge its adoption.

The additional data is asked because it is generally agreed that the total transactions of the banks are much more reliable and comprehensive as a barometer of business conditions of a community. Clearings, it has been demonstrated, represent only about 40 per cent of the total business done by the banks of the country; that 10 per cent of the business dealings of a city are generally in cash, and that the remaining 50 per cent of the transactions which are of record on the books of the different banks, but which never become a part of the volume of clearings.

Thirty of the principal cities of the country for the past two years have been making such reports through their clearing-houses and they have been published week by week in Bradstreet's Journal. Included in this list is Spokane, Seattle, Los Angeles and San Francisco, the cities of the Pacific Coast territory. All these cities agree that total bank transactions are an index of the actual business done and a more sensitive barometer of expanding business than could be obtained in any other way.

Total bank transactions, it is shown, are obtained by adding together all of the charges made during the week against the deposits of the bank. Clearings on the other hand, are the totals of the checks that are exchanged between the banks. The transactions will include the clearings, but the clearings will only represent a part of the transactions. All of the dealings between the customers of the same bank, the items of patrons, all checks which are paid directly at the teller's window and all remittances from one bank to its corresponding bank are not made a part of the clearings records. It is further shown that the operations of the Federal Reserve banks, through their systems of clearing checks and dealing direct with member banks, will further reduce quite seriously the apparent returns of the total business of a given community through its clearing status.

It is also shown by those who have become interested in having total transactions reported, that there is lack of uniformity in the reports of managers of the clearing-houses as to what transactions should pass through the clearing-house. It has frequently been the practice, while some have bygone days than now, it is said, to "pad" the clearings by exchanging checks between banks, or by passing through the clearing-house balances, and which represent no commercial transactions. Many a city, it is said, has charged its rival city, "padding" the clearings statements, the real facts being evident when the reports have been compared with the business of the community seemed to justify.

The following comparison of total bank transactions and clearings of the four Pacific Coast cities referred to for the 10 weeks from August 5 to October 19, 1915, both inclusive, which gives the immense volume of actual business dealings which so unrecorded when reports of clearings only are given.

Table comparing total bank transactions and clearings for Seattle, Spokane, San Francisco, and Los Angeles from August 5 to October 19, 1915.

The foregoing shows that only 34 per cent of the bank transactions are recorded in the case of Spokane, 42 per cent in Seattle, 48 per cent in San Francisco and 58 per cent in Los Angeles. The aggregate total of unrecorded bank transactions for these four cities in only 10 weeks exceeds \$308,000,000, or 52 per cent of the total.

Washington Power Company Sued. CHEHALIS, Wash., Oct. 31.—(Special.)—The Northern Bank and Trust Company of Seattle has begun suit in the Lewis County Superior Court against the Lewis County Light & Power Company et al, to secure the foreclosure of a bond issue of \$250,000. Attorney's fees amounting to \$500, together with costs, are asked.

to procure what information he could concerning savings banks in schools of the United States.

As a result of the compilation he found that 1255 schools had instituted savings banks, that 238,549 pupils had accounts out of a total membership of 328,784 pupils, that the amount on deposit of special interest of the pupils who had started savings accounts had averaged \$128.50. To justify them in transferring their accounts to the regular banks.

ALLIES' LOAN BEING TAKEN

Minnesota Bankers Subscribe on Business Basis. While banks in Portland and other parts of the Northwest will not participate in the Anglo-French loan, the banks of Minneapolis and St. Paul intend to subscribe about \$5,000,000 to the issue. E. W. Decker, president of the Federal Reserve National Bank, of Minneapolis, explains that this is done on the part of the banks and individuals of the Twin Cities is taken solely for our own farm produce. Great Britain and France bought normally in excess of \$750,000,000 per annum from this country before the war began. Government reports would indicate that the United States has a surplus of wheat of about 400,000,000 bushels. It is, therefore, of vital importance to this section of the country that as much of a market be found abroad for our grain as possible.

L. J. WILDE SELLS INTEREST

Former Portland Banker Disposes of Stock in San Diego. Louis J. Wilde, until a few years ago engaged in various banking enterprises in Portland, has sold the controlling interest in the United States National Bank at San Diego to Frank C. Spalding, another prominent business man. Mr. Spalding has succeeded Mr. Wilde as president of the bank.

CONDITION DECLARED BEST

Henry Clews Says Country's Soundness Is Demonstrated. Henry Clews, the New York banker, compliments the American people for the coolness and calmness with which they have met the unusual financial and commercial transactions that have been concluded in this country within the last few weeks.

Counterfeit Notes Circulating. Portland banks have been advised that a new counterfeit \$10 National bank note on the First National Bank of Edmond, Okla. is in circulation. It is of the series of 1902-1908; check letter "D"; portrait of William McKinley. This counterfeit is printed from photo-mechanical plates on two pieces of paper, between which silk fiber has been distributed. It is a dangerous counterfeit. The back of this counterfeit is not so well-executed as the face. It is off color and the lathe work is somewhat coarse and the lines are broken in many places.

thorties, making an additional master. I hope this will finally be settled by placing the supervision and control in the hands of the Federal Reserve Bank of that district under the supervision of the Federal Reserve Board.

This would practically extend the present system of clearing-house examinations to all member banks and I believe no one familiar with this system will question the statement that it is immeasurably superior to any other plan that can be exercised by the controller's office. Proper Supervision Aim. "Our experience with clearing-house examinations, however, has demonstrated that bank failures can be prevented by proper supervision. I believe there has not been a single failure under that system and we all know that under its operations a great many banks, both National and State, have been cleaned up and put in good condition.

FEWER IRISH EMIGRATING

Fifty Per Cent Decrease Shown, to Refute Recent Charges. LONDON, Oct. 31.—John Redmond, the Nationalist leader, in a letter made public tonight in reference to statements which have been made to the effect that a large number of Irishmen are emigrating to escape conscription, quotes the figures of 1913, 1914 and 1915 showing "that Irish emigration has dropped in the most remarkable degree, at least 50 per cent, and the decrease continues." He adds that similar statements regarding emigration from Great Britain will be found on investigation to be equally devoid of foundation.

Payment for Coin Quicker.

A new regulation authorizing the superintendents of the New York Assay Office and the San Francisco Mint to issue checks for 99 per cent of the value of foreign gold coin deposits when presented in sums of not less than \$1,000,000, was issued by Secretary of the Treasury McAdoo Oct. 7. The remaining 1 per cent to be paid upon the completion of the melting and assaying of the coins. Heretofore only 90 per cent of the value has been paid on receipt of the coins; 8 per cent was retained for a few days later and the final 2 per cent when the assay had been finished. A considerable saving in interest will accrue to the depositing bankers as a result of the new ruling.

Spokane Condition Pleases.

D. W. Twoby, president of the Old National Bank of Spokane, in recent communications with Portland bankers gives expression to the following views regarding business conditions in that section: "There is a great disposition on the part of our people

A Quarter Century

of sound banking assures the security of your money when deposited in this strong National Bank. You are protected by CAPITAL: \$1,000,000.00 SURPLUS: \$1,000,000.00 Stockholders' Liability of \$1,000,000.00 Member Federal Reserve System. Our modern banking facilities assure prompt and attentive service.

The United States National Bank

Third and Oak Streets Portland, Or. Pays Liberal Rate of Interest on Savings. 4% on Certificates on Savings.

is of the series of 1902-1908; check letter "D"; portrait of William McKinley.

This counterfeit is printed from photo-mechanical plates on two pieces of paper, between which silk fiber has been distributed. It is a dangerous counterfeit. The back of this counterfeit is not so well-executed as the face. It is off color and the lathe work is somewhat coarse and the lines are broken in many places.

THE BANK OF CALIFORNIA NATIONAL ASSOCIATION

of San Francisco. Founded 1864. Capital paid in gold coin \$8,500,000.00 Surplus and undivided profits 8,232,962.26 Commercial Banking. Interest paid on Time and Savings Deposits. PORTLAND BRANCH, Corner Third and Stark Sts. Wm. A. MacRae Manager. J. T. Burtchall Assistant Manager.

NORTHWESTERN NATIONAL BANK

Sixth and Morrison. With which is included by purchase The Merchants National Bank, transacts a general banking business. Interest Paid on Time Deposits. Safe Deposit Vaults Resources Over \$9,000,000

The Citizens Bank

25 Years Old. Grand Avenue and East Alder. The East Portland Bank.