

**SEVENTH ANNUAL REPORT  
OF THE STATE EXAMINER OF  
THE STATE OF WASHINGTON,  
DECEMBER 31, 1913**

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Seventh Annual Report of the State Examiner of the State of Washington, December 31, 1913  
by W. E. Hanson

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**W. E. HANSON**

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*Annual report of the supervisor of banking*

**SEVENTH ANNUAL REPORT**

OF THE

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**STATE EXAMINER**

OF THE

**State of Washington**

*Washington (state) banking dept.*




**DECEMBER 31, 1913**

BY

**W. E. HANSON**

**State Examiner**

OLYMPIA, WASH. :

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ROSTER OF THE BANKING DEPARTMENT.

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W. E. HANSON, *State Examiner*.....Olympia  
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FORREST I. GILL, *Deputy State Examiner*.....Spokane  
MISS MAY WENHAM, *Secretary*.....Olympia

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State Banking Department

STATE BANKING DEPARTMENT.

STATE OF WASHINGTON.

OLYMPIA, WASH., December 31, 1913.

*Honorable Ernest Lister, Governor of the State of Washington, Olympia:*

SIR—In accordance with section thirty-eight (38), chapter two hundred twenty-five (225), of the Session Laws of the State of Washington for 1907, I have the honor to submit herewith the seventh annual report of this department, which exhibits the condition of two hundred fifty-eight (258) state banks and trust companies, and nine (9) trust companies not acting in a banking capacity, operating in this state at the close of business at date of last call, October 21, 1913.

76.1.75





**SEVENTH ANNUAL REPORT OF THE STATE  
EXAMINER.**

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During the year 1913, five reports were asked for and made to this department, on the same dates reports were made by the national banks to the Comptroller of the Currency, to-wit: February 4th, April 4th, June 4th, August 9th, and October 21st.

During the year 1912, nine state banks were organized; there were three consolidations; one nationalized, and one liquidated. None failed.

During the year 1913, twelve state banks and trust companies were organized; there was one consolidation, and one liquidation, and no failures. This will show the development of our state, and that the banking business is being conducted along safer and more conservative lines.

During 1914, no doubt many banks will be organized, as the 1913 legislature passed laws compelling private banks to incorporate on or before January 1st, 1915, or discontinue business. Indications are that practically all the forty odd private banks will ask for state charters.

During 1913, two hundred seventy-four regular examinations were made, according to law, of state banks and their branches, and trust companies, including those that are doing a banking business, as well as those doing exclusively a trust business. For these services, \$11,153.60 in fees were collected. The fee is \$25.00 for each examination, and 1-200 of 1 per cent. of the deposits at the date of examination. In addition to the regular examinations, a number of special examinations were made, also examinations prior to issuing charters, for which the law does not require fees to be paid. All fees collected by this department are deposited with the State Treasurer, and not used in addition to our appropriation, in defraying the expenses of this department, as is quite generally understood to be the case.

The annual corporation tax, paid by banks, which amounts to nearly \$4,000.00 a year, is paid to the Secretary of State, for which the banking department gets no credit.

This department has refused a number of charters, during the year, for various reasons, the principal one being that the field was too limited to establish another bank, in the locality where the charter was requested. By experience, we have found that one successful bank in a community, with a limited amount of deposits, can serve it with greater safety to the depositors, than where the territory is divided between two or more institutions.

Assessments against the capital stock of banks have been made during the year to take care of losses, thereby properly adjusting the banks' affairs.

It is the policy of this department to exhaust every effort to properly adjust the affairs of an institution, before closing its doors.

The following laws and changes in the banking and trust company laws were made at the last session of the legislature, and can be found in the 1913 Session Laws of Washington:

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It is the custom of all banking departments to make recommendations in their annual reports, of the banking laws that could be of benefit to the banks and general public, and to call attention to the faulty banking laws now on our statutes. For several reasons, we have decided not to follow this rule in making our 1918 report, the principal reason being that the national currency bill which has just become a law will, no doubt, make it necessary for the next legislature to change our state banking laws materially. The bill provides that state banks may become member banks by subscribing for the capital stock and qualifying the same as national banks.

Another reason is that the recommendations of this department in the past have not met with the desired results. We do recommend, however, that prior to the next session of the legislature, the parties interested in good and reasonable banking laws, get together thirty or sixty days prior to the convening of the legislature, and devise some way to bring before the legislature, in a tangible form, devoid of all politics, the necessary changes in our banking laws.

Under the law, the title of the chief of this department is "State Examiner," and the deputies "Deputy State Examiners," and not "State Bank Examiner" and "Deputy State Bank Ex-