

# The San Francisco Stock & Bond Exchange

By

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**S**TEADY growth of California and continued development of San Francisco as the financial center of the Pacific Coast, should please all those who have an interest in the development of this important community. There is probably no barometer of economic business growth better than a stock exchange, and similarly the existence of a real stock exchange in any city has much to do with the progress that business in that community will make.

Few San Franciscans realize the important role that is played by the San Francisco Stock & Bond Exchange among the security markets of the world, and accordingly, some comparative figures will be of interest. In growth of bond business, the San Francisco Stock & Bond Exchange in 1924 showed a larger percentage increase over 1923 than did any other Exchange in the country, including the New York Stock Exchange. In actual volume of business transacted in stocks, 1924 volume was 6,848,625 shares of \$102,778,333 market value against 5,948,638 shares of \$83,387,438 market value in 1923. In volume of shares handled, San Francisco leads such cities as Philadelphia and Boston and it is interesting that the average volume of business in bonds over the past four years on the San Francisco Stock & Bond Exchange is twice as great as the combined volume on the Chicago and Boston Exchanges. The San Francisco Exchange stands easily second among the bond markets of the United States, and third in the total volume of business transacted. The comparative price paid for Exchange membership is also of interest:

New York Stock Exchange.....	\$106,000
San Francisco Stock & Bond Exchange.....	30,000
Boston Stock Exchange .....	7,000
Chicago Stock Exchange .....	5,500
Los Angeles Stock Exchange.....	4,500
Philadelphia Stock Exchange .....	2,600

An Exchange, as mentioned above, is beneficial to the development of business in the community. This, because by supplying facilities for buying or selling securities, corporations can obtain funds necessary for their growth from investors or speculators who are seeking profitable employment of their funds. New listings of securities on the San Francisco Stock & Bond Exchange each year are an index of both the growth of the Exchange and its environs. In 1924 twenty-five new issues were listed, which is a record for any one year, and these listings have made an increase in the par value of corporation bonds outstanding in the hands of the public from \$696,570,560 to \$783,406,260, and in number of shares from 50,278,905 to 58,153,320. To quote Sidney Schwartz, President of the Exchange, in his annual report for 1924, "This record is of more than passing importance for several reasons: It represents the recognition by the corporations whose securities are listed, of the position that the Exchange holds as a security market, and their confidence in its future growth; it broadens the scope of approved issues available to the investing public; it is indicative of the industrial and commercial growth of California; and is a tribute to San Francisco as a financial center."

The San Francisco Stock & Bond Exchange was founded on September 18, 1882 by seventeen brokers who originally paid fifty dollars for their membership. The membership now consists of 46 active memberships and 17 associate memberships, and as mentioned above the price of the last active membership was \$30,000.

From time to time, competitors have sprung up, but as one Exchange in one community is the only economic possibility, such competition has died down almost as fast as it has occurred. Such competition, however, has been beneficial. It has stimulated interest in the Stock & Bond Exchange, and it has supplied an impetus to the normal growth of that body.